

**TREND ANALYSIS OF TOURISTS ARRIVAL IN NEPAL
1990-2012**

A Thesis

**Submitted to the Department of Economics,
Faculty of Humanities and Social Sciences
of Tribhuvan University,**

In Partial Fulfillment of the Requirements

For the Degree of

Masters of Arts

in

Economics

Submitted by

Shirish Kumar Bastakoti

Campus Roll No-74/064

Prithvi Narayan Campus

Pokhara

April 2015

RECOMMENDATION

This is to certify that Mr. Shirish Kumar Bastakoti has prepared this dissertation on '**Trend Analysis of Tourists Arrival in Nepal 1990-2012**' under my supervision and guidance in partial fulfillment of the requirements for the Degree of Master of Arts in Economics in the form and standard required by the Tribhuvan University. I hereby, recommend this dissertation for acceptance.

Rajendra Bahadur Devkota

(Supervisor)

Department of Economics

Prithvi Narayan Campus

Pokhara, Nepal

Date: April 12, 2015

APPROVAL SHEET

This dissertation entitled '**Trend Analysis of Tourists Arrival in Nepal 1990-2012**', prepared by Mr. Shirish Kumar Bastakoti has been accepted in partial fulfillment of the requirements for the Degree of Master of Arts in Economics, Prithvi Narayan Campus, Pokhara, Nepal.

Dissertation Committee:

Head of the Department

(Dr. Yadav Sharma Gaudel)

Professor

External Examiner

(Dr. Bednath Sharma)

Professor

Supervisor

(Rajendra Bahadur Devkota)

Lecturer

Date: April 13, 2015

Acknowledgement

This study entitled 'Trend Analysis of Tourists Arrival in Nepal 1990-2012' has been carried out as a partial fulfillment of the requirements for the Masters Degree in Economics. This dissertation is not an outcome of a single hand. Many hands have supported work to bring it in final shape. I am grateful and thankful to all those helping hands.

First of all, I am indebted to my supervisor Mr. Rajendra Bahadur Devkota, lecturer of Prithvi Narayan Campus, Pokhara for his valuable guidance, cooperation and support during the study. Without his inspiration, suggestion and well directed motivational approach toward my study and me things were far away from its final objectives. Similarly, I would like to thank Prof. Dr. Yadav Sharma Gaudel, Prof. & Head of the Department of Economics of Prithvi Narayan Campus, Pokhara, for his constructive and valuable suggestions and encouragement. I would like to acknowledge the help I received from all the members of Western Regional Library, Prithvi Narayan Campus, Pokhara during the studying relevant literature.

I would like to extend my sincere thanks to my parents, family members and my friends for their encouragement and fully support. Also I would like to extend my sincere thanks to my daughter Shilan and wife Shital for their encouragement and fully support. This research paper is a product of cooperation with many people. Finally, I would like to thanks all my friends and relatives for their suggestions during the research period.

April, 2015

Shirish Kumar Bastakoti

Roll No.:-74/064

TU Reg. No.:- 6-1-48-831-97

Abstract

This study is mainly concentrated on the objectives to assess the trend of tourist arrival in Nepal from 1990 to 2012. This study is also analyzed the contribution of tourism to the GDP, share of tourism receipts to the national economy and this study has also attempted to analyze the employment generation from tourism and some appropriate recommendations for tourism development in Nepal has been presented. In this study data has been analyzed depending on secondary sources of information from concerned authorities. This study specially concerns with international tourist arrivals in Nepal. And all the information is based on secondary data. This study covers the 23 years i.e. from 1990 to 2012. The collected data has been analyzed qualitatively and quantitatively. To analyze the data different tools and techniques have been used. The simple mathematical tools like percentage, ratio and average have been used to analyze the data. And the data has been presented by using simple methods such as tables, bar diagrams, pie-charts and charts.

Tourism is the movement or travel of people from one place to another; whether it is within their own country or to other countries, for pleasure, business, pilgrimage and other purpose. The evolution of tourism dates back to ancient times. In Nepal, tourism, despite having a long history was, developed since 1950s only. It is found that the tourist arrival in Nepal in 1962 was 6179 and after a decade in 1972 it reached 52,930, which was an increase by 8.6 times. In the year 2012, the number of tourists reached 803,092 by recording a growth of 9.1 percent over 2011 which was the highest figure of tourist arrival in Nepal until the year 2012. The gender wise trend of tourist arrivals in Nepal shows that the number of male tourists is always larger than that of female tourists. In the year 2012 the ratio of male and female tourists' arrivals in Nepal were 54.7 and 45.3 respectively of the total arrivals. In Nepal shortest length of stay of tourists is recorded 7.92 days in 2002 and the longest 13.51 days in the year 2004 during the period 1990 and 2012. The average length of stay of foreign tourists in Nepal has been found 12.26 days during the year 2012. The age-wise trend of tourist arrival in Nepal found that since the year 1992 to 2012 the age group of 31-45 has a higher share and age group of 16-30, 46-60, 61 & over and 0 -15 secured second, third, fourth and fifth position except the year 2004 and 2009. March, April of Spring season and October, November of Autumn season, these four months are peak seasons for tourist coming to Nepal. Most of the tourists visiting Nepal come for

holiday/pleasure purpose. In 2012 most of the tourist came for holiday and pleasure purposes which is 47.3 percent of the total tourist arrival in Nepal in that year. In the early years above 80 percent tourists uses air service while visiting Nepal and below 20 percent tourists they came by land transport service. Since 2002, except the year 2003, below 80 percent tourists came by air and above 20 percent came via land. In terms of nationality, the largest number of tourists coming to Nepal is from India and other major nationalities include China, UK, USA, Sri Lanka, Japan, Germany, France, etc. The highest percent of tourist arrivals in Nepal in 2012 was from India with 20.6 percent share and other major market for Nepal among top ten nations are China (8.9%), Sri Lanka (8.7%), USA (6.1%), UK (5.1%), France (3.6%), Japan (3.6%), Germany (3.8%), Australia (2.7%), Netherland (1.9%), and Italy and Spain (1.8%) respectively. In the fiscal year 2000/01 the total foreign exchange earnings from tourism was Rs.11717 million. It reached Rs. 30703 million in the fiscal year 2011/12 which is about three times more than the fiscal year 2000/01. The proportion of tourism earnings to total foreign exchange earnings has been fluctuating from 2000/01 to 2011/12 ranging 3.6 percent to 8.1 percent. The higher percentage of share from tourism is noticed in the year 1993/94 which was recorded 4.3 percent of total GDP. And the lowest percentage of share from tourism to GDP in the year 2006/07 that was recorded only 1.5 percent. So tourism is one of the major contributors of the foreign exchange earnings in the country. There were 637 travel agencies and 537 trekking agencies working in Nepal in the year 2000 which number of agencies reached 1739 and 1240 in the year 2010. The number of tourist guide and trekking guide has increased also in increasing rate. The number of tourist guide was 1854 and the number of trekking guide was 2155 in the year 2000. These numbers are reached 2661 and 6747 respectively in the year 2010. The number of trekking guide has been increased more than 3 times during the study period i.e. from 2000 to 2010. So the recent trend of tourists' arrival in Nepal seems satisfactory. To promote tourism sector and its contribution to socio-economic sector of the country, we need to utilize available resources properly and beneficially.

Content

Title	Page
<i>Recommendation</i>	<i>ii</i>
<i>Approval Sheet</i>	<i>iii</i>
<i>Acknowledgement</i>	<i>iv</i>
<i>Abstract</i>	<i>v</i>
<i>List of Tables</i>	<i>ix</i>
<i>List of Figures</i>	<i>x</i>
<i>Abbreviations</i>	<i>xi</i>
CHAPTER I: INTRODUCTION	1-13
1.1 General Background	1
1.2 Statement of the Problem	7
1.3 Objectives of the Study	10
1.4 Significance of the Study	10
1.5 Limitations of the Study	12
1.6 Organization of the Study	13
CHAPTER II: LITERATURE REVIEW	14-34
2.1 Theoretical Review	14
2.2 Research Review	27
2.3 Research Gap	33
CHAPTER III: RESEARCH METHODOLOGY	35-36
3.1 Research Design	35
3.2 Nature and Sources of Data	35
3.3 Data Collection Procedure	35
3.4 Method of Data Processing Procedure and Presentation	36
CHAPTER IV: PRESENTATION AND ANALYSIS OF DATA	37-65
4.1 Status of Tourists Arrival in Nepal	37
4.2 Gender-wise Trend of Tourists Arrival in Nepal	42
4.3 Trend of Tourists' Length of Stay	44
4.4 Age-wise Trend of Tourists Arrival in Nepal	45
4.5 Seasonal Trend of Tourists Arrival in Nepal	47

4.6 Purpose-wise Trend of Tourists Arrival in Nepal	48
4.7 Trend of Mode of Tourists Arrival in Nepal	50
4.8 Nationality Trend of Tourists Arrival in Nepal	53
4.9 Contribution from Tourism to Total Foreign Exchange Earnings and Merchandise Export Earnings	55
4.10 Contribution from Tourism to Gross Domestic Product (GDP)	58
4.11 Major Contributors of Foreign Exchange Earnings	60
4.12 Contribution from Tourism to Foreign Exchange Earnings	61
4.13 Contribution of Tourism to the Employment Generation	62
4.14 Major Findings of the Study	63
CHAPTER V: SUMMARY, CONCLUSION AND SUGGESTIONS	66-71
5.1 Summary	66
5.2 Conclusion	68
5.3 Suggestions	70
Appendixes	72-79
References	80-84

List of Tables

Table No	Title	Page
1:	Number of Tourists Arrival in Nepal (1990-2012)	37
2:	Tourists Arrival in Nepal by Fiscal Year (1990/91-2011/12)	39
3:	Tourists Arrival in Nepal by Gender (1990-2012)	42
4:	Length of Stay of Tourists Arriving in Nepal (1990-2012)	44
5:	Tourists Arrival in Nepal by Age Group (1990-2012)	45
6:	Tourists Arrival by Month (1990-2012)	47
7:	Tourists Arrival in Nepal by Purpose of Visit (1990-2012)	50
8:	Mode of Tourists Arrival in Nepal (1990-2012)	50
9:	Tourists Arrival in Nepal by Major Nationality (2001-2012)	54
10:	Total Foreign Exchange Earnings and Merchandise Export Earnings From Tourism (2000/01-2011/12)	57
11:	The Share of Tourism Receipt to Gross Domestic Product (GDP) (1990/91- 2011/12)	58
12:	Major Contributors of Foreign Exchange Earnings (2000/01-2009/10)	60
13:	Share of Tourism Receipts in Foreign Exchange Earnings (2001/02-2009/10)	61
14:	Total Number of Travel, Trekking Agencies and Licensed Manpower (2000-2010)	Guide 62

List of Figures

Figure No	Title	Page
1.	Tourist Arrival in Fiscal Year	41
2.	Tourist Arrival by Gender	43
3.	Tourist Arrival by Age Group in 2012	46
4.	Tourist Arrival by Month in 2012	48
5.	Tourist Arrival by Purpose in 2012	49
6.	Tourist Arrival by Mode	52
7.	Tourist Arrival by Major Nationalities in 2012	53

ABBREVIATIONS

ACAP	=	Annapurna Conservation Area Project
AD	=	Amino Domini
BARN	=	Board of Airline Representatives in Nepal
BS	=	Bikram Sambat
CAAN	=	Cargo Agents Association of Nepal
CBS	=	Central Bureau of Statistics
CTEVT	=	Council for Technical Education and Vocational Training
DOI	=	Department of Information
DOT	=	Department of Tourism
FFAN	=	Freight Forwarders Association of Nepal
FNCCI	=	Federation of Nepalese Chambers of Commerce and Industry
GDP	=	Gross Domestic Product
GON	=	Government of Nepal
HAN	=	Hotel Association of Nepal
HMG/Nepal	=	His Majesty Government of Nepal
HMTTC	=	Hotel Management and Tourism Training Centre
ICIMOD	=	International Centre for Integrated Mountain Development
ILO	=	International Labor Organization
IOF	=	Institute of Forestry
IUOTO	=	International Union of Official Travel Organization
KEEP	=	Kathmandu Environmental Education Project
MOCTCA	=	Ministry of Culture, Tourism, & Civil Aviation
MOF	=	Ministry of Finance
MOTCA	=	Ministry of Tourism and Civil Aviation
NARA	=	Nepal Association of Rafting Agents
NATHM	=	Nepal Academy of Tourism and Hotel Management
NATO	=	Nepal Association of Tour Operators
NATTA	=	Nepal Association of Tour and Travel Agents
NCTTM	=	Nepal College of Travel and Tourism Management
NEAT	=	Nepal Entrepreneurs Association of Tourism

NICA	=	Nepal Incentive and Convention Association
NMA	=	Nepal Mountaineering Association
NPC	=	National Plan Commission
NRB	=	Nepal Rastra Bank
NTB	=	Nepal Tourism Board
PATA	=	Pacific Asia Travel Association
REBAN	=	Restaurant and Bar Association of Nepal
TAAN	=	Trekking Agents Association of Nepal
UK	=	United Kingdom
UN ESCAP	=	United Nation Economic and Social Survey of Asia and the Pacific
UNDP	=	United Nations Development Program
UNO	=	United Nations Organization
UNWTO	=	United Nations World Tourism Organization
USA	=	United States of America
VNY'98	=	Visit Nepal Year 1998
WTC	=	World Trade Centre
WTO	=	World Tourism Organization