

**AN ECONOMIC ANALYSIS OF
TOURIST'S EXPENDITURE IN POKHARA**

A Thesis

**Submitted to the Department of Economics, Prithvi Narayan
Campus, Faculty of Humanities and Social sciences of Tribhuvan
University in Partial Fulfillment for the Requirements for the Degree
of
MASTER OF ARTS
In
Economics**

**Submitted by
CHANDRA MANI LAMSAL
Department of Economics
Prithvi Narayan Campus
Tribhuvan University
Pokhara**

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त्रिभुवन विश्वविद्यालय
TRIBHUVAN UNIVERSITY

पृथ्वीनारायण क्याम्पस
PRITHVI NARAYAN CAMPUS



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पत्र संख्या :
चलानी नं

(. Department of Economics .)

भीमकाली पाटन, पोखरा, नेपाल
Bhimkali Patan, Pokhara, Nepal

LETTER OF RECOMMENDATION

This thesis entitled “An Economic Analysis of Tourist’s Expenditure in Pokhara” is prepared by CHANDRA MANI LAMSAL under my supervision. I hereby recommend this thesis for approval by the thesis committee.

.....
Dr. Lekha Nath Bhattarai
Associate Professor
Department of Economics
Prithvinarayan Campus
Pokhara
Thesis Supervisor

May 28, 2014



त्रिभुवन विश्वविद्यालय
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Bhimkali Patan, Pokhara, Nepal

APPROVAL SHEET

We certify that the thesis entitled “An Economic Analysis of Tourist’s Expenditure in Pokhara” submitted by **CHANDRA MANI LAMSAL** in department of Economics, Prithvi Narayan Campus, Pokhara, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the degree of **MASTER OF ARTS** in **ECONOMICS** has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said Degree.

Thesis Committee

Chairman

.....

Dr. Yadav Sharma Gaudel

Professor and Head of Department

External Examiner

.....

Pro.Dr. Bed Nath Sharma

Thesis Supervisor

.....

Dr. Lekha Nath Bhattarai

Associate Professor

Thesis Supervisor

Date: Jun 6, 2014

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ABSTRACT

This study entitled Tourist's Expenditure in Pokhara has been carried out in partial fulfillment for the Degree of Master of Art in Economics.

The main objective of this study was to analyze "Tourist's Expenditure in Pokhara" The sampling technique was applied for getting information from tourists. Primary data had been collected through the direct personal interview taken by the researcher himself with the help of questionnaires. One hundred seventy-five tourists from different countries had been chosen as a sample on March, April and May in 2013 and 10 hotels had been studied to get required information. The application of log linear models on different heads of expenditure i.e., food-meals-drinks, and accommodation etc., in general, have yielded inelastic demand. Contrary to this, accepting nationality and length of stay as selection variables, the demand for tourism products have evidenced both elastic as well as inelastic demand.

There is no up to date statistical record of tourist arrival in Pokhara. Pokhara received 52740 Indian and 178059 non Indian tourists in 2010. The total number of tourists welcomed in Pokhara was 230799 in 2010. It was 48 percent share of total number of tourists in Nepal According to hotels record 44082 tourists stayed on March, April and may in 2013 at 10 hotels. The Largest number of tourist stayed at the Fulbari Resort and Spa i.e.20731 (47.03%) and Landmark Pokhara keep second position i.e. 9242(20.96%).11.4 percent tourists identified the problems of infrastructure development like transportation, Airport condition and bad road condition etc. The problems identification on pollution, electricity, guide and information, political conflict, tariff in counter, flexible price and food and drinking water remained 6.86, 5.71,5.41, 1.71,3.43, 4.0 and 2.86 percent respectively. The average expenditure of a tourist in Pokhara was found to be NRs 3832.95(per day/per tourist). The average length of stay of tourists in Pokhara remains only 2.89 days and average length of stay of tourists in Nepal remained 13.74 days.

This study has been able to show that average tourist expenditure on different items, expenditure elasticity on different items of consumption by nationality and average length of stay along with to suggest the remedies for tourism problems in and around Pokhara city.

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ACRONYMS

ACAP	:	Annapurna Conservation Area Project
CAAO	:	Civil Aviation Authority Office
CBS	:	Central Bureau of Spastics
ESP	:	Ecotourism Society Pakistan
FY	:	Fiscal Year
GDP	:	Gross Domestic Product
GNP	:	Gross National Product
GON	:	Government of Nepal
HAN	:	Hotel Association of Nepal
MOF	:	Ministry Of Finance
MOTCA	:	Ministry of Tourism Civil Aviation
Mt.	:	Mountain
NTB	:	Nepal Tourism Board
PNC	:	Prithvi Narayan Campus
TAN	:	Trekking Association of Nepal
TU	:	Tribhuvan University
UNESCO	:	United Nations Educational, Scientific and Cultural Organization
UNWTO	:	United Nations World Tourism Organization
WTO	:	World Tourism Organization
WTTC	:	World Travel and Tourism Organization
PTB	:	Pokhara Tourism Board