

## INTRODUCTION

### 1.1 General Background of the Study

Nepal is a small Himalayan Democratic Republic Country located in between two big economic powers of Asia, China in the North and India in the East, West and South with open border. Nepal is least developed, landlocked and geographically disadvantageously placed country. Its location is in the northern margin of south Asia. The country covers an area of 147,181 square kilometers, which accounts as 0.03 percent of land area of the earth. The absolute location of Nepal lies between 804" to 882" east longitude and 2622" to 3027" north latitude. The country has nearly 800 kilometers length and 160 kilometers breathe in its spatial extension mainly along the south slope of the Himalayas (Upadhyay, 2006).

Nepal opened its doors to tourism in the early 1950s when Hillary and Tenzing first climbed Mount Everest in 1953. Mostly visitors have been memorized by the magic of Nepal's kaleidoscopic natural scenery and the cultural mosaic of its people and history. Even lord Shiva during ancient past settled back in Nepal due to its fascination motivating Hindu pilgrims to visit holiest places. Similarly, birth of Lord Buddha draws the attention of global Buddhist community. Nepal is strongly position as a preferred nature, culture and adventure destination in the world tourism map with wide range of products to offer visitors. Using tourism as a powerful driver of development the vision seeks to build on past planning initiatives, the sector has developed faster since the first tourism master plan 1972 (Ministry of Tourism and Civil Aviation-MOTCA ).

Nepal is considered as a paradise for ornithologist nature's lovers, trekker and researcher of various disciplines. The country is recognized for its unique and pristine natural and cultural diversity with immense heritage sites of aesthetic architecture, historical and social significance with its natural beauty and cultural heritage like Mount Everest (crown of the world) show peak Mountains, birth place of lord Buddha (apostle of peace) and Godness Sita, a number of lakes and rivers etc. Nepal is an attractive destination for tourists from all over the world. Numerous interesting

natural and cultural sites have attracted tourists of different parts of the world. Nepal has wider prospects in promoting tourism, because it is probably one of the most fascinating and beautiful countries in the world.

Nepal is popular through the point of view of unmatched natural products like Mt. Everest, Himalayan range, diverse landscape, diverse flora and Fauna, flowing rivers, year round pleasant weather etc. these are the ultimate adventure destination for the mountaineers and trekkers. Rich culture with Multicultural, multi-ethnic, multilingual, harmonious society, unique Newari architecture of Kathmandu valley, Lumbini and other UNESCO world heritage, sites, more festival than day in a year, tourists friendly and hospitable people, diverse cultures in terai region etc. are the strengths of Nepalese tourism. So, there are many beautiful places and section which are distinct and carry huge potentials for tourism development.

Ever since Nepal opened its door to the world in 1950s, the tourism sector faced many challenges and problems due to the lack of capital and proper management. Nepal has been facing such problems in developing essential infrastructure for tourism development. One of the biggest problems besetting this sector is the increasing level of environmental pollution in the tourist area. Tourism is valued as the major contributor to sustainable for the Nepalese economy having developed as an attractive, safe, exciting and unique destination through conservation and promotion leading to equitable distribution of tourism benefits.

Tourism is important not only from the point of view of foreign exchange earnings but it also enhances scope for various industrial branches like hotels, motels and other food services, amusement, and other leisure activities gift-shops and large number of other enterprises such as fruit production and processing etc. tourism is instrumental in the economy of Nepal in the process of regional development of agriculture and industrial sector. Therefore the objective is to create a vision of Nepal's development based in tourism development.

Tourism plays an important and influential role in creating economic activity in regional level. Be it transportation, local retailers, handicraft, export local food consumption or herbal medicines all are directly or indirectly influenced by tourism. So, the Nepal has only one option with which it can address poverty and gear for

economic development and that is tourism. Nepal has the highest mountains in the world including Mount Everest, world class trekking and mountaineering peaks, 10 national parks, conservation areas, 1 hunting reserve, 2 wildlife reserves, temples and medieval architectures that can easily attract tourists there by contributing to a large amount of foreign exchange earnings. All of these present a potential opportunity to sell Nepal as a tourism product. We are fortunate to have beautiful Himalayas, lush vegetation and vary biodiversity and wildlife which can be offered as eco- tourism product (Upadhyay and Grandon, 2006).

An essential outcome of the Tourism 2020 vision is quantitative forecasts covering a 25 years period, with 1995 as the base year and forecasts for 2010 and 2020. In Nepal MOTCA in consolation with its industry partners has development Nepal Tourism vision 2020 to guide overall tourism development and promotion throughout country.

Government of Nepal has rolled out new tourism policy 2065, which intends to reinforce Nepal as an attractive, beautiful, and safe destination in the international tourism map. The policy aims at increasing employment opportunity for livelihood; increasing productivity and living standard of general public; and increasing economic growth along with contribution to the revenues, by augmenting the magnitude of tourism activities and enterprises of tourism sector such as air lines, hotel, travel and tour. The policy emphasize on domestic, village, sports, education, agro and health tourism (NTB, 2009).

The main source of in and out bound tourist include in this research are mainly based on annual publication of Nepal Tourism Board. Apart from breakdown of tourist, the publication also includes tourism related data such as total foreign earnings, earnings from tourism, international and domestic airlines movement, hotel occupancy, mountaineering, trekking etc. The publication will be very helpful to fulfill the data gap and explore possibility for the development of tourism sector.

## **1.2 Statement of the Problem**

Being many possibilities in the development of tourism, there are some hindrances in the tourism of Nepal. Some problems are related with the infrastructure of the tourism like transportation facilities, hotels, restaurant, trekking guides and information dissemination etc. On the other hand, major problems are associated with the planning

and management of the tourism business. However, the main problem is laid on the economic issues whether Nepal is being benefited by the tourism. Does tourism have higher opportunity cost in Nepal? What sort of tourism should Nepal focused? Can tourism sustain in Nepal? What are the contributions of the tourism in Nepal? There are many possibilities however, which can be promoted for the sustainability and the existence of the Nepalese tourism. To know the reality of the impact of the Nepalese tourism, it is very much necessary to the sense of doing on and promoting on tourism. The economic burden and the opportunity are to be compared so that the comparative advantage can be judged. So, to get the real economic impact of tourism this study analyses the overall data of the Nepalese tourism so far the data are available. Hence, the thesis has tried to answer the following research questions:

- ) What is the contribution of tourism on Nepalese economy?
- ) What are the potentialities of tourism in Nepal?

### **1.3 Objectives of the Study**

The general objective of the study is to analyze, the prospects and problems tourism in. The specific objectives of the study are as follow:

- i) To examine the contribution of tourism in GDP of Nepal.
- ii) To identify the problems and prospects of the tourism in Nepal.

### **1.4 Significance of the Study**

Nepal is recognized as an ideal tourist destination for culture and nature lovers. Diversity in terms of geography, ethnic communities and cultural heritages is the defining characteristic of Nepali society. Tourism development in Nepal is largely dependent upon expanding linkages between nature conservation and tourism. While Nepal's rich natural heritage attracts a large number of nature loving tourists, the country also suits the taste of other types of visitors like the culture lovers, sports persons and adventure seekers as well. Its hospitable people and their rich and colorful socio-cultural heritage are the major attractions of the people from the western parts of the World. Getting the economic impact of tourism in Nepal, the policy maker can make the economic policies based on the impact of tourism in Nepal. It provides guidelines for the development of sustainable tourism to the

planners, Ministry of Tourism, Nepal Tourism Board, NGOs/INGOs, District Development Committee and all the organizations related to tourism. It may largely contribute to reduce the poverty in Nepal. Those who are involved on the tourism profession can get benefit from this study. We can get the strength of tourism in Nepalese economy.

Tourism can be regarded as the most potential and feasible sector of Nepalese economy. It has been recognized as one of the most important sectors of national economy. The potential of tourism to contribute to pro-poor growth and hence poverty reduction in any given area clearly needs to be considered in the light of the alternative opportunities available. In many rural areas of the country, there are no viable alternatives other than tourism. Therefore, tourism should be considered as one of the most important economic development opportunities available to the developing countries like Nepal.

### **1.5 Limitations of the Study**

All the research work has own limitation and purpose; no study can be made beyond the limitation. The present study is limited to Nepalese tourism and it does not cover other than the tourism area in Nepal. All the information is based on data disseminated by the various government and non-government agencies in Nepal. The sources of data collection are secondary. This study is mainly concerned with the economic impact of tourism and the problems of tourism in Nepal. Due to the lack of time, accurate information, this study may not show the various issues of tourism.

### **1.6 Organization of the Study**

This research report is divided into five chapters. The first chapter introduction deals with the topic with some background information. It also presents the background, statement of the problems, objectives, significance, limitations and organization of the study. The second chapter is the review relevant literature. The third chapter includes methodology of the research and the fourth chapter presents data analysis. Finally, the fifth chapter includes summary, conclusion and recommendations.

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

This chapter discusses conceptual framework about problems and prospects of tourism, with the relevant literatures such as books, dissertations, thesis, articles, bulletins and empirical findings.

National Committee on Tourism, India defined it as, "The new phenomenon of traveling in pursuit of leisure, culture and the quest for knowledge about alien lands con notes the concept of tourism, the growth of tourism is closely related to the ease and speed of travel, economic growth and political development" (Mohanty, 1992: 43). Tourism grew gradually over the years as easier and faster means of travel became available. Mass tourism started in Europe only in late 19th century but today it is a worldwide reality. "Today tourism revolution is sweeping the global, a revolution promising much and delivering a great deal. It has emerged as the most lucrative business of the world, having tremendous potentially for earning foreign exchange, yielding tax revenue, promoting growth of ancillary industries, generating income and employment and in the development of industrially backward region thorough its various linkage effects" (Singh, 1975).

Tourism is one of the major sectors that lead for the development of Nepal. Tourism is one of the major productive sectors in Nepal provided by the various opportunity and natural strength of Nepal. Income, employment and foreign currency earned in tourism can be increased through the proper utilization of the natural resources, existing flora and fauna and the diverse culture and religion. Poverty and unemployment problems can be decreased at the same time. Furthermore, investment in tourism can be increased by the inflow of the foreign currency and capital in Nepal. Thus, tourism is a stimulus package for the development of Nepal.

#### **2.1 Review of the Nepalese Literature**

The history Nepalese tourism can be found from ancient times. People visiting Nepal from different countries of the world for the exchange of culture and for pilgrimage were popular. The recorded history of Nepal begins with the Lichhavis who came to power in 400 A.D. With them the nation began to prosper in art, culture, painting,

architecture and sculptures. The Mallas, who succeeded them, gave a new turn to this prosperity by transforming the small kingdoms of Kathmandu, Patan and Bhaktapur into "Open air Museum of art and Architecture". But efforts to earn foreign currency to accelerate development through tourism were nil, and there was no link between tourism and national economy. After centuries, the democratic revolution of 1951 AD, marked a new era in Nepalese Tourism for all foreign visitors. Nepal opens its door to international tourists after the dawn of democracy. For convenience, development of tourism in Nepal can be remembered by dividing it into three phases.

- i. First phase: History of Tourism before 1950.
- ii. Second Phase: History of Tourism from 1950 to 1990.
- iii. Third Phase: History of Tourism after 1990.

#### **i) First phase: History of Tourism before 1950**

The ancient history of Nepal is the history of Kathmandu valley and the ancient history of tourism is also related to the Kathmandu valley. The Kathmandu valley took birth when a visitor name Manjushree came here from China, cut the edge of the hill in Chovar with a sword and emptied the water of the lake. After this in 249 BC, emperor Ashok of India visited Nepal as a pilgrim and erected a Monastery entitled 'Charumati Bihar', and also four Buddhist stupas in the four corners of Patan. During the Lichhavi period, most of the foreigners visited Nepal as pilgrims. At this period, the great emperor of Tibet named Shrangchong Gampo visited rule of King Anshuvarma and married the Nepalese princess Bhrikuti. The Chinese visitor Huan Tsang described in his travel accounts the Kailaskut Bhawan and Mangriha of Lichhavi dynasty.

Similarly, around 6th century, in the Kirati Regime, some foreigners visited Nepal as pilgrims in Malla Regime there was a significant development in art and culture, and then rulers of Nepal were more or less interested in greeting travelers who entered into the kingdom of Nepal as pilgrims. Krishna Mandir of Patan, 55 windows palace of Bhaktapur, Pashupati Temple, Swayambhu and Stupas of Buddhist were built during this period.

After the unification, the rulers of Nepal had not made any attempt to develop tourism in Nepal on the contrary the policy of the government was not let tourist enter into Nepal, except in some special cases. In the Rana's regime for 104 years the policy of the government was not favorable for tourism development. Only during the great festival of Shivaratri, permission was given to Indians to enter into Nepal as pilgrims. Till 1950 only 100 foreigners visited Nepal (Pokhrel & Karki, 2055). The restrictions on tourists to enter into Nepal during the Rana regime of 104 years adversely affected tourism in Nepal. As a result there was a lack of foreign exchange earnings from tourism for the development of infrastructure in the country.

## **ii) Second Phase: History of Tourism from 1950 to 1990**

A great political change took place in 1951 in Nepal. The Rana government was overthrown from power and Nepal got a new birth i.e. democracy was brought in the country. Thereafter, a rage of development in the country, internal as well as external communication and transportation tasks began to start. Many foreign countries started to help for the development of Nepal. In actual sense the promotion of tourism started more or less only in the beginning of 1960s. The then government made attempt to the development of tourism with liberal tourism policy relatively than there before. In 1965, John Copman, who was running 'Tree Top' in Africa, came to Nepal and being impressed with dense forest and wild animals started 'Tiger Top', first Jungle Resort.

Similarly, James Robert, Ex-British Army-man who was in British India came in contact with Nepalese Gorkha soldiers and with their links came to Nepal and introduced trekking tourism by opening company named 'Mountain Travel' in 1965, which still runs to this days. And Edmund Hillary introduced and promoted mountaineering in Nepal.

In 1953, Tenjing Sherpa and Sir Edmund Hillary succeed in climbing the world's highest peak Mt. Everest. After getting membership to the UNO in 1950, Nepal gradually became known to the world. In the auspicious occasion of the coronation of His Majesty King Mahendra in 1956, government head and diplomat from different countries of the world visited Nepal. After these travelers, political and commercial delegation began entering in Nepal.



Diplomatic, cultural and economic relationship with different countries were set up, with increasing diplomatic relationship with different organizations like UNO, WHO, UNESCO, FAO etc. a congenial atmosphere was created in Nepal for tourism development.

A new era of Nepalese tourism started in November 1957 when a 'Tourism Development Board' was established under the chairmanship of minister for trade and Industry. In 1958, this 'Tourism Development Board' has transferred to Ministry of Public Works, Transportation and Communication. In 1959, this has attached to the 'Department of Construction and Communication Works', and directorate of tourism were opened. Similarly, 'Tourism Information Center' was established this year. In such organizational development process, in 1961, the government decided to established 'Department of Tourism' with the establishment of this department, the country got an opportunity to obtain membership of various international tourism development institutions such as International Union of Official Travel Organization (IUOTO), South Asian Travel Commission (SATC), The Pacific Area Travel Association (PATA), and American Society of Travel Agent (ASTA).

In 1970, Nepal Tourism Development Committee was constituted under the chairmanship of late prince Himalayan Bir Bikram Shah. In 1972, the committee published 'Nepal Tourism Master Plan' with technical assistance from the government of Federal Republic of Germany. The master plan had been prepared for further development in the field of tourism started to be considered the country, tourism started to be considered as an industry and for its development efforts have been made to distributed posters, booklets to international organization and to provide sufficient hotel facilities and transportation facilities to tourists. As a result, there was 41 fold increases in tourists visiting Nepal, 6179 tourists in 1962 and 2548885 in 1990.

### **iii) Third Phase: After 1990**

This is the period of globalization. In this period there was institutional and infrastructural development of tourism. Although in Nepal only international tourists are mainly recognized as tourist and all policies and program have been focused around them only. Still a careful analysis of the events related to development of tourism in Nepal suggest that in the decade of nineties there has been much more

conscious efforts to globalize the tourism activities with view to globalizing the economy of Nepal also.

The Eighth Five Year Development Plan was a bold enough to acknowledge the defects of policies pursued and their net efforts on achievements. The plan has designed some objectives for tourism:

- ) To improve the quality of services and facilities relating to Tourism.
- ) To develop necessary infrastructures for the tourism sector and expand the tourism sector and expand the tourism activities to other places of the country.
- ) To forgo a close coordinating link between tourism sector and other sectors of the economy.
- ) To argument the use of local materials and services in the tourism industry.

Similarly, the ninth plan had noted that "The tourism industry can be developed as an important sector of the national economy on account of its comparative advantage engendered by exiting attractive features and special geographical location of the nation." The plan also carried out some policies to develop village tourism.

The tenth plan has also focused the tourism sector as an important organ of the national economy which will not only contribute to the national economy but will not only provide benefits to foreign tourist as well as increase the income generating and employment opportunities. The plan has set some objective relating to tourism sector such as qualitative promotion of tourism sector, conservation and preservation of historical, cultural, religious and archaeological heritage and enforcing their practical utilization and to make air transportation services easily accessible standard and reliable.

Shrestha (1998), attempts to assess and evaluate the existing tourism marking, promotional efforts and its impact on tourism development in Nepal. The study has clearly shown the paucity of marketing efforts of Nepal. This study aims to assess tourism market in Nepal and the level of satisfaction of tourist and identify their source of information. In this study, both primary and secondary data are used and econometric model is also used for data analysis purpose. He states that tourism is the biggest and the fastest growing industry in the world. In international tourist market,

during the period 1950-1997, tourism receipt grew from US\$ 448265 million. Similarly, in Nepal, earning from tourism, in terms of convertible foreign exchange has increased from US\$ 0.1 million in the fiscal year 1961/62 to US\$ 119.1 million in 1995/96. However Nepal has not been able to earn as per the growth of visitors or compared to market potential. He opines that the single most importance experience satisfying tourist visiting Nepal is the hospitality, friendliness, humbleness, honest and welcoming attitude of the Nepalese. The second important source of satisfaction for tourists was the natural sites and scenery specially the majestic Himalaya.

Shrestha (1999) studied the problems and prospects concerns of tourism in Nepal. The specific objectives of the study were to assess the role of tourism in the economy. The study based on both primary and secondary data found that that the role of tourism industry has great importance in Nepal. The net earning form tourism sector is greater than other sectors. The share of tourism in term of GDP comes down to 3 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 to 1996/97. Despite the facts, tourism is one of the main contributors of convertible foreign currency sharing 16 percent of total exchange earning in 1996/97. The study points out that there is significance differences in the perception of tourists and that of expects regarding the visit, activities under taken during their stay and the level of satisfaction of visiting Nepal. This indicates that the experts have not been able to understand the tourists need adequately. Thus it should be considered as one of the lacuna of tourism industry in Nepal. Thus Nepal as a host country should be in a position to fulfill the needs and desires of the tourism industry, but Nepal has not been able to reap its benefit due to many reasons. The lack of sufficient investment, proper planning and lack of vision are main cause for not being able to utilize the resources. The problems of air accessibility, lack of proper marketing and promotional strategy, inability to diversity tourism product, inefficient service delivery system, lack of co-ordination between public and private sector are the main hindrance to promote tourism industry in Nepal. To overcome their problem, she recommends introducing both urban and rural based tourism product. The tourism industry should be in a position to meet the demand of visitors and be able to introduce package program for them. The potentials tourism areas should be developed for regions development. The quality of services should be given top most priority for the convenience of the visitors.

Chand (2000) explains that tourism has contributed to the overall growth of the economy therefore any measure that tend to negatively affect the tourism sector will affect the performance of the entire economy of the country. The sector of influence of tourism has expanded tremendously and if better plans; more enduring support from the government and if more investment is ploughed in to this sector it can its area of influences.

Dhakal (2002) has described Nepal is a holy place for natural as well as cultural heritages. It has been carefully emphasized on natural and cultural resources of Nepal. The title of each article covers a wide variety of themes ranging from society, religions, festivals, art and architecture and of course tourism with nature and society.

Kunwar R. (2002) signifies to the cultural village tourism and research methodology in the case study of Sauraha, Chitwan. The study based on the Tharu's culture of Nepal finds that the guest and host relationship makes balance through the cultural village tourism. The cultural values might be exchanged of the destination area by cultural tourism. Emphasizing cultural and others tourism activities go forward side by side which enriches tourism industries in Nepal. Now cultural tourism is acceptable for both host and guest. This is also model of village tourism of Tharu culture which provides mote ideas to the village tourism of this study area.

Panta, A. (2002) writes tourism has been identified as an industry with strong competitive advantage and this also has been listed as the second important thrust area in the perspective vision of the ninth plan. He identifies a special attention to be given in the development of the infrastructure and the product, standardization of the industry, developing infrastructure for self-regulation, strong monitoring and supervision, promotion at the originating markets, maintenance and upkeep of product and resources, preservation of the ecology and taking preventing measures, upgrading the quality of service etc.

Gurung, D. B. (2003), tourism has providing varieties of opportunity and for employment to the local people. Likewise, it has helped to develop the infrastructure, preserve the local culture, and encourage the environmental awareness in the local area. However, there are not only positive changes but also exist negative changes at the same time. He recommends that the harsh geographical nature and less

opportunity of the development infrastructure in the local area it is hard to establish large scale industries. Consequently, both skilled and non-skilled local people may be deprived of job opportunities. In such situation, tourism can be only strong alternative to uplift the socio-economic condition. For this, essential infrastructure related to the tourism should be prepared, natural beauties as well as cultural heritages should be preserved.

Pandit, S. B. (2004), due to the local youths have found employment in the tourism sector they have foreseen a good future for tourism in Sauraha. He focuses to keep safe up the local traditions and culture for tourism development in the local area. It provides income as well as the sustainable development of tourism.

Subedi (2006) concludes that a total number of 375398 tourists visited Nepal during 2005 showing a decrease of 2.6 percent, adventure tourist posted the highest average length of stay in the country. The average length of stay was recorded as 9.09 days. Visitors entering by air constituted 73.88 percent whereas 26.12 percent entered Nepal by land in the same year. Similarly, male visitors comprised 68.72 percent while female visitors accounted for 31.28 percent and age group recorded the highest share by 31 to 45 year 30.40 percent followed by the 46 to 60 years 28.26 percent. In his study he finds that the share of male tourist is always dominated in Nepal. He suggests under the new democratic set up, government has to declare for the sustainable development of the country providing solace to the people. Plans and programs are to be implemented effectively rather than limiting in speeches and papers. Proper attention to tourism is necessary for the economic prosperity of the country.

Pokharel (2007) has highlighted that tourism can be really a socio-economic force and a leading sector because there is good backward and forward economic linkages. This study aims to analyze the trend of tourist arrival and its role in economic development of Nepal. Regression analysis, t-statistics, F-statistics are used as model for analytical purpose. There are many avenues of investment and employment creation. His analysis depicts that the tourist arrival shows the most of the tourist prefer by air to come Nepal and least number of tourist come Nepal by land. In 2005, 74 percent out of total tourist arrived by air and only 26 percent tourist arrived by land which was 77 percent and 23 percent respectively in 2004. Average length of stay of tourist is

fluctuating year by year because of various socio-political and development factors. A range of average length of stay varies from 7.92 to 13.51 days. In 2005, average length of stay of tourist was 9.09 days which was 13.51 in 2004. Analysis of continent-wise tourist arrival in Nepal shows that Asian tourist contain more in the various year which is followed by Western Europe, North American, Eastern Europe, Central and South America and Africa, sex and age wise analysis of tourist arrival in Nepal shows that the male outnumbering female and most of the tourist belong within 31-45 years of age. He recommends that Nepal should extend the range high value Nepalese tourist products, extend the stay of sight-seeing visitors and increase the opportunities for tourist to spend on. The government has to give top priorities and local government has to make clear vision for tourism development and mobilization of their resources.

Tourism as a Leading Sector in Economic Development of Nepal has opined that many countries have made various attempts to promote tourism industry as a means of economic program. He has given the due suggestions to develop the tourism industry in Nepal. He has advised that tourism sector has the potential to link the backward Nepalese economy with the forward economies and to induce the other sector of the economy. The main objectives of this study are to analyze the role and impact of tourism and to study the scope for globe linkage of the Nepalese economy with special reference to tourism. This study also aims to find the induce factors which can help to pave the process of industrialization to put the economy on the path of rapid economic development. He concludes that the direct impact of tourism as earning foreign exchange has been improving. But if it is analyzed with respect to merchandise trade, overall foreign exchange earnings in the economy, it is found that the role of tourism sector has been shrinking. Even the ratio of foreign exchange earnings of tourism and GDP has not been increasing in the last few years. These trends are particularly observed since the decade of 1990s when the overall foreign trade of Nepal has increased rapidly due to the opening up of the economy. Foreign participation in the tourism industry remains confined to mainly hotels, resorts and restaurants. Foreign investors have not been encouraged to participate in new areas of activities related to tourism in Nepal (Upadyay, 2006).

Ghimire (2008) has found the problems and prospects of rural tourism and around the study area. She used the both explorative and descriptive research designs and also has used the qualitative and quantitative technique depending on the nature and source of data and other information. She has adopted stratified random sampling technique. To involve in tourism industry, tourism policy making of implementation with special focus on rural tourism have been interview through checklist method. She concluded that in the scenario of low productivity in an agriculture sector. Tourism can be a high productive sector to compensate the unemployment and disguised unemployment prevailing in the country. It has comparative advantages than other industries such as it has low opportunity cost, it takes low gestation period to give returns. It can involve the lower strata of the people of all ecological zones, involves women and ethnic groups and bears direct relation to all dimensions of life like culture, environment, nature, behavior of people. Tourism also has a very significant contribution to GDP, foreign exchange earnings, government revenue, employment and its indirect and induced effects it fulfills basic requisites of development such as it adjusts with decentralization and good governance, open base for greater role of women as partners for development and space for gender equity. In this basis, tourism can be a leading sector and socio-economic force in the economy of Nepal.

She has recommended that the rural tourism with the rest of the economy. It is expected to create various types of production opportunities, income and employment generation.

Undoubtedly, tourism has brought immense positive effects to change the economic status of the people, help to develop many rural areas in terms of socio-economic perspective. Still, there is urgent need to think of negative consequences and design the measures to minimize its magnitude. Otherwise, the tourism attraction of the country gradually heads towards its perils. Community based tourism can be effective in many cases where is a need for creating effective ownership feelings for tourism resources (Upadhyay-2008).

Upadhyay, (2008), entitled “A Study of Rural Tourism in Nepal Measures to Minimize the Negative Impact” has found that tourism products of Nepal are in rural areas and tourism development in such areas can prove to be an effective vehicle for sustainable economic growth in this sector. It is also need of the time to make a very

conscious efforts rural sector of the country. Besides, it is the right of people to promote their life standard through the optimum utilization of the resources, as most of the resources need special proactive planning and some intervention from local government bodies and from national level also. Community based tourism can be effective in many cases where is a need for creating effective ownership feelings for tourism resources. To gauge the magnitude of negative impact and help take further corrective measures, sets of indicators have been suggested. He suggested the following measures for sustainable rural tourism development of the country and to correct many problems facing the tourism sector:

1. Analyze the present tourism carrying capacity and set targets for number of tourists Nepal want to bring in a given period of time.
2. Find out the products that can be fit for the targeted number of tourists Nepal want to bring in a given period of time.
3. Identify the necessary infrastructure in the prioritized area of tourism products. If the prioritize products cannot be supplied with necessary infrastructure, what is the use of selecting it. Therefore, care should be given to prioritize only those tourism attractions which have market potentiality and possibility of having necessary infrastructure development.
4. Make investment in the prioritized area to develop tourism products in a participatory approach.
5. The travel trade intermediaries of the country should be incorporated from the beginning of the process.
6. Marketing and promotion of the tourism product must go continuously. An effective link with travel trade sector and Nepal Tourism Board can be effective for tourism promotion and marketing.
7. It is necessary to continuously boost up the destination image in a market. Negative environmental, socio-cultural and economic damage calls for serious problems.
8. The implementation of different sets of indicators to judge the negative impact is very important.
9. Awareness can play very effective role to maintain environmental impact and reduce other negative consequences of tourism. The involvement of local school, NGOs, INGOs can prove very effective in this context.



10. A periodic survey of visitors is very necessary to know their satisfaction level and expenditure pattern, which help decision makers to work accordingly.
11. An effective measure to encourage the use of local resources must be designed to increase the backward linkages of tourist expenditure and other expenditure in local areas.
12. A continuous trust on domestic tourism promotion should be made. Various kinds of awareness program for domestic tourism promotion must be designed to bring a change in the habit of general people also. Many a Nepalese people cannot afford for foreign trips and for pilgrimage India, but places of own country is left neglected. In this regard, visits to different by high political personalities, celebrities, bureaucrats and other influencing personalities can be managed to create importance of a particular destination and to make influence on the life of people so as to make frequent visits to different places a part of life.
13. Provision of travel annually /biannually can be made an essential part of facilities given to government and private sector employees. The incorporation of travel for certain days annually helps employees to get free from work tension and create higher productivity. Moreover, such kind of travel in rural areas can create additional demand for the goods and services of the particular rural areas, creating additional jobs and income for the rural people.
14. A better connectivity to Western Europe and the North Americas is essential for development of rural tourism products as the niche markets of rural tourism is growing in those parts of the globe.

Phulara (2009) has dealt about the problems and prospects of religious tourism in Khaptad regions. By using primary and secondary data he found the various problems and prospects of religious tourism in an around the study area. He concluded that tourism especially various forms of social and indigenous nature can play a key role in keeping the potential intact reducing the income leakage and increasing the network linkages. Environmentally, viable and socially responsible tourism can't be fostered without research based appraisal of tourist resources. Mid-western and far-western part of Nepal have immense potentiality to mitigate these issues and develop tourism in a sustainable way; Khaptad national park area which covers four districts of far western Nepal is in infancy of tourism should immediately. Focus their attention to explore the immense tourist resources of this are and carryout effort in

solving the conflicts among the local along with decentralizing the tourism development of the country. He recommended that, different sites and structure of religious-cultural importance like Sahashara Linga, Tribeni, Ganesh temple, Nagdhunga, Saileswari in Khaptad regions are in ruinous condition due to absence of protection and renovation. Therefore, concerned authorities should pay their attention to these issues immediately and renovate them. As the cultural identity may crumble under the pressure of modernization, which can subsequently erode the religious values in this area, sufficient public awareness should be made in order to make the local of their cultural and religious assets.

Joshi (2010) has dealt about the problems and prospects of tourism in and around the study areas. She adopted the methodology based on interview, observation, questionnaire and checklist. The study had undertaken the structured, semi-structured and unstructured interview to explore the information on problems and prospects of tourism and its impact on both local and national economy. The prospects of tourism in Kanchanpur like scenic attraction, pleasant climate, vegetation, flora and fauna and socio-cultural heritage including Suklaphata wildlife reserve, Jhimila Lake, Bedkote lake and suspension bridge. Therefore, she concluded that Kanchanpur is a land comprising just 6,480 tourists came in each year. Among them, 24 of total tourists were of pleasure group 6/10 was both for adventure and project. Similarly 3 were for culture and 5 to gain for health. She also examined that 45.83 percent visiting in Kanchanpur spends less than US \$ 10 on lodging and 52.08 percent spends less than US\$ 10 on fooding and on an average, tourists spend US\$ 5.5 on purchase of local items and other activities. She concluded that tourism in Kanchanpur is not recognized as a major source of employment. Because of the lack of advertising and publicity it can't be fully developed. With the expansion and development of tourist destination the average length of tourist stay will increase. It will definitely help to lead the economic growth of the nation or the state.

While reviewing the literature, the both prospects and problem of the rural tourism in Nepal is wide. There exist a close relationship between the cultural change and the arrival of the tourists in rural tourism. It has given an alert and consider lesson to the rural tourism like in the study area.

## **2.2 Review of International Literature**

Burger (1987) doctoral level study entitled “Economic Impact of Tourism in Nepal; An Input Output Analysis” is regarded as the first research of this level on economic issues’. This study focused to analyze the impact of tourism on the Nepalese economy and present information to Nepal’s development planners. In this study, he states that tourism in Nepal is of the rather recent origin. Before 1950, no foreigners allowed to visit Nepal without the permission of Rana rulers. After the introduction of democracy in Nepal in 1951, the tourist inflow in Nepal rapidly increased. He indicated that more than 10,000 tourist arrived Nepal in 1976. Since the number of tourist arrivals has grown at an average rate of 20 percent per annum and more than 80 percent of the total tourist arrived in the country by air and 20 percent arrived by land. He pointed out that the majority of tourist come for pleasure and sight-seeing. He concludes two major groups were identified, pleasure tourist and trekking tourist. Trekking tourism offers for more scope for regional development than pleasure tourism, because these people’s intent is to visit regions outside of Kathmandu and the standard required to meet their demand are lower and area easier to provide with local resources. Trekking tourism offers more scope especially for a few selected regions, and policies designed to better integrate it into local economic will widen trekking tourism’s economic impact. Burger suggests that we would give emphasize on those tourist who stay for short time in general longer staying tourists spends less per day than tourists staying only a short time. Perhaps the most widely used argument favoring expansion of tourism is that it earns foreign exchange and thus supports balance of payments.

Kruk (et al.) (2008) in their article “Gender and Social Inclusion” from the Resource book’ Facilitating Sustainable Mountain Tourism’ has analyzed the implications of gender and social inclusion in mountain tourism industry. There are many opportunities for women and socially-excluded groups to be empowered through tourism. The tourism industry can provide them with new entry points for employment and opportunities for self-employment in small and medium-sized enterprises. Furthermore, it can allow them to carry out new roles for themselves and their families at home, as well as in the local power structures (CBOs, Local Governments, NGOs, and others), and to become increasingly involved in the

decision-making process. The tourism industry is not gender equal. To achieve balanced social economic development in the sustainable mountain tourism sector, men and women as well as different social groups with people different skills, need to be involved. Gender-balanced socially-inclusive tourism development is essential for sustainable mountain tourism development. They point out the following different steps to mainstream gender and social inclusion.

1. Awareness and initial participation,
2. Empowered participation,
3. Influencing and decision making and
4. Equitable sharing of benefits.

Durga and Gupta (2012) studied has identified and discussed the barriers to community participation towards tourism development in the Sudhmahadev tourist destination of Jammu & Kashmir. The study has found that the barriers proposed by Tosun (2000), exists in Sudhmahadev and few of them like relatively high cost of community participation, limited capacity of poor people and attitudes of professionals exists there. We can interpret by these results that barriers exist there due to the noninvolvement of locals in tourism development process by Tourism and Government. It is found that local residents believe that their representatives should be involved in decision making processes and locals should be involved in tourism related projects. Local residents also believe that tourism related activities need large amount of investments and time. According to local residents: Sudhmahadev is a well- known tourist spot with beautiful hills and religiously important Shiv temple is having a huge potential to attract more and more tourists. As Amarnath pilgrimage is a huge attraction for tourists and pilgrims in Jammu & Kashmir and this destination can be promoted by linking it with that pilgrimage. People also believe that tourism authorities are not showing their interests in the promotion of this destination and they are mostly focusing on the already developed destinations. Locals said that from long time they are demanding for the construction of a road to connect Sudhmahadev with famous tourist destination Patnitop, but their demand is never been herd by concerned tourism development authorities. Locals also believe that their destination, Sudhmahadev, should be

connected with other nearby tourist destinations like Patnitop and Shivkhori, so that Sudhmahadev can be developed as an enroute tourist destination.

As barriers and development are inversely proportional to each other so there is an urgent need to remove or reduce these barriers so that there should be no hurdle in the destination development process and more local people get involved in tourism related activities and tourism development process and the local residents gets the benefit out of the tourism activities of their destination. Government authorities also has to play an important role in reducing the above said barriers by involving the locals in the tourism development processes and also creating awareness among local residents about the potential benefits of participation in tourism related activities. There is a need to develop the skills of locals, so that they can choose tourism as their career and can play their role in the tourism development in their destination. Motivational schemes along with short term tourism courses like 'Tourist Guide course' should be organized by the Tourism authorities to involve and motivate locals in the development processes. There is a need to implement change in the attitudes of tourism development authorities and the concerned government agencies so that the locals should feel free to share their views with them.

Clearly the mentioned barriers are not only specific to the community participation; some of them may also be seen as common problems of development in many other local communities. Hence it should be accepted that all the three barriers proposed by Tosun (2000), exists in Sudhmahadev, which has prevented them from achieving higher level of development. This study can be seen as a beginning in the preparation of a tool to measure and identify the barriers in the community participation in India. Although the study tried to identify the barriers to community participation in Sudhmahadev tourist destination, but still study has certain limitations. Because of illiteracy of local residents we received very small sample of 47 respondents and because of the village culture we received very less number of female respondents. Even though the questionnaire was translated in Hindi language for the ease of local residents, it is expected that respondents may have not interpreted statements in its true sense. There is also a limitation that responses of some respondents may have been influenced by the responses of other respondents.

As Tosun (2000) mentioned that no empirical work has been done in developing countries regarding the identification of barriers to community participation in tourism development activities, so future research can be done in identification of barriers other than the barriers mentioned by Tosun (2000) and future research can also measure the level of participation of local community in the development process of tourism in their destination.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

Research methodology is the most important aspect of research work. Authenticity and reliability of any research depends upon the tools and methods used for data collection. The study has employed various methodologies since here is no single methodology being sufficient to this type of research work. Hence, the primary purpose of this chapter is to discuss and design the framework for the research.

#### **3.1 Selection of the Study Area**

Selection of the study area is an important task for researcher. If a researcher could not select the suitable study area, his/her research wouldn't find what he/she wants to study. Tourism is one of the fundamental aspects of the Nepalese Economy.

#### **3.2 Research Design**

The observation, interviews and questionnaires are the main tools to the finding of the research. While recommendations are made the semi structured questionnaires will be prepared. This study is based on both exploratory and descriptive research design. In exploratory research design, the study includes facts and phenomenon of the structured and unstructured questionnaire and reviews the schedule explored the field information on tourism in Nepal. While prescribing the recommendation, the views of experts are considered in great.

Both quantitative and qualitative technique is used to collect the information rather than competitive or mutual exclusive to analyze the data. Simple quantitative techniques such as calculation of percentage, ratio, pie chart, bar diagram or line graph etc. are used to present the data calculated. Regarding the qualitative data, information will be collected through interviews and observation in the study systematically and logically.

#### **3.3 Nature and Sources of Data**

This study uses both primary and secondary data collection. The nature of data required, their sources and methods of collecting data are briefly discussed below:

This study analyses the data related to the tourism business in Nepal. The main sources of the data are secondary in nature. Related books and reports to village tourism contributed by different scholars are collected from different libraries. Secondary data required for the purpose of this study is mostly collected from following sources:

- ) Nepal Tourism statistics, Tourism Board,
- ) Ministry of Finance,
- ) Unpublished/published records of Hotel Association of Nepal,
- ) Ministry of Culture, Tourism and Civil Aviation,
- ) Related Dissertations,
- ) Economic review published by NRB,
- ) Internet/ Newspaper.

### **3.4 Tools of Data Collection**

Both quantitative and qualitative technique is used to collect the information rather than competitive or mutual exclusive to analyze the data. The quantitative data is collected through different secondary sources. It is transferred, processed and tabulated into excel file. The counting is done with the help of this software or where necessary by hand. Simple quantitative techniques such as calculation of percentage, ratio, pie chart, bar diagram or line graph etc. are used to present the data calculated. Regarding the qualitative data, information has been collected through interviews and observation in the study systematically and logically.

### **3.5 Presentation and Analysis of the Data**

The collected information were categorized and classified on the basis of the major tourism activities of tourism in Nepal. The data and information collected from questionnaire is transformed into a master sheet and raw data is tabulated on the basis of master sheet. Information is grouped, sub grouped and classified as necessary so as to meet the objective of the study. Both qualitative and quantitative tools are used to analyze the information and results were presented in descriptive forms with sufficient maps and tables. To analyze the quantitative data, simple statistical tools



such as percentage, average has been used, besides these, maps, tables, charts, diagram, pie-charts etc. is used for the presentation of the findings.

Reliability is an extent of accuracy of the methods and tools used during the study and validity is the degree to which tool measures what it is supposed to be measured. Relevant primary data of questionnaires were pre- tested, cross-checked and verified through the pilot study in the field. The researcher himself is involved in the data analysis.

## CHAPTER FOUR

### PRESENTATION AND ANALYSIS OF DATA

Tourism has become an important economic activity in all the countries of the world. It creates various direct, indirect and induced effects in the economy. This thesis attempts to confirm empirically about the positive impact of tourism in Nepal. The analysis of the study mainly involves tourism statistics, contribution of tourism industry on GDP and major destination of tourists in Nepal.

#### 4.1 Tourists Flow in Nepal

Tourism is one of the potential sectors for the economic development of Nepal. Being a labor intensive service sector, it might be the major source of employment in both urban and rural areas and will help to reduce poverty level in the country. Nepal has initiated various activities for tourism promotion in international as well as domestic market. The country has celebrated “Nepal Tourism Year 2011”, “Visit Lumbini Year 2012”, and “Everest Diamond jubilee 2013”. Tourism statistics is an essential element for placating and the development of tourism activities.

As in the earlier years, the Ministry of Culture, Tourism and Civil Aviation brought “Nepal Tourism Statistics 2020” as its annual publication. It covered information on inbound tourist such as number of international visitors by nationality, demographic composition, length of stay, purpose of visit, etc. Similarly, it included information on outbound tourist like Nepalese nationals going abroad by purpose and country of destination. Tourist arrival to Nepal is not up to the expectation. To address the problem, government has already commenced necessary process for the construction of two regional international airports, one in Bhairahawa and the other in Pokhara. Once the two airports come into operation I hope the number of tourist arrival to Nepal will be gradually improved. The matching of services with markets to effect consumption is also marketing. Tourists’ arrival by month for 22 years is presented in following table 4.1.

**Table 4.1****Tourists Arrival by Month**

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
1999	17917	19382	25323	23721	21952	19808	19362	24429	23224	39339	32507	26031	292995
2000	17451	27489	31505	30682	29089	22469	20942	27338	24839	42647	32341	27561	334353
2001	19238	23931	30818	20121	29585	19602	13588	21583	23939	42242	30378	27542	293567
2002	21735	24872	31586	27292	26232	22907	19739	27610	27959	39393	28008	29198	326531
2003	22207	28240	34219	33994	27843	25650	23980	27686	30569	46845	35782	26380	363395
2004	27886	29676	39336	36331	29728	26749	22684	29080	32181	47314	37650	34998	393613
2005	25585	32861	43177	35229	33456	26367	26091	35549	31981	56272	40173	35116	421857
2006	28822	37956	41338	41087	35814	29181	27895	36174	39664	62487	47403	35863	463684
2007	29752	38134	46218	40774	42712	31049	27193	38449	44117	66543	48865	37698	491504
2008	25307	38959	44944	43635	28363	26933	24480	34670	43523	59195	52993	40644	463646
2009	30454	38680	46709	39083	28345	13030	18329	25322	31170	41245	30282	18588	361237
2010	17176	20668	28815	21253	19887	17218	16621	21093	23752	35272	28723	24990	275468
2011	21215	24349	27737	25851	22704	20351	22661	27568	28724	45459	38398	33115	338132
2012	30988	35631	44290	33514	26802	19793	24860	33162	25496	43373	36381	31007	385297
2013	25477	20338	29875	23414	25541	22608	23996	36910	36066	51498	41505	38170	375398
2014	28769	25728	36873	21983	22870	26210	25183	33150	33362	496720	44119	36009	383926
2015	33192	39934	54722	40942	35854	31316	35437	44683	45552	70644	52273	42156	526705
2016	36913	46675	58735	38475	30410	24349	25427	40011	41622	66421	52399	38840	500277
2017	29278	40617	49567	43337	30037	31749	30432	44174	42771	72522	54423	41049	509956
2018	33645	49264	63058	45509	32542	33263	38991	54672	54848	79130	67535	50408	602867
2019	42622	56339	67565	59751	46202	46115	42661	71398	63033	96996	83460	60073	736215
2020	52501	66459	89151	69796	50317	53630	49995	71964	66383	86379	83173	63344	803092
Average	28096.8	34826.5	43889.1	36171.6	30331.1	26833.9	26388.5	36667.1	37035.2	76724.4	45398.8	36308.2	438350.7

Source: Tourism Statistics, 2020

Table 4.1 clearly shows the information of tourism flow in Nepal for 22 years by monthly. The data from the year 1999 to 2020 has been calculated in average. From the point of average tourism flow in Nepal, October is found the most favourable month for tourists. In this month, the tourism flow is 76724.4 which is ranked first and it is far more than second tourists flow month November. In which month the tourist number is only 36308.2. The least tourists flow month is July, in which month

the tourists are 28388.5 only. Due to rainy season, tourists flow becomes lower in the month of June and July.

Hence, from 22 year's data it can be seen that the flow of tourists are increasing except some years. This is due to of political violence.

#### 4.2 Summary of Tourism Scenario

The flow of tourists and length of their stay shows the promotion of the tourism and effectiveness of the advertisement in the Tourism sector by NTB and Government of Nepal. Following table 4.2 shows the means of tourist arrival, average length of stay, age group of tourists, top five countries of tourists by their nationality, purpose of their visits to Nepal, tourists arrival by major airlines, frequency of visit to Nepal, mountaineering expedition, revenue collection from tourist sectors, tourism related enterprises, places of Nepal they visited and means of tourist departure etc.

**Table 4.2**

#### **Percentage Change in Tourists Flow**

##### **Tourist arrival by means of transportation:**

S.N.	Indicators	2012	2013	% change
1	Air	545221	598258	9.7
2	Land	190994	204834	7.2
3	Total	736215	803092	9.1
Average Length of Stay		13.12	12.16	-7.3

Source: Tourism Statistics, 2020.

From the data presented in table 4.2, maximum tourists visited Nepal by air. Tourists' arrival by air and land in the year 2013 is increased by 9.7% and 7.2% respectively. But average length of stay is decreased by 7.3% in the year 2013 than in 2012, The above current table also shows that the average stay of the tourists is more than 13.12

days in the year 2012 and it is increased to 12.16 days in the year 2013. Tourism environment and the tourist product attracting tourists to spend more time in Nepal. Most of the peoples from west countries stay more in Nepal. But from the SAARC and Asian countries visitor stay lesser than the western countries visitor. These are the fewer days than other countries visitors. And the Australian and European tourist stay more in Nepal.

#### **Tourist arrival by sex:**

S.N.	Indicators	2019	2020	% change
1	Male	352059	439270	24.8
2	Female	384156	363822	-5.3

Source: Tourism Statistics, 2020.

In comparison and sex-wise tourists flow, male tourist are increased by 24.8 percent and female tourists are decreased by 5.3 percent in the year 2020 than in 2019.

#### **Tourist Arrival by age group:**

S.N.	Indicators	2019	2020	% change
1	0-15	32795	35468	8.2
2	16-30	171081	181558	6.1
3	31-45	212176	231117	8.9
4	46-60	177983	201835	13.4
5	61+ years	82726	109239	32.0
6	Not specified	59454	43875	-26.2

Source: Tourism Statistics, 2020.

Similarly, highest number of tourists are found from the age group of 31-45 years and least from below fifteen years. The flow of tourists are increased in the year 2020 than in 2019.

**Tourist arrival by nationality:**

S.N.	Indicators	2019	2020	% change
1	Rank 1	India	India	
2	Rank 2	P. R. of China	P. R. of China	
3	Rank 3	Sri Lanka	Sri Lanka	
4	Rank 4	U.S.A.	U.S.A.	
5	Rank 5	U.K.	U.K.	

Source: Tourism Statistics, 2020.

India is ranked first in respect to tourists flow and U. K. is the fifth.

**Tourist arrival by purpose of visit:**

S.N.	Indicators	2019	2020	% change
1	Holiday/ Pleasure	425721	379627	-10.8
2	Pilgrimage	63783	10984	72.2
3	Trekking & mountaineering	86260	105015	21.7
4	Officials	24054	30460	26.6
5	Business	17859	24785	38.8
6	Study/research/ employment	5235	17988	234.6
7	Conference/conv.	10836	13646	25.9
8	Others	32076	30522	-4.8
9	Not specified	70391	91165	29.5

Source: Tourism Statistics, 2020.

The tourists visited Nepal are mainly for holiday/pleasure and least number of tourists visited Nepal for study/ research and employment purposes.

### **Tourist arrival by major five airlines:**

S.N.	Indicators	2019	2020	% change
1	Rank 1	Spice jet	Indian airlines	
2	Rank 2	Jet airways	Jet airways	
3	Rank 3	Indian airlines	Qatar airlines	
4	Rank 4	Thai airlines	Spice airlines	
5	Rank 5	Qatar airlines	Thai airlines	

Source: Tourism Statistics, 2020.

Most of the tourists are come from Spice Jet (Indian Airlines) and least from Thai airlines.

### **Tourist arrival by frequency of visit in Nepal:**

S.N.	Indicators	2019	2020	% change
1	First visit	598456	632767	5.7
2	More than once	137759	170325	23.6

Source: Tourism Statistics, 2020.

Tourists, those who first visit Nepal are increased by 5.7 percentage in the year 2020 than 2019. Similarly, those tourists who visited Nepal for more than 1 time are increased by 23. 6 percentage in the year 2020 than in 2019.

### **Mountaineering expedition:**

S.N.	Indicators	2019	2020	% change
1	Total team	259	311	20.1
2	Successful Person	1209	1202	-0.6
3	Royalty to government (Rs. '000')	245090	344784	40.7

Source: Tourism Statistics, 2020.

The royalty of government form tourists is Rs. 245090 thousand in the year 2019 which is increased by 40. 7 percentage (344784 thousand) in the year 2020.

### Revenue from tourism:

S.N.	Indicators	2019	2020	% change
1	Total earning (US\$ '000')	598456	632767	5.7
2	Average income per visitor per day (US\$)	137759	170325	23.6

Source: Tourism Statistics, 2020.

Total earning in US\$ is 367773 thousand in the year 2019 which is US\$ 356725 thousand in the year 2020. It is increased by 3.3 percentage.

### Tourism related enterprises (registered in tourism industry division)

S.N.	Indicators	2019	2020	% change
1	Hotel (Kathmandu valley)	5.3	522	3.8
2	Rooms (Kathmandu valley)	10752	11087	3.1
3	Beds (Kathmandu valley)	20941	21498	2.7
4	Travel agencies	1936	2116	9.3
5	Trekking agencies	1378	1524	10.6
6	Tourist guide	2835	2935	3.5
7	Trekking guide	7303	8163	11.8

Source: Tourism Statistics, 2020.

Tourism related enterprises registered in tourism industry division are found increased during the study period 2019 and 2020. Number of hotels, rooms, beds, travel agencies trekking agencies, tourist guide and trekking guide all are found increased. Among them, trekking agencies are found highly increased by 10.6 percent and beds are found increased least by 2.7 percent.



**Places visited in Nepal:**

S.N.	Indicators	2019	2020	% change
1	National parks and wildlife reserve	194123	267280	37.7
2	Pashupati area (excluding Indian)	143887	139885	-2.8
3	Lumbini (excluding Indian tourists)	128259	136067	6.1
4	Manaslu trekking	2813	3319	18.0
5	Mustang Trekking	2950	2965	0.5
6	Humla Trekking	1758	1508	14.2
7	Lower Dolpa Trekking	808	982	21.5
8	Kanchanjunga Trekking	591	635	7.4
9	Upper Dolpa Trekking	397	536	35.0

Source: Tourism Statistics, 2020.

Main tourist destinations are found National parks and Wildlife reserve. Second priority sectors of tourists are found religious places like Pashupati and Lumbini. Trekking is the fourth priority sectors of tourists.

**Tourists' departure by:**

S.N.	Indicators	2019	2020	% change
1	Air	612922	688710	12.4
2	Land	165185	186742	13.1
3	Total	778107	875452	12.5

Source: Tourism Statistics, 2020.

Tourists departure by air are found more than departure by land. Both are found in increasing trend during two study period.

### **Nepalese outgoing abroad**

S.N.	Indicators	2019	2020	% change
1	Male	668558	738544	10.5
2	Female	105396	122974	16.7
3	Total	773954	861518	11.3

Source: Tourism Statistics, 2020.

Nepalese outgoing abroad is found in increasing trend. Male are found in high number than female. Both are found increasing trend during two study period.

### **International airlines movement:**

S.N.	Indicators	2019	2020	% change
1	Arrival	11398	11661	2.3
2	Departure	11394	11659	2.3
3	Total	22792	23320	2.3

Source: MOT, NTS, 2020.

The movement of international airlines is found similar. Arrival and departure are slightly fluctuated. The change of arrival and departure during two years is same i.e. 2.3 percent.

### **4.3 Foreign Exchange Earnings**

Tourism has become an important economic activity in all the countries of the world. It creates various direct, indirect and induced effects in the economy. This paper attempts to confirm empirically about the positive impact of tourism in Nepal. It is based on Nepalese data of foreign exchange earnings from tourism and gross domestic product for the period between FY 2067/68 and 2077/78.

**Table 4.3****Gross foreign exchange earnings**

Fiscal year	Total earnings		% change in US\$
	NRs. (000)	US\$ (000)	
2007/08	11969174	162513	-4.3
2008/09	7798535	101628	-37.5
2009/10	10369409	134245	32.1
2010/11	12337977	168163	25.3
2011/12	11814853	164408	-2.2
2012/13	11710893	162086	-1.4
2013/14	12645761	181243	11.8
2014/15	20339890	313941	73.2
2015/16	27959800	359011	14.4
2016/17	28139000	396324	10.4
2017/18	23948480	321456	-18.9
2018/19	30725870	359367	11.8
2019/20	39234660	388461	8.09

Source: NRB, 2020.

During the twelve years period, the highest total earnings from tourism sector 30,725,870 thousands in the year 2018/19. It is 11.8 percent increment of the earning of 2017/18. The change in total earnings is in fluctuating trend during twelve years period. It highly increased in the year 2008.09 by 73.2 percent and decreased by 37.5 percent in the year 2018/19. However the total revenue collection from tourism sector is in fluctuating trend but it is increased in the current years than previous years.

#### **4.4 Tourist Arrival by Mode of Transport**

Flying is the easiest way to get to Nepal, though there aren't many direct flights from North America or Australia. Travelers may need to change in the Middle East or Western Europe before arriving at Kathmandu's Tribhuvan Airport.

Many international carriers operate regular flights into Nepal, including the country's national carrier Royal Nepal Airlines, The old and dilapidated airport is located four miles east of the capital, and offers meager amenities. Change only as much cash as you'll need to catch a taxi into town, as the exchange rates at the airport are dismal. Taxis are the best way to get where you want to go from the airport. Be prepared for a crush of taxi touts when you emerge from the terminal. The best strategy as you emerge from the Arrivals door is to quickly choose one man, point at him and ask him to take you to your hotel. They all charge essentially the same rates, so there's no need to waste time as they battle for your business. Following table 4.4 shows the arrival of tourists in Nepal by mode of transport in the year 2020.

**Table 4.4**

**Tourist Arrival by Mode of Transport**

Nationality	Means of Transportation				Total
	Air		Land		
	Number	Percent	Number	Percent	
New Zealand	3060	81.45	697	18.5	3757
Norway	2802	85.43	478	14.57	3280
Pakistan	5054	99.65	18	0.35	5072
Philippines	1718	97.78	39	2.22	1757
Poland	4175	73.39	1514	26.61	5689
Portugal	1037	87.51	148	12.49	1185
Republic of Korea	18976	72.97	7028	27.03	26004
Romania	987	73.88	349	26.12	1336
Russian Federation	7805	80.69	1868	19.31	9673
Saudi Arabia	1046	86.52	163	13.48	1209
Singapore	4300	76.43	1326	23.57	5626
Slovakia	896	70.72	371	29.28	1267
South Africa	1205	91.01	119	8.99	1324
Spain	11500	79.04	3049	20.96	145449
Sri Lanka	1993	2.87	67483	97.13	69476
Sweden	3212	72.15	1240	27.85	4452
Switzerland	5467	77.59	1579	22.41	7046

Thailand	5890	16.08	30728	83.92	36618
Turkey	1514	89.69	174	10.31	1688
Ukraine	1452	76.99	434	23.01	1886
UK	36331	87.98	4963	12.02	41294
USA	42622	87.01	6363	12.99	48985
Vietnam	796	36.58	1380	63.42	2176
Taiwan	7776	88.08	1052	11.92	8828
Others	15659	84.16	2948	15.84	18607
Not Specified	2752	54.38	2309	45.62	5061
Total	598258	74.49	24834	25.51	803092

Source: MOT, 2020.

The table above presented shows the real data of tourist arrival by mode of transport and nationalities. Around 74.49 percent of the total tourists arrived from air and remaining 25.51 percent from land. Out of total tourists, Sri-Lankan tourists cover highest portion of i.e. 69476 out of 803092 tourists representing 8.65 percent and least from 1209 from Saudi Arabia which comes 0.10 percent.

#### **4.6 Contribution of Tourism on GDP**

Nepal's travel and tourism sector accounted for 3.6 percent of the total employment in the country in 2019, according to Travel and Tourism Economic Impact 2019 Nepal published by the World Travel and Tourism Council (WTTC). The report shows that the travel trade provided 553,500 jobs directly in 2019. The contribution was 412,500 in 2018. The WTTC report has projected that the travel trade sector's contribution to the country's total employment will rise by 7 percent in 2020. The direct employment provided by the sector includes employment by hotels, travel agents and airlines and other passenger transportation services. It also includes the activities of restaurants and leisure industries directly supported by tourists.

**Table 4.5****Foreign Exchange Earnings from Tourism and its Contribution to GDP**

Year	Total foreign exchange earning from Tourism (Rs. in million)	As % of the total value of merchandize exports	As % of the total value of exports of goods and non-factor services	As % of total foreign exchange earnings	Contribution on GDP
2007/08	11717.0	16.8	11.8	5.7	2.7
2008/09	8654.3	14.9	10.6	4.8	1.9
2009/10	11747.7	23.1	15.2	6.1	2.4
2010/11	18147.4	32.9	20.3	8.0	3.4
2011/12	10464.0	17.5	12.2	4.7	1.8
2012/13	9556.0	15.5	10.9	3.6	1.5
2013/14	10125.0	16.5	10.8	3.7	1.4
2014/15	18653.0	30.1	17.9	5.5	2.3
2015/16	27960.0	40.0	22.8	6.5	2.8
2016/17	28139.0	44.5	24.6	8.1	2.4
2017/18	24611.0	35.8	20.2	5.0	1.8
2018/19	30703.8	37.7	20.0	4.8	2.0

Source: NRB, 2014.

Since the government has declared that tourism sector is one of the main sectors that contribute to gross domestic product, its role is important. Total foreign exchange earnings from tourism in the year 2008/09 is 11717 million which is 16.8 percent of total value of merchandize exports 11.8 percent of total value of exports of goods and non-factor services, 5.7 percent of total foreign exchange earnings and 2.7 percent of total gross domestic product. The total foreign exchange earnings is maximum in the year 2018/19 i.e. 30703.8 million and its contribution to GDP is 2.0 percent. However, total foreign exchange earnings is found fluctuated during the period 2008/09 to 2013/14, its contribution on GDP is also in fluctuating trend. The contribution of the tourism sector to GDP is found highest in year 2011/12 winch is 3.4% and least in the year 2014/15 which is 1.4% only.

#### **4.7 Prospects of Tourism in Nepal**

Potentiality of tourism development in any area are influenced by different geographical cultural religious elements. The other fundamental attractions of tourism are natural beauties pleasant weather wild animals, Colorful different communities and their life style with different language.

Nepal is a blend of ancient history, vibrant cultures & seen grandeur. Located between China & India, Nepal's main geographical features include snow-capped peaks, lower mountains, midhills & fertile terai plains of tropical jungles. Nearly one third of the total length of the Himalayas & 8 of the world's 14 highest peaks are in Nepal. Nepal's popularity as a tours destinations has increased vastly over the years. While trekking & mountaineering have long being popular, an entire range of other activities are carried out. With the variety of adventure the country is a favorite among adventure lovers. Nepal has bright potentialities of options, tourism development of which are listed below.

#### **Mount Everest Trekking Routes**

The Everest or Khumbu region is justifiably the most famous of all trekking and mountain regions. Located in eastern Nepal, the Everest region offers a wide range of trekking experiences. From the Everest Base Camp trek (listed as one of the ten best trips in the world) to treks in remote semi-wilderness areas, there is much to choose from. Khumbu is also the home of the legendary Sherpas. The northern part of this region lies within the Sagarmatha National Park, which was established to protect the fragile ecosystem of the alpine region. To the east of the Sagarmatha National Park is the Makalu-Barun National Park, a remote and wild stretch of mountain peaks and deep, densely forested valleys. To the west is the Rolwaling valley, a well-protected microcosm of cultures. The southern part is less frequented by tourists but could be a very rewarding destination in its own right Mount Everest naturally is the mayor attraction here, but there are other 8,000 meter peaks in the region such as Lhotse, Cho oyu and Makalu besides the many lesser peaks which are no less stunning There's more to Khumbu than just mountains, The stark beauty in the form of glacial lakes, resplendent rhododendron forests, native flora and fauna, charming villages and

ancient Buddhist monasteries all add up to make this region an irresistible tourist destination.

The heart and soul of the Everest region is the Sherpas, This is their heartland and their cultural influence is seen everywhere; in their traditional costumes to their distinctive houses and village monasteries. There are also minorities of various other groups, notably Rais, Limbus and Tamangs in the lower hills and the Brahmin and Chhetri farmers in the valleys.

The region ranges in altitude from less than 2000m above sea level at Jiri to the high peaks of the Himalaya at over 8000m, Hence the flora and fauna is diverse with dense forest of pine, oak and the flowering rhododendrons up to 4000m. The latter are one reason to make a trip to Nepal in the spring when the hills between 2000 and 3500 m are a lot of colors.

Wildlife seen here is mostly in the form of birds including the national bird of Nepal the Impeyan Pheasant, (danfe in Nepali), which is quite commonly found around Namche Bazaar. Other notable birds include the ravens and crows of the middle hills and the eagles which soar to seemingly impossible heights in the mountains. Look out for flocks of snow pigeons wheeling about the hillsides.

Land animals in these regions are elusive, so keep an eye out for mountain goats (most common are the Himalayan tahr) and if lucky, you may chance upon the rare musk deer or the common barking deer in the forest.

The best time to trek in this region is from October to November and from March to May which are peak season time. At these times, the weather is mild and generally dry, making walking conditions ideal. The spring season brings out the wild flowers, particularly the rhododendrons, while the autumn season is generally good for clear mountain views, as the air at this time is crystal clear.

Visitors dreams of trekking to the foot of the world's highest peak Mt. Everest, called Sagarmatha in Nepali language, located in khumbu region of the east Nepal. The area is largely composed of the rugged terrain and gorges of the high Himalayas ranging from 1500m to the top of the world Mt. Everest.



## **Patan**

The ancient name of Patan is Lalitpur which means a city of beauty. It is indeed a city of beauty and grace and is planned on a circular format with Buddhist stupas at each of the four points of the compass. The city is three Kilometers south-east of Kathmandu across the river Bagmati. Like Kathmandu, its center of attraction is Durbar Square complex, situated right in the middle of the market place. The city is full of Buddhist monuments and Hindu temples with fine bronze gateways, guardian deities and wonderful carvings. Noted for its craftsmen and metal workers, it is also known as the city of artists. It is believed that the city has been built during the reign of Vira Dev in 299 A.D.

## **Annapurna Rang**

Annapurna trekking is another most popular destination for adventure travelers in Nepal. Trekking in this area offers good scenery of both high mountains and lowland villages. Annapurna trekking has also been recognized as one of the world's best trekking trails according to survey by Modern Maturity (USA). As the name suggests, the centre piece of this place is the range of mountains that includes Annapurna I, the first of the 8000m peaks to be climbed. Also included in this region is another 8000m giant, Dhaulagiri, which is located west of Annapurna I. Between these two mountains lies the valley of the Kali-Gandaki River, the deepest gorge in the world. Views of lush, fertile farmland and stands of undisturbed natural forest, snow covered mountains and encounters with a mixture of many ethnic communities all add up to a diverse range of experiences that makes this area one of the most satisfying trekking Destination in Nepal.

The Annapurna Circuit trekking is the popular trekking routes of the Annapurna trekking likewise Jomsom, Annapurna Base Camp, Sikles, Lamjung, Dhaulagiri, upper Mustang and around Pokhara. The best time to visit is during spring and autumn. The another fact of this region is Annapurna chain of mountains lies inland which causes a large chunk of land to fall in the rain shadow area. Hence these parts are considerably drier than the southern slopes of the mountains. This leads to unusually diverse landscapes and the possibility of trekking even during the monsoon season.

## **UNESCO World Heritage Sites:**

### **Pashupatinath Temple**

Pashupatinath Temple is one of the holiest temple in Nepal. The Pashupatinath temple is considered as most important Hindus temple in Nepal. Hindus people are bathing Ghats and other purposes. It is imagine that to die and to be dead cremated here will release one from the cycle of repeated birth and death. It is located at near Gaushala. If you visit this temple bus services is available from Kathmandu, Ratna Park Bus station it takes 50 minutes to reach Gaushala, the stop for Pashupatinath. Pashupatinath Temple, with its astonishing architectural beauty, stands as a symbol of faith, religion, culture and tradition. Regarded as the most sacred temple of Hindu is Lord Shiva in the world, Pashupatinath Temple's existence dates back to 400 A.D. The richly-ornamented pagoda houses the sacred Linga or phallic symbol of Lord Shiva. Thousands of pilgrims from all over the world come to pay homage to this temple that is also known as 'The Temple of Living Beings Its unique features are only four priests, appointed by the King, can touch the idol of Lord Shiva, The priests are always from south India, It is believed that this tradition have been started by Sage Shankaracharaya in 6<sup>o</sup> century.

### **Chitwan National Park**

Chitwan National park has long been one of the country's treasures of natural wonders. The park is situated in south central Nepal recognizing its unique ecosystem of international significance, UNESCO declared a world heritage site in 1984.

Chitwan literally means "heart of the jungle". In recent years Chitwan tops the list of things to do in Asia. It is a truly wildlife adventure of a different kind ~ jungle safaris on elephant backs or jeeps, birdwatching, canoe rides and jungle walks.

The Chitwan National Park is Asia's best preserved conservation area, where wildlife thrives and their habitats remain intact. Only half-hour flight from Kathmandu, the park lies in the Inner Terai lowlands and consists of Sal forests, tall elephant grasslands, hills, ox-box lakes and flood plains of the Narayani, Rapti and Reu rivers. Enlisted as a UNESCO World Heritage Site (Natura!) in 1984, the park spreads over an area of 932 sq. km.

## **Sagarmatha National Park**

The prime attraction of Sagarmatha national park established in 1976, is Mt. Everest the highest peak of world. The park was added to the list of world heritage site in 1979. The park, a part of the Himalayan ecological zone has several other prominent peaks most of which are above 6000m. With most of the park above 3000m, Sagarmatha is full rugged terrain with deep Georges, glaciers and huge rocks. With its Himalayan terrain and its culture, the parks offer a blend of natural and cultural tourist products.

## **Changunarayan Temple**

This impressive double roofed Changunarayan temple set to be the ancient Bishnu temple in the Kathmandu valley. The present pagoda style temple was rebuilt in 1702 after it was destroyed by fire. The temple is UNESCO listed world heritage site.

## **Bhaktpur Durbar Square**

It was built primarily in the 16<sup>th</sup> and 17<sup>th</sup> centuries. It contains a Royal Palace (Durbar) & many temples built in the traditional Newar, pagoda style. The golden gate, entrance to the durbar square is a delight to the eyes, for an architectural beauty like this hard to discover. But what lies inside will change your definition of beauty... the beauty of this UNESCO to listed world heritage site surpasses words!

## **Trekking**

Trekking is the highlight of a visit to Nepal. The range of geographical features, variety of vegetation and rich Himalayan culture award trekkers with unique trekking experience. Thousands of visitors trek to different parts of Nepal every year to experience the charm of nature and culture. Most treks go through altitude between 1000 to 4000m, while some popular parts reach over 5000m.

Protected regions along the Himalayas like Shey phoksundo, Lamtang, Sagarmatha, MakaluBarun, Rara, Kanchenjunga, & Shivapuri national parks, and Annapurna & Manaslu conservation areas, provide excellent trekking options.

## **Boating**

From glacier-fed lakes of north to where rivers ease into the terai plains, there are numerous lakes in Nepal where tourist can experience the pleasures of boating. With famous lakes like Phewa, Begnas & Rupa, Nepal is known as the Lake City and popular place to go boating. In the terai, one can go canoeing on Narayani or Rapti Rivers near Chitwan national parks.

## **Rock Climbing**

Rock climbing is a challenging sport for outdoor lovers. Most of the areas for rock climbing are situated towards the north of Kathmandu in the Nagarjun forest and Shivapuri national park areas. Trip to these places can be combined with hiking, bird watching, nature tours and other activities.

## **Bungy Jumping**

The ultimate thrill of bungy jumping is offered at one of the best sites in the world. Nepal's bungy jumping site is situated 160 meters over the raging Bhoté Koshi River in the northern part of the country. The site is located close to the Nepal china border at Barabise and is 3 hours bus ride from Kathmandu.

## **Jungle Safari**

The tropical jungles of Nepal's terai preserve some of the best wildlife habitat in the sub-continent. Jungle safaris on elephant back or jeep rides are offered at Chitwan national park, Bardiya national park, Parsa wildlife reserve, and Shuklaphanta wildlife reserve, all located in terai. Winter months here are temperate while summer and monsoon are hot and humid. A wide range of tourist facilities are available in and around the areas.

## **Mountain Biking**

Nepal's diverse terrain is a mountain bikers dream. Biking offers an environmentally sound way of exploring the country. It is possible to go biking the entire length of Nepal. Centuries - old dirt roads and trails offer a chance to go on extended trips to

exotic locales like Annapurna and Kanchenjunga areas. 21 to 27 gear bicycles are recommended when riding through Himalayan terrain.

### **Hunting**

Licensed hunting is allowed in Dhorpatan hunting reserve in western part of Nepal. Dhorpatan is the prime habitat of blue sheep, ghoral, serow, Himalayan tar, black bear, pheasant and partridge. Endangered species here are chir pheasant & red panda. Hunting is allowed only after acquiring license from the department of national parks & wildlife conservation in Kathmandu and is restricted to a certain times in a year. Most hunting trips are planned in spring and onset of autumn from February through April and August through October.

### **Rafting**

Rafting is one of the most exciting ways of exploring Nepal, Options range from paddle rafting a team to kayaking alone in the water. Yet another extremely popular water sport option is canyoning to explore hidden landscapes. Rafting trips are usually planned in the dry seasons from October through mid-December and March through early May. The government has opened 16 rivers graded on scale of 1 to 5 for commercial rafting.

### **Mountain Flights**

Mountain flights offer a luxurious options of Himalayan experience. The one hour mountain flight takes one close some of highest peaks in the world including Mt. Everest. One can clearly see and identify the peaks, and see the Himalayan landscapes and glaciers during the flights. The peaks seen are Gosaitan, Dorje, Lhakpa, Phurbi, Chychu, Chobabhamare, Gaurishanker, Melungtse, Chugimagu, Number, Karyolung, Cho-oyy, Gyachungkang, Pumori, Nuptse and of course Mt. Everest.

### **Paragliding**

Paragliding in Nepal gives the opportunity to experience an aerial view of Himalayas. Nepal, the beautiful lakeside town at the foot of the Annapurna Mountains offers paragliding services.

## **Mountaineering**

Mountaineering is the prime attractions of Nepal. The mountains of have stood as irresistible landmarks for the world's adventures since Nepal opened its doors to visitors in the 1950's. Mountaineering can range from climbing the highest peaks over 8000 m to climbing lower peaks which even though consider minor by Himalayan standers are technically quite challenging. There are 33 trekking peaks opened by the government.

## **Lumbini**

This is the sacred site of Lord Buddha's birth, which is today a small village in Nepal, 27 Km from Sunauli on the Indo-Nepal border. The sacred site of the Buddha's birth is at the southern end of Lumbini grove. Excavations have revealed a series of rooms and a stone slab, which is now believed to mark the exact location at which the Buddha, (or Siddhartha as he would have been known then) was born. The whole place has an air of remoteness except when the occasional busload of pilgrims from different corners of the Buddhist universe arrives.

The lord Buddha was born in 623 B.C. in the famous garden of Lumbini, which soon became a place of pilgrimage. Among the pilgrims was the Indian emperor Ashoka, who erected one of his commemorative pillars there. The site is now being developed as a Buddhist pilgrimage center, where the Archaeological remains associated with the birth of Lord Buddha from a central feature.

## **Village tours**

Village tour allows visitors to experience a stay in a typical Nepali village. This gives visitors an opportunity to observe the rich Nepal culture tradition, the closet quarter and intermingle with locals. Besides any expenses made at that level which directly contributes to the welfare of local community, hence giving the visitors a sense a satisfactions. Village tours are conducted in Sirbari, Briddim, Ghalegaun, Illam and other places.

## **Shopping and Night life**

After finishing all the adventurous tours, visitors have still some stuff for enjoyments. Visitors can find awesome artistic products in many varieties. Woolen carpets, Handicraft, Pashmina products, jeans and jewelry. Thangkas, and paubhas, hand woven cloth, paper products are few names. The least goes long. After having delightful shopping, few cities provide fun filled night life. Visitors can spend their evening their casinos, cultural programme or movies.

## **Dhulikhel**

Dhulikhel is scenic and town situated 30 kilometers east of Kathmandu on the Arniko Rajmarg. From here one can have a panoramic view of the Himalayan range. From the main town, a short visit to Namobuddha, with stupa and Buddhist Monastery is highly recommended site to visit Panauti, a village noted for its numerous temples with magnificent woodcarving, is a short distance from Dhulikhel.

## **Muktinath & Jomsom**

It is believed that all miseries / sorrows are relieved once you visit this temple. The famous temple of Lord Muktinath lies in the district of Mustang and is situated about 18km northeast of Jomsom at an altitude of about 3,749m. The main shrine is a pagoda shaped temple dedicated to Lord Bishnu. Set into the wall around it is 108 waterspouts from which pour holy water. It is believed that one should visit this temple after competing pilgrimages of four Dhams in India. This temple is held sacred by Hindus as well as Buddhists. Jomsom is a major center in the Annapurna region. There is a world-class accommodation facility in Jomsom from where one can enjoy remarkable natural beauty.

## **Gorkha**

Gorkha is the birthplace of King Prithvi Narayan Shah the great, the founder of modern Nepal. Situated on a hill overlooking the snowy peaks of the Himalaya is a beautiful old palace known as Gorkha Durbar. There are two attractive temples of Gorakhanth and Kali inside the place precinct. A side trip to Manakamana temple, on the way to Gorkha is very enjoyable and interesting. The Nepalese believe that

Manakamana Goddess fulfills the wishes of all people and that's one reason why the temple is visited by the tourist and the locals all through the year.

#### **4.6 A SWOT analysis of Tourism in Nepal**

The SWOT is a strong tool to manage the tourism policy in Nepal. The long term vision has made the following tourism. S and W refer to the strength of present tourism existed within the territory of Nepal whereas O and T indicates the opportunity and threats found in the external environment of the Nepalese tourism. Based on the SWOT, Nepal can develop the policy strategies for the tourism in Nepal.

##### **Strengths**

- ) Unmatched natural products: Mt. Everest Himalayan range and eight of the world's fourteen 8000m peaks, diverse landscape, sublime natural scenery, protected areas with diverse flora and fauna, fast flowing rivers, year-round pleasant weather.
- ) Ultimate adventure destination: number one destination for mountaineers and trekkers, white water rafting, largest assortment of aerial, terrestrial and aquatic sports.
- ) Rich Culture: Multicultural, multi-ethnic; multi lingual yet harmonious society; unique Newari architecture of Kathmandu valley, Lumbini and other UNESCO world heritage sites, Kumari- the living Goddess; more festival than days in a year; tourist friendly and hospitable people, diverse cultures in Terai region etc.
- ) Others: A model of successive peace process, able private sector, awareness at community level, public-private-people partnership approach, gateway to the Himalayan region.

##### **Weakness**

- ) Insufficient infrastructure
- ) Inadequate investment in tourism sector
- ) Limited air connectivity and weak national carrier



- ) Poor coordination among different agencies
- ) Weak public- private partnership
- ) Scarcity of resources for massive publicity and consumer promotion
- ) Tourism patterns limited to only in a few geographic areas

### **Threats**

Transitional phase of political environment

Global terrorism

Cross- border disease

Strong competing destinations

Unfavorable travel advisories

Global economic downturn

Climate change

### **Opportunities**

Government has placed high priority on tourism

Growing tourism outbound of immediate neighbors

Competitive ground handling cost

Spillover effects from adjoining destinations of India and China

Growing demand for adventure travel

Sustainability of nature and cultural heritage through tourism economic development

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter contains the summary, conclusion and recommendation of the study respectively and subsequently.

#### 5.1 Summary

Nepal, though a small in territory, it is well known as land of mighty mountains with iconic Mt. Everest. Endowed with beautiful landscapes, natural beauties and cultural attractions, Nepal is famous destination for international travelers through tourism started only after sixties. Nepal within two decades became successful to have its significant position in world tourism scenario. Tourism in Nepal became a strong contributor in national economy after it boomed in eighties. It has become important foreign export being major source of foreign exchange. Apart from this, it has been contributing in creating direct and indirect employment opportunities.

Nepal is recognized as an ideal tourist destination for culture and nature lovers. Diversity in terms of geography, ethnic communities and cultural heritages is the defining characteristic of Nepali society. Tourism development in Nepal is largely dependent upon expanding linkages between nature conservation and tourism. While Nepal's rich natural heritage attracts a large number of nature loving tourists, the country also suits the taste of other types of visitors like the culture lovers, sports persons and adventure seekers as well. Its hospitable people and their rich and colorful socio-cultural heritage are the major attractions of the people from the western parts of the World. Getting the economic impact of tourism in Nepal, the policy maker can make the economic policies based on the impact of tourism in Nepal. It provides guidelines for the development of sustainable tourism to the planners, Ministry of Tourism, Nepal Tourism Board, NGOs/INGOs, District Development Committee and all the organizations related to tourism. It may largely contribute to reduce the poverty in Nepal. Those who are involved on the tourism profession can get benefit from this study. We can get the strength of tourism in Nepalese economy.

Tourism can be regarded as the most potential and feasible sector of Nepalese economy. It has been recognized as one of the most important sectors of national economy. The potential of tourism to contribute to pro-poor growth and hence poverty reduction in any given area clearly needs to be considered in the light of the alternative opportunities available. In many rural areas of the country, there are no viable alternatives other than tourism. Therefore, tourism should be considered as one of the most important economic development opportunities available to the developing countries like Nepal.

Realizing the importance of tourism sector to uplift national economy, Nepal government has formulated various policies, plans and strategies to develop tourism as sustainable industry. Tourism master plan 1972 was an important step in policy formulation Nepal Tourism Board (NTB) was established in 1999 with the principle of public private partnership approach. Since then, NTB has been marketing 'Nepal' as an enchanting holiday destination in world tourism market. It has adopted various strategies and undertaken different activities in order to promote Nepal as a must visit destination.

## **5.2 Conclusion**

Nepal has greater potentialities in tourism. Tourism has been established as promising industry, which is the important contributor to national economy. Tourism has greater role in Nepal to provide direct and indirect employment opportunities to major chunk of people living in urban and major touristic cities. In the more recent days, it is regarded as driving tool to alleviate rural poverty by involving rural people in direct and indirect tourism businesses.

Natural and cultural attractions are the comparative advantages of Nepalese tourism. Keeping in view, the need of public private partnership in marketing and promotion of Nepalese tourism, Nepal Tourism Board was established. With important coordination and support of private travel trade sector, NTB has been marketing Nepal as an important destination in the global tourism market. It is very important to note here that with a very limited budget for marketing and promotion, it is very tough to compete with other tourism destinations of the world like India, Thailand, and Malaysia etc.

The recent global tourism trend has shown that the share of regional tourism is very important and encouraging. This concept is more important for country like Nepal. Owing to budget constraints to carry out marketing programs in European market, NTB is focusing its marketing and promotional activities in major Asian and European markets. India, China Japan, Thailand, America, United Kingdom, Germany are important tourists market for Nepal. There is greater potential in China, Bangladesh, Sri-Lanka and other west European countries. So, NTB has been organizing different marketing programs like travel trade shows, Familiarization trip to media and travel agents, press conferences and food festivals in order to attract more visitors from those countries. In order to woe visitors from neighboring countries, Nepal has waived visa for national of South Asia and provided parity for entry to National parks and historical sites. It is also worth recalling here that all the 15 International Airlines flying into Kathmandu are connecting Nepal with various parts of Asia like India, China, Pakistan, Bangladesh, Middle-east and various countries of South-east Asia. Though national flag carrier is in ailing condition, new foreign airlines are interested to fly to Nepal, which has created a good hope for future. Recent trends of tourists' arrival from these countries are also encouraging.

There is a need of close coordination between private sector and NTB. NTB should formulate new and cost effective marketing action plans. Promotional programs for adventure-tourism, pilgrimage-tourism, eco-tourism, MICE-tourism should be carried out in Niche markets by developing special packages. Though the landing fees, parking fees, navigation fee and handling charges and aviation fuels are costing dear, though there are conflicts, environmental hazards and high competition amongst inbound destination, Nepal's unique attraction has been a great asset for visitors from across the continents.

With this prospect in perspective, if proper policy guidelines are streamlined and a strong network and cooperation is built on Public-Private partnership approach, the future of regional tourism is high on the agenda and the prospect of the regional tourism is sure to gather momentum in the case of Nepal as it has been in Europe and America.

### 5.3 Recommendations

1. The recent travel trend in the area of pilgrimage, MICE and sports is encouraging though adventure, culture and nature are the major attractions of Nepal to international visitors. It is required to give attention to promote and develop these areas. Experts viewed that Nepal has been overexposed as a country of mountains, but, according to them time has come to reposition on a new products. So, appropriate positioning as per the strength and demand of our product and the competitive situation of the industry should be made.
2. Both, the government and the local people should give due emphasis to conserve our cultural and natural assets. The tourism products we have are not properly conserved, so their condition is degrading. These products should be maintained and preserved properly for the sustainable growth of industry.
3. Nepal needs to offer multiple package programs to attract more tourists in the country. While designing package, different combination can be included to suit different purpose visitors as well as different age and sex group of visitors. Alternation in packages may be made on the basis of products or by including products and services.
4. Uncertainty of air seat capacity, especially of Nepal Airlines, is the major constraint for tourism development in Nepal which has jeopardized schedules and affected visitors. Response of tourism organizations and experts showed that primary attention should be given to improve air seat capacity. The most noted problem for this was NAC. Nepal Airlines should increase its air seat capacity and solve its problems on a long term basis otherwise private airlines should be allowed to operate immediately even in those routes where NA operates. So far, private airlines are not allowed to operate in such routes. Secondly the government should give significant emphasis to approach more international airlines to come to Nepal or fly via Nepal. Moreover, emphasis should be given to increase air seat capacity by ensuring more international flights connecting with major tourist originating cities of the world.
5. At present Tribhuvan International Airport (TIA) is the only international airport of Nepal. Big aircrafts cannot come here so it does not seem to have made it

financially attractive to international carriers to come to Nepal. There also seemed to be limited feasibility for expansion of TIA. Likewise, present service and facilities also are limited at TIA. Therefore, an alternative international airport should be developed soon in other parts in the Terai region at a location which will be technically and economically sound and viable from market perspectives. This should help to enhance international connection and make Nepal a hub for international flights making it a noted tourist destination.

6. For easy accessibility of tourists to various places of tourist interests in the country, the government should give due attention to developing and improving road transportation. In Nepal there is limited access and the available roads are also not maintained properly. For access to new areas, roads should be constructed in strategic ways which would improve access as well as not alter the trekking routes. Similarly, regular maintenance of roads is also necessary at least in the tourist frequented areas. A proportion of tourism revenue may be allocated for this purpose.
7. Tourism marketing should be done jointly by the government and the private sector to promote destination, promote products and to counter poor or bad publicity abroad whenever such cases happen. Such publicity has occurred on number of occasions. One sector should not wait or look at other sector to do the job. Both these should join hands and promote Nepal on a continuous manner.
8. Nepalese Embassies and consulate offices abroad can be the best media to provide information about Nepal. By mobilizing these agencies through qualified staff oriented towards marketing and promotion of tourism, Nepal can be promoted effectively. Thus, Nepalese Embassies and consulate offices abroad must be mobilized effectively as a market outlet of Nepal.
9. Nepal must make an annual tourism promotion and marketing plan. Target markets and segments should be identified on the basis of continuous market analysis and analysis of the competitive situation. Prioritization should be made on the basis of our product strength, market trend and need and strategies of other competitors. Suitable strategies and promotional program should be developed on such basis. Proper budgeting and resource allocation and continuous

monitoring and feedback are also necessary to realize defined targets. In this way, professional promotion and marketing can be institutionalized.

10. Services provided by the government like immigration, custom etc., are very important to promote the tourism industry and these services affect the visitors. These services were not rated satisfactory by the tourists. All three groups (tourists, organizations and experts) also identified the lacunae in the area. It reveals that there is a significant need to improve the process and service of immigration and customs in Nepal and the government must extend immediate attention to improve the situation.

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