

CHAPTER I

INTRODUCTION

1.1 General Background

The contemporary world has endorsed the growing interaction and inter-penetration between the existing and relatively interdependent social system. The world is rigidly becoming a global village. No a far islands or obscure archaic tribal settlement manage to preserve their isolation. The globalization has easy reaches in these settlements today. Tourism itself is a progeny of the globalization. Tourism, by its virtue is truly a social phenomenon. It mostly involves travel in general which includes contact and connection with the various human societies. Social exchange is the common occurrence among the traveler for the various reasons, be it a lonely travel or travel with families, couples, tour groups or as delegates to a conference. The general belief is that, sort of change may appear with absolutely negative and harmful disposition from the other dimension. And those effects can be simple or complex, short-term or long-term, momentary or enduring.

The contemporary world has given a high priority to the development. Nepal is a developing country. Nepal also wants to reach the developed country. For the development, industrial sector should be developed. The one of the industrial sector, tourism industry can play as an important role in Nepalese economy. Development of tourism sector has contributed to increase foreign exchange earnings, employment opportunity as well as helped to improve the balance of payment of the country.

Nepal is a beautiful mountainous country which lies on the southern flank of the Himalayas with a glare of the highest peaks in the world including Mt. Everest. It lies between two big countries India and China. Its length lies 885 km east west and its breadth varies from 145 to 243 km north south. The total area of the country is 147181 sq. km (CBS, Nepal 1997:2).

Tourism industry plays an important role in Nepalese economy. Development of tourism sector has contributed to increase foreign exchange earnings, employment opportunity as well as helped to improve the balance of payment of the country. This sector has contributed 4.3 percent of gross domestic product of the nation in FY

1993/94 and 37.3 percent of the total foreign exchange earnings in 1982/83. This sector has contributed just 1.5 percent of GDP in the FY 2006/07 (Economic Survey 2007/08).

Tourism is an important industry and it is gaining a growing recognition in the world. It is smokeless industry. Developed countries have already benefited from tourism while developing countries are gradually benefiting. Tourism industry generates substantial benefits for both host countries and tourist's home country. It is the main sources of foreign earning and an important factor in the development of industries and international trade. It plays an important role in economic and technological development of nations. It also serves to stimulate the development of basic infrastructure, contributes to the growth of domestic industries, attracts foreign investment, facilitates the transfer of technology and information (Srivastava and Baral, 2010:1-2).

The contribution of tourism industry to GDP was 3.6 percent in 1992 and 1.4 percent in 2008 which was reached to 1.8 percent in 2011. Ministry of Tourism and Civil Aviation, in collaboration with concerned industry entrepreneurs and Nepal Tourism Board has issued Nepal Tourism Vision 2020. Under this vision, target, objectives and strategies have been set to attract 2 million tourists in 2020 (Economic Survey, 2009).

Historical background, geographical situation, and sociological wealth are numerous tourist potentialities in Nepal. So tourism industry has been playing a significant role in the country's economy. Nepal's natural attractions, physical, historical, cultural, monuments like temples, art treasures, festivals and wild life are the best attractions for foreign visitors. Nepal's Himalayas and their scenic beauty are also the prominent attractions to the visitors. Nepal is the land of Buddha, Country of Mt. Everest and the land of Yeti. Its various snow peaked mountains, rivers, lakes, conducive climate and mysterious charms are inviting the visitors of the world.

The term 'Tourism' has been originated from the French word 'Tourisme' which is used as contemptuous synonym for the traveler since the early 19th century. As recommended by the United Nations Guidelines for tourism statistics 1971, the more general terms visitor is divided into special categories; excursionists are visitors not staying overnight or less than 24 hours, visitors among its incoming travelers

registered. While other argues that, The Origin of the word 'Tourist' Date back to the years 1292 A.D. The word Tourism is the term that is derived from the Latin word *Tornus* which means a tool for describing two circle or Turners wheel (Kunwar, 1997).

In 1943 the term was first used in the sense of going around or travelling from place to place. The meaning of the Tourist is an individual who travels for the pleasure or travelling out of country. It was first appeared in the oxford English dictionary in 1811 A.D. but the origin of these activities goes back considerable further. Human being has the desire to travel, visit exotic places and to encounter different cultures. Even in the time of the ancient Greek travelers such as Herodotus visited countries and places other than their own and reported their experiences. Similarly, wealthy Romans travelled to Egypt and Greece to visit sanctuaries to relax.

The term and tourism were first used as official term in 1993 by league of Nation. Tourism was defined as travelling of people abroad for the period of over 24 hours. 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. The recent trend of tourists' arrival in Nepal seems satisfactory. However, from the perspective of tourism based resources and its availability in the country seems rather pessimistic. To promote tourism sector and its contribution to socio-economic sector of the country, we need to utilize available resources properly and beneficially. For this, there is need of dynamic and tourism friendly policy and joint effort of the government and the private sector as well. Tourism refers to the movement or journey of human beings from one place to another, whether it is within one's own country or other countries. It can be for pleasure, business, pilgrimage and other purposes. The evolution of tourism dates back to ancient times. In Sanskrit literature, there are three terms for tourism, derived from the root "anta", which means going or leaving home for some other places. The three terms are:

Paryant –(पर्यन्त) – It means going out for pleasure and knowledge.

Desant –(देशान्त)– It means going out of the country prominently for economic gain.

Tirthatan (तीर्थाटन) – It means going out to places of religious merits.

The literal meaning of these three Sanskrit terms is that tourism denotes going out from house for pleasure and knowledge, going out of the country for economic gain and going out to places for religious purposes. Traveling, in the remote past, was mandatory because the very survival and existence of primitive men depended on it. However, the advent of civilization brought about changes in human perception and the focus of traveling shifted from one of the necessity to a desire for adventure (Ranjit, 1976:17).

Later, the introduction and development of the modern means of transportation and communication have contributed to tourism growth by facilitating and augmenting traveling activities. Today, tourism industry is rapidly growing worldwide and its role is significant in the socio-economic sector of all countries. Tourism is an important source of foreign exchange earnings, provides employment opportunities and helps in economic growth of the country. The rapid growth of tourism in the world started only after the Second World War. The realization for the need of development in almost all countries, increasing liberalization of foreign exchange and travel restrictions, liberal policy of governments, the aspiration for international brotherhood, etc., are the main factors contributing for the rapid growth of tourism (Shrestha, 1978:22).

Other factors responsible for the enormous growth of international tourism are: availability of leisure time with the people, the rapid growth of population, the advent of Jet travel, the creation of low cost means of transport and communications, low cost hotel and restaurants, retirement age and increasing life expectancy, desire to know and see the unique life styles, traditions and cultures of people of different places, rising standard of living and so on. In the developed countries, tourism agencies are encouraging the people to travel by providing schemes of incentive travel. Agencies also provide credit plans to the people for traveling on installment basis as, “fly now pay later” arrangement (Encyclopedia Americana 1976: 877).

The word tour was nearly related to the idea of a journey or voyage that is used in term of tourism today. Therefore, there is no origin date that determines the beginning of pre-industrial revolution (prior to 1840AD) age of tourism history in text books, but the word tourism emerged in the English language in the early nineteenth century

(Walker, 2004, Page, 2007; Alhroot,2009). However, it was called that the historical roots of tourism can be started to the existence of mankind on earth and the origins of civilization through different ages of life. Accordingly, the tourism industry has achieved much progress the world economy of the twenty-first century will be led by the following industries: telecommunication, information technology, internet, facebook, twitter, you tube and tourism (Alhroot, 2009; 2012).

All these developments have led to the expansion of international tourism movement during the last few decades. Regarding the modern concept, tourism is a relatively recent phenomenon in Nepal. Although the influx of visitors for different purposes was there from very early times.

The United Nations World Tourism Organization (UNWTO) defines tourism as 'the activities of persons travelling to, and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited'.

Tourism is a social, cultural and economic phenomenon related to the movement of people to places outside their usual place of residence. Tourism has an impact on the economy, on the natural and built environments, on the local population of the places visited, as well as on the visitors themselves. During recent decades, tourism has become an important economic and social activity in the national and global economy. Tourism is a fast growing sector which is recognized by the government for the role it plays in economic growth and poverty alleviation. Tourism plays a significant role in influencing economies with regard to the generation of value added, employment, personal income and government income. Tourism is very broad in nature and covers numerous goods and services, as well as activities from numerous industries.

According to different authors, tourism can be classified into various types. But here is mention about different forms of tourism. Different forms of tourism are mention below.

Pleasure Tourism - Under pleasure tourism, people go on holiday for enjoyment out of curiosity; to take rest, observe something new, to delight of good scenery in unknown folklore. Some tourists find pleasure in traveling to various places. This type of tourism usually depends upon different taste of different people.

Recreational Tourism- Recreational tourism is mainly concerned with leisure and rest and to cover physical and psychical stamina. This type of tourist usually stays longer.

Cultural/ Pilgrimage Tourism- This type of tourism is motivated by the eagerness to learn the different cultures of different countries. Culture/heritage and religious places are the main attraction of cultural/ pilgrimage tourism. Archeological, historical and religious places such as dances, music, dramas, ceremonies, arts and crafts, dresses, customs and value systems all comprises culture of an area.

Eco-tourism- Eco-tourism is new concept. It involves travelling relatively undisturbed a uncontaminated natural areas with the specific object of studying admiring and enjoying the scenery and its wild plants and animals as well as any existing cultural areas in which the conservation of eco-system and protection of biodiversity is aimed at the desired types of tourists visit the protected areas and organization and legislation of the tourism development support a sustainable development. This is a kind of small-scale tourism, which is based on natural and cultural conditions and does not destroy the resources which tourism builds on. It is also a form of tourism inspired primarily by the nature of an area including its indigenous cultures (Kunwar 1997:66).

Domestic Tourism- Domestic tourism is that activity of tourist which takes place within his/her own country without crossing the boundaries of the country. Similarly a domestic tourist is a person who travels beyond his normal domicile to certain other areas within the country. The basic difference between domestic and international tourism is that of jurisdiction of travel. The domestic tourist does not need to fulfill various travel formalities, which are necessary in international tourism. The barriers of passport, visas, exchange of foreign currency, language and culture are not faced by a domestic tourist. The domestic tourist is generally regarded as a person travelling for a propose other than excursing a gainful activity or setting at the place visited (Bhatiya, 1982:100).

Conference Tourism- Conference tourism concerned to the conferences when the international conferences occur, a large number of delegates of different nations take part in conference. These conferences may be at different purposes like business, political and human rights. Such kind of conferences attracted tourists in the country. This type of tourism is organized in different countries when such convention facilities are available. These conferences are arranged in the cities best prepared to receive the delegates and to cover the low occupancy rate of the hotel in the low season. Such types of conference tourism are growing rapidly in the modern world.

Sporting Tourism - Sporting tourists are interested in two types sporting which are:

Visiting sports events like Olympic, World Cup etc that attract not only sportsman to the host country but also a larger number of sport fans tourist to see these functions.

Visiting well organized sporting events in countries, which have specialized facilities such as winter sports, natural sports, fishing, mountain climbing etc.

Business or Technical Tourism- Tourists who come for business purpose are called business tourists. Business or industrialists or professionals visiting place of their interest or fairs and exhibitions or places of technical achievements are included under this category.

1.2 Statement of the Problem

Tourism comprises the activities of persons traveling to and staying in places outside, their usual environment for not more than one consecutive year for leisure, business and other purposes (WTO, 1999). Over the past several decades international tourism has gained distinct importance around the globe. World tourism recovered strongly in 2010 even exceeding the expectations. The tourists' arrivals grew by 6.7 percent in 2010 against the 4.0 percent decline in the previous year – the year hardest hit by the global economic crisis (UNWTO, 2011). Similarly, tourism receipt remained at US \$ 852 billion in 2009 (UNWTO, 2010).

In Nepal, despite the belated start of formal tourism after the restoration of democracy in 1952, it gained remarkable growth over the years. In 1962, 6,179 tourists travelled Nepal (MOTCA, 2010). It is estimated to be around one million in 2011 including the arrivals of foreigners by land. Nowadays, Nepal caters more than half million tourists

and earns foreign currency equivalent of about NRs. 16,825 million. The sector provides employment for about 20 percent of economically active population and contributes about 3.0 percent on gross domestic product (GDP). Tourism is one of the productive business activities directed for the production of the goods and services. It provides goods and services to the customers (visitors, generally foreigners) and employment and income to the locals. With this tourism business, enterprises and the people (related directly or indirectly) generate earnings from the operation of the tourism business activities. Further, tourism as an economic activity produces various direct, indirect and induced impacts in the economy. It ultimately increases the foreign exchange earnings, generates employment opportunity and increases income. Again, the resultant income flows being circulation in the economy, encourages for other economic activities to take place inducing many rounds of income. It also stimulates for the income and employment in other sectors of the economy (UN ESCAP, 2001).

Tourism has various economic, social, cultural and environmental effects on tourism destinations and the effect can be both positive and negative. Several studies tried to measure economic impact of tourism and concluded about its significance for the economy. Nowadays the importance of tourism in economic development of many countries is well documented. However, there is a dearth of literature in Nepal about the economic impact of tourism.

There are various touristic attractions in Nepal. Natural attractions, archeological beauties and cultural values are the most important attraction. Nepal is a mountains country. There are many territorial diversities and world famous highest mountain peaks in Nepal. The third pole, Mt. Everest, the highest mountain in the world along with other high Himalayan peaks has been inviting many tourists to Nepal. Historical background, geographical situation, and sociological wealth are numerous tourist potentialities in Nepal. So tourism industry has been playing a significant role in the country's economy. Nepal's natural attractions, physical, historical, cultural, monuments like temples, art treasures, festivals and wild life are the best attractions for foreign visitors. Nepal's Himalayas and their scenic beauty are also the prominent attractions to the visitors. Nepal is the land of Buddha, Country of Mt. Everest and the land of Yeti. Its various snow peaked mountains, rivers, lakes, conducive climate and mysterious charms are inviting the visitors of the world.

Tourist arrival in Nepal is growing steadily, however her place in world tourism seems in lower position and even in the comparison to the countries of the south Asia like India, Sri Lanka and Maldives. The foreign exchange earnings from tourism in Nepal is also fluctuating day by day. Nepal is undertaking very limited tourism marketing activities in the country and out of the country while other countries in the world with more resources are spending as huge amount of investment on aggressive marketing in their destinations. The government of Nepal has limited budget to spend on tourism sector which is inadequate to utilize tourism resources fully in the country.

Implying the tourism plans, policies and marketing strategies in the country the government has given limited attention toward tourism marketing and promotional programs. Further lack of proper marketing strategies , lack of proper implementation of research based promotional activities and effective publicity of Nepal in potential segments in the world market are the major challenges to attain the expected level of outcome from tourism (Pradhan, 1979:42).

Nepal is a developing country. Nepal also wants to reach the developed country. For the development, industrial sector should be developed. The one of the industrial sector, tourism industry can play as an important role in Nepalese economy. Development of tourism sector has contributed to increase foreign exchange earnings, employment opportunity as well as helped to improve the balance of payment of the country.

Tourism is a labor intensive industry which is the most important sector for the Nepalese economy but this sector has been neglected in Nepal. Tourism has also created a considerable source of income and employment opportunities in the country which has been added national economy. Besides, with references to our limited amount of export and unfavorable balance of payments, tourism sector contributes to the earning of foreign currency to some extent.

So it has become very essential to analyze its trend and impact comprehensively and to highlight its significant role in the Nepalese economy. Nepal being a developing stage of the country needs big amount of convertible foreign exchange to cover its different economic development activities which can be obtained from tourism. In this respect tourism is regarded as one of the best reliable and sustainable source to

generate foreign currencies in Nepal. This study will be examine and analyze the trend and the importance of tourism in Nepal.

In the respect to the tourism in Nepal, different scholar, researcher and experts have expressed their views through their research. Empirical study on the trend of tourist arrival, tourism as a means of increasing revenue and some basic problem has still unanswered by them.

In this context, keeping this view in mind different issues may arise on the development of tourism in Nepal. This study is mainly focused on searching the answer to the research questions, which are mentioned below:

- i) What is the demographic composition of tourist arrival in Nepal?
- ii) What is the employment status in tourism sector in Nepal?
- iii) What is the status of foreign exchange earnings from the tourism sector in Nepal?
- iv) How tourism is promoted in Nepal?

1.3 Objectives of the Study

The main objective of the study is to analyze the trend of tourist arrival in Nepal.

The specific objectives are set as:

- To analyze the demographic composition of tourist arrival in Nepal.
- To analyze the employment status in tourism sector and the status of foreign exchange earnings from tourism sector in Nepal.
- To suggest the promoting way of tourism industry in Nepal.

1.4 Significance of the Study

Tourism industry can be a backbone in Nepalese economy. Nepal has higher potentialities to develop tourism industry which is suitable for socio-economic prosperity for the country. Various efforts have been made for the development of tourism in Nepal. Nepal is a developing country in the world which economy depends heavily on agriculture. The unemployment and under employment problem is rampant

in Nepal. There are not high scale industries for economic development in Nepal. Nepal being a developing country it needs a big amount of convertible foreign exchange to cover its different economic activities. There is needed high investment for economic development for the country.

Tourism is the best way to earn foreign exchange earnings and create employment opportunities in the country. In this context, the study of tourism is important and significant for Nepalese economy. This research work is mainly concerned with the analysis of the tourist arrivals and foreign exchange earnings from tourism sector. Its relation is the other development indicators such as Gross Domestic Product (GDP), reviewing the tourism plan, policies, prospects and problems of the tourism development in Nepal. Thus, this study will be innovative and functional research in the field of tourism in Nepal. This study will be also supportive for those researchers, explores and others who are concerned to get detail information about tourism.

This research is expected and believed that to generate source of information for many writers, researchers, and scholars to conduct further study and research upon various aspects of tourism in future. So, this research is very important for the tourism development in Nepal. Having considered the important role of tourism for the national development, it is hoped that the tourism will flourish prosperously as a colorful flower in near future. The study is small even though it will help to have a socio-economic understanding about tourism. This study will also help to know the present trend of tourist arrival in Nepal. It is expected that this study will be able to provide information and suggestion to the concerned parties, which can be very useful to formulate appropriate policies regarding the development of the tourism sector. So this study is very important for the researchers, related persons, parties, students, teachers, organizations and planners.

This study is hoped to be useful on the following grounds.

- It is useful to promote the accommodation facility and quality service for tourist so as to increase the number of tourist and their duration of stay.
- It is hoped to be useful to identify the problems regarding the tourism in Nepal and help to adopt appropriate policies.

- It is useful for the entrepreneur for further investment on tourism industry in Nepal.
- It is also help to solve the problems of unemployment to some extent through tourism sectors.

1.5 Limitations of the Study

Research is never ending process. Research in any field of knowledge makes the ground for more researchers for the further research and this process goes on. All the studies at any discipline are researches which have own limitations. This study is also not free from the limitations. The limitations of this study which are given below:

- This study is prepared for the partial fulfillment of MA Economics dissertation.
- In this study, data have been analyzed depending on secondary sources of information from concerned authorities, it is also another limitation.
- This study specially concerns with international tourist arrivals in Nepal.
- All the information are based on secondary data.
- This study is based on the time series data since 1990 to 2012.
- In this study time and budget constraint are not comprehensive.

1.6 Organization of the Study

This study consists of five chapters. It begins with the introduction and ends with the summary, conclusion and suggestions. They are as follows: (i) Introduction (ii) Literature Review (iii) Research Methodology (iv) Presentation and Analysis of Data (v) Summary, Conclusion and suggestions.

The first chapter describes about the introduction to the study, statement of the problem, justification of the study, objectives of the study, significance of the study, and limitations of the study. Chapter second presents about the theoretical review and review of relevant literature and research gap. Chapter three incorporates the research methodology of this study. Likewise, chapter four deals with trend and pattern of tourists' visiting to Nepal. Finally, the chapter five ends with the summary, conclusion and suggestions.

CHAPTER II

LITERATURE REVIEW

2.1 Theoretical Review

From the ancient period Nepal was a popular place for pilgrimage tourism. According to the legends Nepal is a abode of Gods and Goddesses. Tourists have arrived in some form or the other from time immemorial in Nepal. In this context, first of all, it is pertinent to illustrate a legend. As far as the legend goes, ‘Manjushree’ had made the valley it for human habitation by cutting the Chovar Hill of Kathmandu Valley with his sword and thereby letting the water low out from within the valley (Sharma, 2033: 55-56, Bhandari 2030:17). Although Manjushree is said to have come either from India or China, yet he is regarded as the first tourist ever visiting Nepal.

The Nepalese genealogy lay down that the first ruling dynasty in Nepal was Gopal who took the cattle and sold milk. After the Gopal dynasty, Kirat dynasty came to power in ancient Nepal. There were some traces for tourism development in Nepal in the period of Kirat dynasty.

During the early historical era too, famous visitors have been recorded as having visited Nepal. It has been illustrated in the chronicle that Gautam Buddha visited Nepal during the reign of Jitedasti, the seventh Kirat King, who stayed in the western part, near Swayambhu (Satyal 1, 1988: 28 and K.C. 1984: 18). The Great King of ancient India, Ashok too had visited Nepal with his daughter ‘Charumati’ at the ruling of period of 14th Kirati king Sthunko. King Ashok visited Lumbini, the birth place of Lord Buddha, and built the Ashok Pillar there. He then came to Kathmandu valley and built similar pillars in different places. He also constructed many Vihars, Stupas, and then he popularized Buddhism in the world (Satyal1988:28). So it is said that Ashok started religious tourism all over the world from Nepal.

In Nepalese history, after the fall of Kirat dynasty at 400 AD in Nepal, Lichchhavis came to power. The Lichchhavi period is regarded very significant from the tourism viewpoint. There had been enormous progress of art and culture in the country during that period. In particular architecture, paintings and sculpture were tremendously developed all over the country, while famous palaces like *Kailashkut Bhawan*,

Managriha (Sharma, 2033: 121, 126) and *Bhadradhiwas Bhawan* (Shaha, 1998: 23) etc., were also built during that period. So this era has known as the name of golden age in ancient Nepal. Chinese visitor Huen T Sang in 637 AD, Chinese imperial envoys Li Y. Piao and the ambassador Wang Hiuentse visited Nepal in this era. They praised Nepali arts and cultures and wrote many historical events about the country.

The way in which art and culture were developing in Nepal during that period inspired the Chinese travelers to come to Nepal and wrote about Nepal (Satyal, 1988: 29). The marriage relations between Princess Bhrikuti, daughter of King Amshuvarma, and Srong-sten Gampo, the king of the northern state Lhasa (present Tibetan Autonomous Region of China) in 592 A.D. gave rise to the establishment of special relations between the two countries (Sharma 2033: 95 96). As a result, it was natural for the people of these countries to travel from one country to the other. Thereafter, Nepal was developed as the only route for a long period to visit China via Lhasa and travel from China to India via Lhasa. This led to the increase in arrivals of foreigners in Nepal (Sharma, 2033: 96 and Shakya, 2051: 11). Famous Chinese traveler, Huien-Tsang, started the journey to India in 629 A.D. According to historical evidence, after meeting King Harsabardhan of India, he returned to China via Nepal in 643 A.D. During his journey to Nepal, Huien-Tsang also visited Lumbini (Sharma, 2033: 89). Then The Emperor of China is said to have sent his imperial envoys to India via Nepal in an attempt to strengthen the relations with King Harsabardhan of India. For example, in 643 A.D., Chinese envoy Li Yi Piao, came to Nepal via Lhasa and then visited India (Sharma, 2033: 89). Another Chinese envoy, Wang Hiuentse, frequently used to travel to and fro Nepal with his companions during 643-657 A.D. when he was envoy to India (Shakya, 2051: 11).

Buddhism preachers had visited Nepal during Lichchhavi period i.e. Shantarakshit in 742 A.D, Padma Sambhav in 474 A.D, Kamalsheel in 760 A.D, Atisha Dipankar in 1040 A.D and Milarepa in 1010 A.D. (Pradhan, 2045:136-62) Along with the reign of the Mallas people from the western countries began coming to Nepal with an aim to spread and publicize Christianity. First of all Jao- Cabrall, a Portuguese, had entered Nepal via Bhutan with an aim to spread Christianity. Later, many Fathers came to Nepal with similar aims. Since 1737 A.D, King Jaya Prakash Malla provided written permission to Christians for the settlement and spreading of Christianity in Kantipur (Chhetri and Rayamajhi, 2061: 115-116).

The Malla period too is of great significance in the Nepalese history. The Mallas ruled over Nepal from around 750-1480 A.D. (Satyal, 1988: 29). A plethora of magnificent pagodas, palaces and houses reflect the richness of art and architecture during the Malla period. The Lichchavis and the Mallas brought about total transformation in the life style of the people. The existing customs of the diverse ethnic groups and the various festivals celebrated round the year have their roots in the Lichchhavi and the Malla periods.

Against this background, foreign tourists are found to have been attracted and visited Nepal from time immemorial. During those days, foreign tourists visiting Nepal were Chinese, Tibetan and Indians and they used to visit Nepal especially with religious and commercial motives. Nepal was a famous pilgrimage for both the Chinese and Indians. The Chinese and Tibetan religious groups used to visit Lumbini, the birth place of Lord Buddha, while the Indian religious people used to visit holy places like Pashupati Nath, Baraha Kshetra, Muktinath, Gosainkunda, etc. Similarly, Nepalese traders used to go to Lhasa for business purposes and the Tibetan traders too are found to have come to Nepal in connection with their business activities. Thus, religious and trading sectors are found to have contributed significantly to the development of tourism in Nepal.

Tourism after unification of Nepal King Prithvinarayan Shah unified the scattered principalities into bigger Nepal in 1767 A.D. (1825 B.S.). King Prithvinarayan Shah introduced many reforms in foreign affairs, cultural activities, social systems, economic conditions, religion and international trade as well as military organizations. Strict foreign policy was adopted in this period. After adopting the strict foreign policy by Prithvinarayan Shah the tourism could not develop in this period. In the history of tourism development of Nepal, the visit of Captain Kirk Patric Mission in 1792 to Nepal also seems important. Although Kirk Patrick had come to Nepal as a military official to collect facts about Nepal, his book about Nepal “An Account of the Kingdom of Nepal” helped to introduce Nepal to outsiders.

During the reign of Rajendra Bir Bikram Shah, Jung Bahadur Rana came to the power and laid the foundations of an autocratic regime which lasted 104 years in Nepal. The door to Nepal was closed to all the foreigners except some British personalities. They were allowed by Rana Prime Minister occasionally visit the country from time to

time. Tourism was not developed in this period with profit. Tourism was limited only in friendly relations and hunting. So, their policy was unfavorable to develop tourism. And they maintained a hard secular policy in regard to tourists. The Indians were not allowed to visit Nepal. Indians were visited Nepal during the period of Shivaratri with the given permission to live only for three days. But Rana maintained friendly relation with British people.

After the treaty of Sugauli between the Nepal Government and the British East India Company in 1816 A.D., a British Resident, Dr. Wallich, was appointed in Kathmandu for developing Nepal's relationship with British India. After this there were regular visits of British nationalities in Kathmandu. Rana Prime Minister Jung Bahadur's visit to Britain in 1850-51 A.D. brought the mysterious and fascinating Kingdom of Nepal into the limelight in Europe. During that time, several botanists and naturalists including Sir Brian Hodgson FRS, and Sir Joseph Hooker FRS had visited Nepal. Renowned European personalities like Silva Levy during the reign of Prime Minister Bir Shumsher and Percival London, during the reign of Prime Minister Chandra Shumsher had visited Nepal. Similarly, King George V and the Prince of Wales came to Nepal for hunting tigers in the Terai forests in 1911 and 1921 respectively (Satyal,1988: 32).

The earliest published record on foreign visitors to Nepal is found in Percival London's book 'Nepal', (Volume 11, Page 299 305) where 153 Europeans mostly British are listed to have visited Kathmandu in a period of 44 years from 1881 to 1925 (Gurung, 1978: 1).

Despite these developments, the Rana autocracy isolated Nepal from external influence for a hundred and four years. During that period, Nepal was a 'forbidden land' for foreigners except for the small traders and Indian pilgrims. There was no profit from such tourist trade. There were limited facilities of transportation, accommodation and communication in the country at that period.

Rana's autocracy ended after the revolution of 1950-51 (2007 BS) and established democratic government in Nepal and that helped the development of tourism. After the advent of democracy in 1950, Nepal started to develop the different aspects of her social, economic and political life. Since that time, the door of Nepal has remained open to foreigners with the desire to visit Nepal in order to develop the tourist

industry in the country. The role of mountain tourism is very significant in the overall tourism sector. In fact, tourism in Nepal began with mountain tourism. 1950s can be considered as the most important period in Nepal's tourism development. During the decade, of the world famous 14 over-8000m peaks 7 of the 8 over-8000m peaks in Nepal were for the first time successfully scaled i.e. Mt. Annapurna I, Mt. Everest, Mt. Cho Oyu, Mt. Makalu, Mt. Kanchenjunga, Mt. Manaslu, Mt. Lhotse, and Mt. Dhaulagiri in 1960 only. The first over-8000m peak to be conquered was Annapurna I by Maurice Herzog and Louis Lachenal of France on June 3, 1950. The world's highest peak Mount Sagarmatha (Everest) was successfully ascended by Tenzing Norgay Sherpa of Nepal and Sir Edmund Hillary of New Zealand on May 29, 1953. The first successful ascent of these two peaks did much to publicize Nepal as a destination to the world. The first successful ascent of the over-8000m peaks of Nepal led to an exceptional growth in mountaineering activities.

With the granting of membership of the United Nations Organization (UNO) in 1955, non aligned Countries' Group since its very inception and the membership of different international agencies, it was easy for Nepal to be introduced in the world arena and in the same year, in 1955 world-renowned Thomas Cook and Sons brought a group of 60 tourists for a Nepal tour. These events contributed to the gradual influx of foreign tourists in Nepal. Therefore, the need was felt for conducting tourism related activities in a systematic manner and tourism management became a necessity during this period, Nepal made concrete efforts to develop tourism. It created necessary institutional infrastructure needed to promote tourism, beginning from the establishment of the Tourism Development Board in 1957 culminating to the establishment of Nepal Tourism Board in 1998. First of all, Tourism Development Board, the body to deal with tourism related works, was established under the Department of Industry, in 1957. Later, in 1998, the Tourism Board was upgraded to the Department status, and the Tourism Department came under the Ministry of Construction and Communications and Transport. In 1959, Nepal joined the membership of International Union of Official Travel Organization (IUOTO), present name, World Tourism Organization (WTO), and Pacific Area Travel Association (PATA) in 1963. The number of foreign visitors to Nepal has been increasing at a rather high yearly rate since the entrance in these international organizations. The main factors for such substantial increase in the influx of the tourists were the

intensive promotional activities, expansion of the hotel accommodations, development of modern banking system, the improved transport and communication facilities, increase in the touristic resorts and facilities and so on.

There was no plan and policy regarding tourism in Nepal till 1950s. For the first time the written study on tourism was made in late 1950s. In Nepal “General Plan for the Organization of Tourism of Nepal” prepared by French national, George Lebrec, in 1959, was the first tourism plan, which was prepared with the help of the French Government. In this plan, Lebrec has recommended to make brochures, posters, postage stamps depicting the Himalayan peaks and flora and fauna and to use films and documentaries prepared by the mountaineering expedition for promoting tourism in Nepal and the establishment of separate tourism offices.

Later, George Lebrec visited Nepal in 1964 and 1966 and presented two reports on tourism entitled “Report on the Development of Tourism” and “Report on Tourism in Nepal” respectively. In these reports Lebrec had recommended that tourism in Nepal had stated growing at a faster pace (Shrestha, 2000: 47). Later in 1965 Sir Eric Franklin from USA came to Nepal for the supervision of Tourism Department (Chhetri and Rayamajhi, 2061: 120).

Department of Tourism was established in 1962. In 1962, for the first time the Tourism Department started keeping the statistics of the foreign tourists coming into Nepal. From the view point of earner of foreign exchange and employment provider, it was consider as an industry. As tourism became the financial supporter for economic development, government took increasing participation on tourist trade in Nepal. During the period 1962-67 because of increasing demand, accommodation facilities were increased by the increasing establishment of hotels with modern facilities. Realizing its important role for economic development, government has given proper place for it on national plans.

In 1967, Tourism Department came under the Ministry of Industry and Commerce. To facilitate and provide necessary information to the foreign tourists entering Nepal, the Tourism Department established information centers at Tribhuvan International Airport, Basantpur in Kathmandu, Bhairahawa, Birgunj, Kakarbhitta and Janakpur. With the loan assistance of the Asian Development Bank, the tourism Department established the Tourism Infrastructure Development Project, within the department, in

Pokhara, Gorkha and Kathmandu. Nepal Tourism Development Committee was established in 1969 for formulating the tourist policy as well as to draw a long term development plan for this sector. This committee is composed of a member of the Royal family along with the representatives of the important executing ministries, travel and hotel industries. Reorganization of this committee was done with 10 members under the Chairmanship of HRH, Prince Himalaya Bir Bikram Shah, in mid 1971. With the joint effort of UNDP and ILO, Hotel Management and Tourism Training Centre was established in 1972 with a view to produce trained manpower in tourism sector. This center was renamed as Nepal Academy of Tourism and Hotel Management (NATHM) in 1999.

Further, plans and policies were also denied for creating conducive environment for the growth of the tourism sector. In this respect, the notable efforts were the Tourism Master Plan 1972, Review of the Master Plan 1984, and denying of Tourism Policy in 1995. For the planned development of tourism in Nepal, Nepal government joined hands with the German government to prepare the 20-year 'Tourism Master Plan, 1972'.

According to the recommendation of this master plan, a separate Ministry of Tourism was established in 1977 with a view to enhance tourism properly in the country. The Tourism Ministry was named Tourism and Civil Aviation Ministry in 1991, and Culture, Tourism and Civil Aviation Ministry in 2000. In between, high level bodies like Tourism Promotion Committee and Tourism Council were formed to create the necessary paraphernalia. These activities contributed to generate important market for Nepalese tourism and the industry marched ahead in a significant manner. The Public-Private Partnership for the development of tourism in Nepal led to the establishment of the Nepal Tourism Board in 1998. Nepal Tourism Board has celebrated "Visit Nepal 1998" in 1998 which was one of the great promotional efforts for the development of tourism in Nepal where 4.64 lakhs tourists visited in the country. Likewise, Nepal Tourism Board also celebrated "Destination Nepal Campaign 2002-2003" with slogans of "creating tourism awareness within the country, establishing Nepal as sage, reliable and attractive destination in international tourism". Similarly, celebrations of International Year of Eco-Tourism as well as Mount Everest Golden Jubilee were additional publicity campaign of the same year.

The government decided to dissolve Tourism Department, in 1999 and its functions were transferred to the Tourism Ministry and Nepal Tourism Board. Presently, Tourism and Civil Aviation Ministry formulates the tourism related policies and Nepal Tourism Board does the work of promoting tourism in the country.

After a considerable gap of 13 years, after the “Tourism Policy, 1995”, with a view to timely reform and change the tourism sector the government brought the second “Tourism Policy, 2008” (2065 B.S), in 2008. The special features of this new policy include attracting more tourists, marking “Visit Nepal Year” or “Nepal Tourism Year” in designated years. It also envisages making Nepal an all season destination for tourists. Later the government declared the 2011 as “Tourism Year 2011” with a view to bring 1000000 tourists in the country. However, in the year 2011 only 735932 tourists entered the country but due to this slogan more publicity in the world market took place and many infrastructure developments in the tourism sector were made.

Nepal with its enormous potentiality for the tourism development has been effortful to develop the tourism sector. In this context, the government of Nepal itself invested for the tourism infrastructure development and institutional buildings and encouraged private sector to invest in this sector by ways of various policy intervention. Tourism not only contributes to the economic growth through multiplier effects but also supplies the foreign currency required for major investment, which is used to import much needed modern technology, machines/equipments and management/skills. The government, thus, has taken initiation and a lead role in investing in the development of tourism facilities and infrastructures which can be used by the other sectors of the economy. Government of Nepal has also received foreign aid from the Asian Development Bank for the up-gradation of Tribhuvan International Airport and other tourism facilities and infrastructures. The high requirements of capital for the development of tourism infrastructures/facilities force the government in the destination to seek foreign capital. Some of the standard hotels and tourist enterprises are run by foreigners under foreign direct private investment. There are altogether 96 joint venture tourism enterprises currently operating in Nepal with Rs 6637.90 million project costs by mid April, 2009(FNICC, 2009: 61) and additional 113 tourism projects are under construction.

Constrained by underdevelopment of infrastructures, unskilled labor, traditional technology, energy shortage and small size of domestic market, Nepal's industrial products always lacked competitiveness in the international markets. For this reason, only a few entrepreneurs ventured manufacturing products and alternatively, unlike in other developing countries, a fair amount of private capital has been invested since the beginning. Bank and financial institutions have also been forced to invest in tourism by the lack of other big projects from the manufacturing, infrastructure and other sectors. Nepal Industrial Development Corporation (NIDC) had advanced a huge amount of long term loan (Rs 445.88 million in 2007) to the hotel sector from the very beginning, followed by short term loans by Nepal Bank Ltd and Nepal Rastriya Banijya Bank.

Recently "Nepal Visit Year 2011" was observed as a joint initiation of the government and private sector. Tourism today in Nepal is widely viewed as one among the few that have greater development potentialities.

Tourism is one of the important contributors to economic and social development of a country like Nepal. Considering this the government emphasized tourism development in every plan period. Realizing the importance of the tourism industry the government has been given proper emphasis to tourism in the national plans of Nepal. Realizing its great importance, Department of Tourism established in first five-year plan period in 1959. The First Five Year Plan (1956-1961) recognizes tourism as one of the potential source of foreign exchange earning of Nepal. So, this plan attempted to increase foreign exchange earnings from tourism by establishing Tourism Development Board in 1957 under the Department of Industry, Ministry of Commerce and Industry. This plan gave adequate emphasis to build requisite infrastructures for electricity, water, and construction airports etc which are also basic infrastructures for tourism development.

In the Third Five Year Plan (1965-70) the objectives were to increase the number of visitors and foreign exchange earnings through tourism and this plan had mainly emphasized on the establishment of hotels, other infrastructure and facilities for the visitors. Further it had aimed to conserve cultural heritage. This plan also aimed to develop tourism infrastructure by establishing hotel and extension of aviation facilities, publicizing Nepal abroad, production of promotional film relating to Nepal,

distribution of tourism materials, conservation of temples and historical places and development of Museum and national archives. The fourth five-year plan (1970 - 1975) realized the need of a separate master plan for the tourism development in Nepal, and so there have been efforts to develop tourism sector. Preparation of Tourism Master Plan, publicity and advertisement of tourist resources and activities, extension of tourist information centre, establishment of permanent exhibition centre of Nepalese art, culture and customs were the main programs of this plan (NPC, 1975).

The Fifth Five Year Plan (1975 - 1980) aimed to earn more foreign currency and make balance of payment favorable by developing the tourism sector in the country, increase employment by developing local skills and promote tourist spots. In this plan the main emphasis was given to the conservation and preservation of cultural heritage and natural attractions of the country. In this plan period The Ministry of Tourism was also established. Similarly, the Sixth Five Year Plan (1980 - 1985) aimed to increase foreign exchange earnings by increasing the number of tourist arrival and their length of stay. The plan also aimed to increase the level of employment to the local people by encouraging the establishment of import substituting industry in the kingdom.

Similarly the Seventh Five Year Plan (1985 - 90) aimed to improve the balance of payment situation through increased foreign exchange earnings and to increase the number of tourists arrival in the country by adopting various policies like, intensification in areas of tourists' pursuits, streamlining tax and levies, promoting in Asian countries, improvement in service and preservation of the diverse culture, religious and historical heritage (NPC, 1985). At the end of this plan the total foreign exchange earnings was 11.24 percent and the average length of stay of each visitor was 11.68 days.

The Eighth Five Year Plan (1992-97) highly emphasized on sustainable development of tourism. This plan also recognized tourism as a major source of foreign exchange earnings and it generates the employment opportunity in the country. In this plan the main emphasis was given to the promotion and publicity of tourism, development of infrastructure, extension of air services. The major policies adopted in this plan period were historical cultural and environmental promotion by encouraging private sector the plan also emphasize to increase government investment in physical infrastructure.

Emphasizes to bring in more tourist and increase their average stay and expenditure, promotion of high quality religious, involvement of Nepalese diplomatic missions for tourism promotion, procedural simplification adoption of open sky policy, encouragement of private sector in aviation, consideration of tourism as a priority sector and categorizing tourism sector. The Ninth Five Year Plan (1997-2002) also emphasized on tourism sector as a leading sector of national economy. The government also declared Destination Nepal in 2002-2003. This plan also gave the more priority in publicity and promotional activities of tourism. This plan has focused to formulate and implementing the practical policies and measures and programs for tourism development.

The Tenth Five Year Plan (2002-2007) also emphasized on development of tourism. It also concluded that tourism industry is a main source for economic development in the country. This plan also gave more priority in infrastructure development like road, transportation, communication, drinking water, development of new tourist destination, preservation of cultural heritages, and security etc. This plan emphasized on development of tourism by developing historical, cultural and geographical specialties, development of tourist centre outside of Kathmandu valley developing necessary facilities in tourist centre and extending training to develop skilled manpower and longing the day of stay of the tourist as far as possible. The main policies of this plan were promoting quality tourism, enhancing internal tourism, strengthening economy, generating more employment opportunities specially to the rural women and deprived communities through cottage and handicraft industries development and implementing Destination Nepal Campaign 2002/03. The Eco-Tourism Projects, Tourism Infrastructure Development Program, World Heritage Site Conservation Projects and Second International Airport Project were the main programs of this plan. The Three Year Interim Plan (2007-2010) - Objectives of this plan were: to preserve and conserve cultural and archeological heritages, to develop healthy and competitive air services through the expansion of the domestic and international air services and to develop Nepal as a major tourist destination of the world.

The twelfth plan (2010-2013) has been aimed to establish Nepal as a major tourist destination in the world through intensive and coordinated efforts in tourism development by expanding tourism industry to the local level of the country.

Likewise, it is expected to earn more foreign currency and generate greater employment opportunities from tourism development by introducing Nepal as a “naturally beautiful country” in the world. In addition, this sector has also been anticipated to largely contributing to the economic development of the country and making it economically self- reliant. Accordingly, it has also aimed to initiate new programs for tourism promotion in abroad in order to maintain harmonious relationship with the people of the foreign countries. It has also envisaged encouraging community tourism development program for achieving balanced and inclusive development to significantly supporting poverty reduction in the rural areas of Nepal. Ongoing programs and projects now have focused on to make safe, easily accessible, reliable and well managed air transport services to have support to develop and extend tourism industry with extensively increased numbers of national visitors and international tourists as well. The Objectives of this plan were to generate greater employment opportunities, reduce poverty, and maintain regional balance and economic growth through developing and expanding tourism industry up to local levels along with increasing economic activities by implementing intensive and coordinated development programs; and to develop Nepal as a major tourist destination in the world and to develop tourism industry as well as national economy by extending international air services along with enhancing greater accessibility by strengthening existing air transport services of the country.

Tourism has competitively and rapidly developing in the world and due to specific nature hence in order to increase national production and income, to extend the earning of foreign currencies, to create opportunities for employment, to improve regional imbalance and to develop the image of Nepal and the international community. Ministry of Tourism and Civil Aviation was introduced a new policy on 1995. This policy was passed by Tourism Council in the third meeting on the 14th June 1995. The tourism industry is growing very rapidly and Nepal has tremendous potential for tourism development because of its unique natural and cultural heritage. In this context, this tourism policy has been formulated with the aims of: increasing national productivity and income; increasing foreign currency earnings; creating employment opportunities; improving regional imbalances and projecting the image of Nepal more assertively in the international arena; through the development and diversification of the travel and tourism industries. The Objectives of New Tourism

Policy 1995 were to develop tourism as a main economic sector of the nation by establishing its interrelation with other sectors of the country, to increase employment opportunities, foreign exchange earnings, national income and to improve regional imbalance by expand the tourism industry up to the rural areas, to develop and expand tourism industry by promoting natural cultural and human environments of the country, to maintain high image of the nation in international community by providing standard services and necessary security to tourists and to develop and promote Nepal as an attractive tourist centre (New Tourism Policy 1995).

Visitors arrivals to Nepal succumbed to various international and internal crises, declined sharply in the first few years of new millennium. But the peace accord between the CPN Maoist and the then government of Nepal in 2006 and the resilient nature of Nepalese tourism helped recovery with record arrivals of 526705 in 2007. Encouraging trends in 2008 and 2009 show restored confidence of international operators in Nepal. To sustain the growth and spread benefits across the nation, one million annual arrivals are targeted declaring Nepal tourism year 2011 as national campaign.

In the context of growing expectation of the people, the government intends to the develop tourism aiming two million annual arrivals by 2020 adhering people centered approach amidst the global challenges of climate change, economic disparity and unstable energy price. Government of Nepal has placed tourism on high priority in its new tourism policy declared in 2009 to mainstream it with national development. The vision of this program is; tourism is valued as the major contributor to a sustainable Nepal economy, having developed as an attractive, safe, exciting and unique destination through conservation and promotion, leading to equitable distribution of tourism benefits and greater harmony in society. The goals of this program are to increase annual international tourist arrivals to Nepal to two million by 2020 and augment economic opportunities and increase employment in tourism sector to one million.

The objectives of this program are to improve livelihood of the people across the country by developing integrated tourism infrastructure, increasing tourism activities and products, generating employment in the rural areas enhancing inclusiveness of women and other deprived communities and spreading the benefits of tourism to the

grassroots level, to develop tourism as a broad-based sector by bringing tourism in to the mainstream of Nepal socio-economic development, supported by a coherent and enabling institutional environment, to expand and extend tourism products and services in new and potential areas of Nepal by enhancing community capacity to participate in tourism activities, to publicize, promote and enhance the image of Nepal in international tourism source markets, to enhance the flight safety and aviation security, extend air connectivity and improve capacity and facilities of national and international airports and to attract new investment in creating new tourism facilities, products and services (Tourism Vision 2020).

2.2 Research Review

The substantial growth of tourism activities worldwide clearly makes tourism one of the most remarkable economic and social phenomena of the past century. The number of international arrivals shows a breathtaking evolution from a mere 25 million in 1950 to 880 million in 2009, a 35-fold increase in the last 59 years (UNWTO 2010). International tourism receipts grew to USD 944 billion in 2008, making tourism one of the largest categories of international trade world- wide. Tourism is one of the world's largest industries, employing approximately 235 million people globally and generating over 9.2% of world's gross domestic product (GDP) (WTTC 2010a).

Throughout history, people have traveled for many different reasons. Tourism as an industry, however, began to flourish after the Second World War, with per capita incomes in the developed countries increasing significantly and the development of efficient mass air transport. The tourism industry is the largest in the world and is a complex one. The demands of international tourists, the consumers- and of international destinations, the producers - are bridged by the tourism industry. The industry consists of a wide range of enterprises supporting the mass movement of people across varied areas within a country and across international boundaries, including a variety of wholesale and retail outlets for hotels, airlines, tour operators, etc. The tourism industry sells a unique product, often called an invisible export. The product may be sold and consumed locally, but foreigners, i.e., the external market, consume it. Nepal is one such popular destination for tourists from all over the world (ICIMOD, 1995:6).

Many areas in Nepal have high potentials for tourism development but will require development of infrastructures (roads, bridges, airports, accommodation facilities etc.) and human resources to manage the tourism industry. The country does not have any concrete plan for such a planned development of the tourism sector. Recently, Nepal Tourism Board (NTB) has compiled a “Tourism Product of Nepal” as a promotional material on the occasion of “Visit Nepal Tourism Year 2011.” The Government of Nepal announced a Tourism Policy about 4 years ago. In addition, a Tourism 2020 Vision was developed in which it was stated to attract 2 million visitors by 2020 (MoTCA, 2009). Its strategy includes, among others, improving livelihoods and spreading benefits at the grassroots level and expanding products and attracting new investment. The Great Himalayan Trail is another concept that is being jointly studied in detail by the Government and SNV-Nepal.

Tourism is also a source of employment. It is a highly labor-intensive industry offering employment to both the semi-skilled and the unskilled. Being a service industry, it creates employment opportunities for the local population. It is a major source of income- an employment for individuals in many places deficient in natural resources, which cannot readily contribute to the economic prosperity of the area except through the medium of tourism. This aspect of provision of employment becomes more important in a developing country where the level of unemployment and underemployment tends to be high. Besides, providing employment to a large number of people, tourism can be the instrument of regional policy aimed at achieving an equitable balance between major industrial areas and the rest of the country. Tourism enables to be transferred in part to another (Bhatia, 2000; ix).

Tourism is one of the most thriving industries in Nepal. It is the large foreign currency earner and employment provider. The sector has provided good employment opportunities to a large number of people both skilled and unskilled. It is due to these reasons that tourism industry is one of the successful stories in the development of Nepal's tourism industry. Nepal is beautiful destination for international tourists. The snow-capped mountains, rich culture of Nepalese, scenic places, rivers, lakes, flora and fauna, historical monuments, different religious beliefs, bilingual, and hospitable people are the main attractions for the foreign visitors. The tourism sector of Nepal has been an important sector for many decades in generating foreign exchange and

employment in the country. It is a growing sector with huge potentials for investment and development (Afram and Del Poro 2012; Enterprise Europe Network, 2006).

The natural beauty of the country, the diversity of its flora and fauna, important pilgrimage sites revered by the Hindus and the Buddhists and a haven for mountaineers have been the prime attracting factors for the growth in this sector, which has primarily been led by private enterprises. Although sometimes in the past other sectors such as the carpet and the garment industries have outstripped the tourism sector in terms of foreign exchange earnings and employment generation, time and again tourism has rebounded back to be an important sector in generating foreign exchange and employment in the country (Banskota and Sharma, 1993). However, Nepal's tourism sector has not performed well relative to other similar developing countries despite its endowment of a rich natural heritage (Bista, 2009).

Tourism is multifarious industry, which promotes cottage industries, trade and other series sector. It is the second largest sources of foreign exchange earnings. The total percentage change of tourist arrivals has increased by 22.7% in FY 2002/03 and the foreign exchange earnings during the FY 2002/03 increased by 80.5% (Maharjan, 2006).

Tourism reaches into the varied aspects of Nepalese life and its benefits are encompassed by diverse sectors directly and indirectly. It generates employment opportunities and helps in the promotion and conservation of the art and culture. The tourism industry is one of the foreign currency earners in the country and thus makes a significant contribution to the economy. Government of Nepal has been actively promoting tourism in Nepal and has always encouraged the private sector for their involvement and participation. The Ministry of Culture, Tourism & Civil Aviation (MOCTCA) gives equal importance to conservation of natural, cultural and human resources (Jafar Jafary, 2007).

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Burger, Viet (1978) deals with various aspect of tourism in Nepal in '*The economic impact of tourism in Nepal.*' In his input-output analysis, he shows tourism in Nepal to be effective and promoting instrument for earning foreign exchange. He also suggests that tourism industry is generally believed to be labor intensive rather than capital intensive in developing countries like Nepal. It helps to generate additional income to the people of Nepal.

Sharma, Om deals about Hotel industry employment in his research paper '*Tourism and Hotel Industry Employment in Nepal.*' He presents the growth of tourism, their exchange rate and its positive contribution in growing hotel sectors in Nepal; and the employment opportunity increased on account of the growth of tourism. He has recognized the hotel industries as have reduced the burden of unemployment of the county. By applying the regression, it is concluded that the growth pattern of tourism sector of Nepal demonstrates a remarkable growth of tourist arrival, earnings from tourism. An impressive growth has been witnessed followed by rooms and beds. However, the average guest night per tourist has virtually remained stagnant. Tourism not only generates income but also helps to raise direct employment in hotel industry of Nepal (Sharma, 2003).

Tourism became the leading industry in Nepal in 1983, but it has often suffered from its dependence on its politically unsettled neighbors for airline flights and overland links. Initially tourists consisted of mountaineers attracted to the Himalayan peaks, the highest in the world. Today, trekking is a major tourist form. By 1996 Nepal was attracting 404.000 tourists and generating 130 million USD in tourism receipts. Recently, the Ministry of tourism and Aviation was strengthened by assuming more policy planning and regulatory roles. A Nepal Tourism Board, consisting of representatives of various sectors of the industry and the major government agencies with which they interact, was created to further coordination and cooperation between government and the private sector (Jafar Jafary, 2007).

Pokhara valley is one of the famous places for tourist, who comes for sightseeing and trekking purposes. Pokhara has greater chance of economic development through tourism industry. Tourism plays dual role and fulfills the empty room of employment to the people. Hence the purchasing power can increase the living standard of the people. Development of tourism industry it also develop different kinds of tourism business activities such as: travel agencies, hotel industries, trekking agencies, handicraft industries, curio-shop etc. all of these new business provides different kinds of job for the people who live in Pokhara which helps to the national economy. Increasing the tourist arrival in Pokhara which also helps to increased the trekking agencies in Pokhara. 11 trekking agencies have been established in Pokhara valley during the study period of this study from 1989 to 1992 (Rajbhandari 1994).

Pahari deals about the tourism industry and its role in employment generation in her research paper "*Tourism Industry and Its Role in Employment Generation: A Case Study of Pokhara Sub-metropolis*". Due to scenic beauty, richness of cultural heritage and traditional art and culture, hospitality and friendliness of the people Pokhara has developed as a popular tourist spot in Nepal since 1960's. The annual trend of tourist arrival in Pokhara 1976 to 1998 showed increasing trend. Autumn and spring season were the peak season of tourist arrival in Pokhara. The main purpose of tourist visiting Pokhara was for trekking as it is the gateway to several short and long treks to and around Annapurna Range (region). Tourist arrival in Pokhara showed the dominance of few countries such as USA, UK, France, etc. Hotels and restaurants were found employing the highest number of employees (Pahari 1999).

Sapkota deals about impact of tourism in his research on the topic of "*Economic Impact of Tourism in Pokhara*", It is found that tourism in Pokhara has as many challenges and constraints along with potentiality and achievements. In Pokhara from 1976 to 2005 shows that the number of tourist arrival was increasing by 4.78 percent per annum but from 2001 to 2005 shows decreasing tendency by 2.17 percent per year. Investment was increasing by 4.14 percent in hotel industry during the period 2058 BS to 2062 BS. Employment was increasing by 3.4 percent per year. The growth rate of hotels was 3.5 percent per year (Sapkota 2006).

Khatiwada deals about employment structure in hotel industry in his research paper "*Employment Structure of Tourism: A Case of Hotel Industries in Pokhara*". He

concluded that the tourism of Pokhara has been developed since 1960 by trekking tourism. The real momentum of tourism development in Pokhara has started from 1980 with the flow of visitors and servicing sector of tourism activities. The trend of tourist arrival has been increased continuously. However it was decreased in the year of 1977, 1983, 1990 and 1993 because of political unrest, strikes and democratic movement. Likewise 1987, 1988, 1992 and 1996 are the remarkable years to increase the number of visitor. Trekking is the main purpose to come to Pokhara by the tourist, where 61.5 percent tourist came to Pokhara for trekking purposes in 1996. The development of hotel industry in Pokhara has been started since 1968. 3397 people are benefited by get the employment opportunity in 209 hotels of various grades in Pokhara. Autumn and spring season are the peak seasons for the visitors whereas the rainy season (June and July) is the lowest (Khatiwada 1998).

Baral deals about the different pattern of tourism in his research on the topic of “*Country of origin, Length of stay and Expenditure of Tourist in Nepal: A Case Study of Lekhnath Municipality, Kaski*”. It is said that 40 percent tourist visit this area from Pokhara. The number of tourist visiting from Western Europe (59.81%) remained the highest among all the countries. The highest numbers of tourists visiting Lekhnath are from Western Europe (59.81%) and the lowest numbers of tourists are from Asia excluding India and Japan (0.83 %). The duration of stay of a tourist in Lekhnath area ranges from 1 to 7 days. Only 6,085 tourists had stayed in 2008 in Lekhnath Municipality. The average expenditure of a tourist in Lekhnath is only NRs. 3777.51. The average expenditure of a tourist in Nepal is NRs. 4563 during 2006. 74 percent tourists have visited this place for holiday pleasure, 16 percent for trekking, 4 percent for business and 6 percent for the other purposes (Baral 2009).

Lamichhane deals about impact of tourism in his research on the topic of “*Major economic impact of tourism in Nepal*”. He analyzed the employment generation from tourism and gave some suggestions for tourism development in Nepal. His study period was from the fiscal year 1990/91 to 2006/07. His study shows that the total foreign exchange earnings from tourism was recorded Rs. 3587.6 million in the FY 1990/91 which was increased and reached Rs. 10125.5 million in FY 2006/07 increasing about 3 times more during the study period. The share of tourism earnings to gross domestic product seems decreasing trend which has occupied only 1.5 percent to total GDP in FY 2006/07. Tourism sector has been compensated 7.7

percent share of total trade deficit of the country in FY 2006/07 which was recorded 22.65 percent in 1990/91. 83,000 direct employees in tourism sector in Nepal in the fiscal year 2005/06. His study also shows that the annual growth rate of hotels both stars and non-stars from the year 1990 to 2007 was 7.2 percent (Lamichhane 2009).

Village tourism is a common bridge in between domestic tourism and international tourism industry. The development at tourism has negative as well as positive impacts upon the society but the locals shall minimize the negative impacts and maximize the positive impacts. Tourism industry helps to increase the level of income of locals. He concluded that tourism plays a determining role in Nepalese economy. It has become a pillar for economic development in recent years. Expansion of tourism to village will contribute more to the economic development for the country (Pathak 2010).

2.3 Research Gap

Tourism is a labor intensive industry which is the most important sector for the Nepalese economy but this sector has been neglected in Nepal. Tourism has also created a considerable source of income and employment opportunities in the country which has been added national economy. Besides, with references to our limited amount of export and unfavorable balance of payments, tourism sector contributes to the earning of foreign currency to some extent.

So it has become very essential to analyze its trend and impact comprehensively and to highlight its significant role in the Nepalese economy. Nepal being a developing stage of the country needs big amount of convertible foreign exchange to cover its different economic development activities which can be obtained from tourism. In this respect tourism is regarded as one of the best reliable and sustainable source to generate foreign currencies in Nepal. This study has examined and analyzed the trend and promoting way of the tourism in Nepal.

There are several research work conducted on the importance of tourism in Nepal. In the respect to the tourism in Nepal, different scholar, researcher and experts have expressed their views through their research. Most of the research focused on the importance of tourism in Nepal. They have not analyzed the trend and pattern of tourism in Nepal. Empirical study on the trend of tourist arrival, tourism as a means of increasing revenue and some basic problem has still unanswered by them. So, this

research has tried to analyze the trend and pattern of tourism in Nepal. So, the present study mainly focused on the trend analysis of tourism in Nepal.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

This study is only based on secondary data. In this study, only secondary data have been used. In this study, analytical and descriptive research methods have been used. The secondary data/information was collected from the different sources. For the fulfillment of the objectives the data have been analyzed. The collected data have been analyzed qualitatively and quantitatively. So descriptive and explanatory research design which is used to analyze the secondary data for the fulfillment of the objectives. This study has been analyzed the trend and pattern of tourist arrival in Nepal which is based on the secondary data.

3.2 Nature and Sources of Data

This study is only based on secondary data. In this study, only secondary data have been used. The secondary data/information has been collected from the different sources such as office of tourism immigration, Department of Tourism, National Planning Commission MOF; Nepal, Annual Report of Nepal Rastra Bank, Annual Statistical Report of Tourism Department, Economic Survey, Nepal Tourism Board, various booklets, statistical year book, CBS; Nepal, various journal, seminar reports, articles and other publications of Planning Commission. Similarly, all other published documents of hotel association and unpublished materials, and related data, ICIMOD, IUCN, Annapurna Conservation Center (ACAP); Pokhara Service Center, and others sectors which are related to tourism industry were the sources of information.

3.3 Data Collection Procedure

On the basis of the research objectives different type of data is required for the study. In this study, the required data was collected from the different secondary sources. They are as follows : Department of Tourism, National Planning Commission MOF; Nepal, Annual Report of Nepal Rastra Bank, Annual Statistical Report of Tourism Department, Economic Survey, Nepal tourism Board, various booklets, statistical year

book, CBS; Nepal, various journals, seminar reports, articles, other unpublished dissertation and other publications of Planning Commission.

3.4 Method of Data Processing Procedure and Presentation

For the fulfillment of the objectives the data have been presented and classified. The collected data have been analyzed qualitatively and quantitatively. To analyze the data different tools and technique have been used. Simple mathematical tools have been used to analyze the data such as percentage, ratio and average. And the data have been presented by using simple methods such as tables, bar diagrams, pie-charts and charts.

CHAPTER IV

PRESENTATION AND ANALYSIS OF DATA

4.1 Status of Tourists Arrival in Nepal

Table No. 1: Number of Tourists Arrival in Nepal 1990-2012

Year	Total	Annual growth rate (%)
1990	254885	6.2
1991	292995	15.0
1992	334353	14.1
1993	293567	-12.2
1994	326531	11.2
1995	363395	11.3
1996	393613	8.3
1997	421857	7.2
1998	463684	9.9
1999	491504	6.0
2000	463646	-5.7
2001	361237	-22.1
2002	275468	-23.7
2003	338132	22.7
2004	385297	13.9
2005	375398	-2.6
2006	383926	2.3
2007	526705	37.2
2008	500277	-5.0
2009	509956	1.9
2010	602867	18.2
2011	736215	22.1
2012	803092	9.1

Source: Nepal Tourism Statistics 2012, Ministry of Tourism and Civil Aviation, Govt. of Nepal, 2012.

The tourist arrival in Nepal in the year 1962 was 6179 and after a decade in 1972 it reached 52,930, which was an increase by 8.6 times. Similarly, in the following

decades in 1982, 1992 and 2002 the total number of tourist arrivals increased 1,75,448, 3,34,353 and 2,75,468 respectively, which was an increase by 28.4, 54.1 and 44.6 times respectively in every decades in comparison to the year 1962. In the year 2012, the number of tourists reached 8,03,092 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 total number of tourist arrivals 8,03,092 in the year 2012 reached 130 times increase in comparison to the beginning year 1962.

The above table shows the total tourist arrival in Nepal since 1990 to 2012. Sound growth has been recorded in Nepal's tourism industry in the past five decades with the number of tourists visiting the country growing from 6,179 in 1962 to 8,03,092 in the year 2012. Since 1962, Department of Tourism had started maintaining the statistics of tourism and the number of foreign visitors to Nepal has been increasing every year since the beginning year 1962, except in the years 1993, 2000, 2001, 2002, 2005 and 2008.

The trend of tourist arrivals have increased significantly up to the year 1999 except the year 1993. In the year 1993, the growth rate of tourist arrival was noticed negative by 12.2 percent less as comparison of previous year. Tourist arrivals in Nepal, despite showing a steady trend in the year 1991, 1992, 1994 and 1995 and most occasions have also shown relative stagnancy and fluctuations. For example, the number of tourist arrivals decreased by 1.5 percent, in 1965, due to tension between Pakistan and India. There has been a relative stagnancy during the period 1978-82 due to the democratic movement in Nepal and oil crisis which led to decline in world tourism low. Tourist arrivals declined in the year 1989 due to trade and transit dispute between Nepal and India. Decline in tourist arrivals in 1993 may be attributed to a host of reasons viz. like the increase in Visa fees, limited air seat capacity, THAI and PIA aircraft accidents, increasing pollution in Kathmandu and its international publicity, lack of promotional activities abroad, destruction caused by floods and landslides and numerous strikes.

In the years 2000, 2001 and 2002 there has been a continuous decrease in tourist arrivals in the country and it is attributed to the hijacking of an Indian Airlines aircraft on 24 December 1999 on route to Delhi from Kathmandu. Again in the year 2003 and 2004 the flow of tourist arrival grew by 22.7 percent and 13.9 percent respectively

more than previous year. Similarly, tourist arrival was decreased by 2.6 percent in the year 2005 and 5.0 percent in the year 2008 more than previous year. Thus, both internal and external disturbances highly influenced tourist arrival in Nepal and though Nepal may not have much control over externalities, we should manage and control internal factors if we really want to develop tourism steadily.

Table No. 2: Tourists Arrival in Nepal by Fiscal Year 1990/91-2011/12

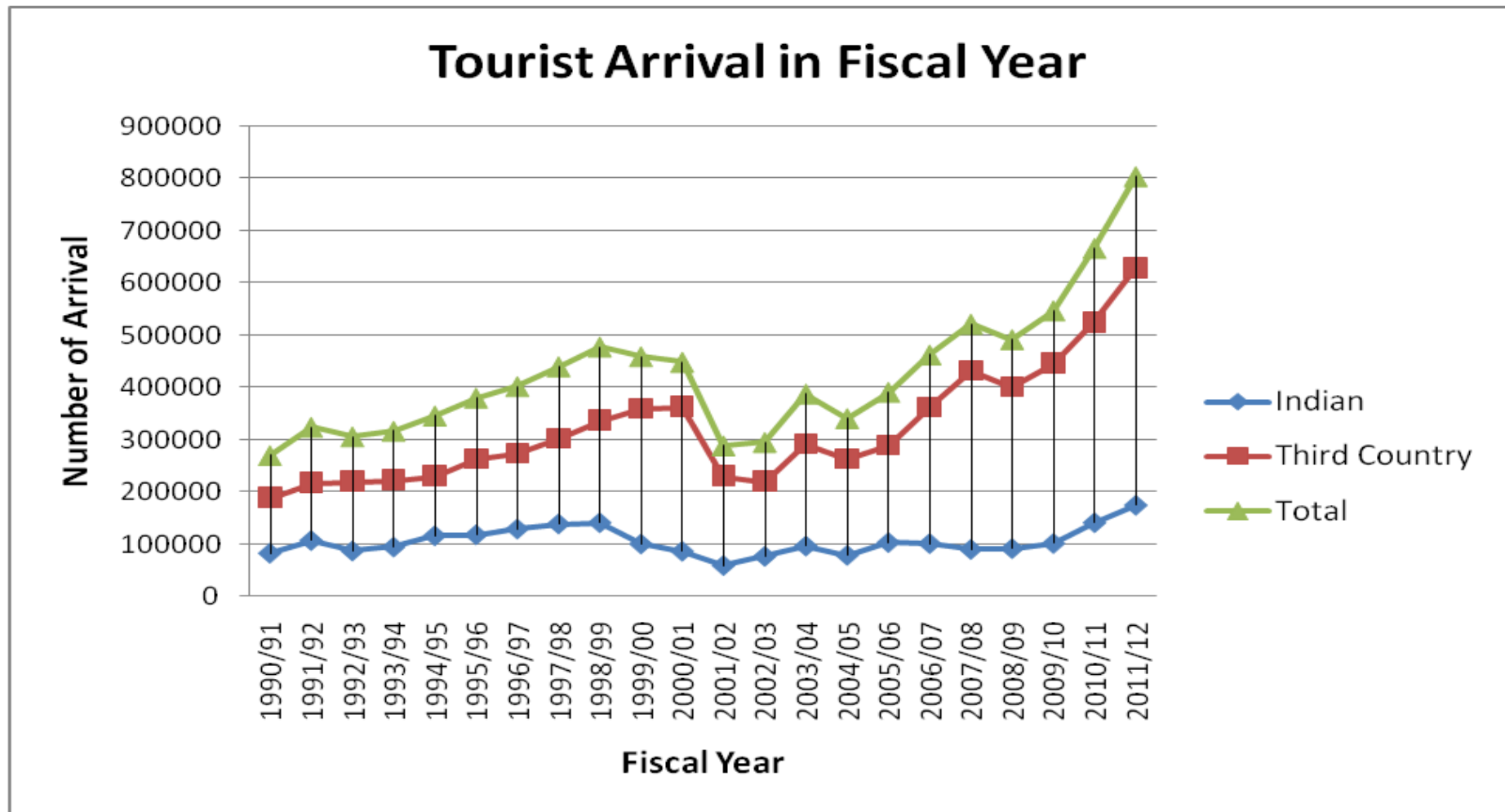
Fiscal Year #	Third Country	Indian	Total	% Change
1990/91	187821	82686	270507	9.8
1991/92	217313	107053	324366	19.9
1992/93	219337	86949	306286	-5.6
1993/94	222375	94597	316972	3.5
1994/95	230158	116022	346180	9.2
1995/96	262,448	117853	380301	9.9
1996/97	273477	128809	402286	5.8
1997/98	301636	138647	440283	9.4
1998/99	336713	141061	477774	8.5
1999/00	359043	100307	459350	-3.9
2000/01	362330	86401	448731	-2.3
2001/02	229873	59127	289000	-35.6
2002/03	218972	76707	295679	2.3
2003/04	291629	96414	388043	31.2
2004/05	262461	78640	341101	-12.1
2005/06	288087	103085	391172	14.7
2006/07	361382	101198	462580	18.3
2007/08	431289	90009	521298	12.7
2008/09	400249	91558	491807	-5.7
2009/10	445572	101360	546932	11.2
2010/11	524948	141067	666015	21.8
2011/12	628996	174146	803142	20.6

Fiscal year means July 16 –July 15 of the respective year.

The above table shows that, the arrival of Indian tourist also fluctuating over the year. From the fiscal year 1999/2000 the trend of tourist arrival is decreasing. It is decreased by 3.9 percent in the year 1999/2000 than previous year. The highest percent of tourist arrival declined in the fiscal year 2001/02 which was observed 35.6

percent more than the previous year. In the years 1999/00, 2000/01 and 2000/02 there has been a continuous decrease in tourist arrivals in the country and it is attributed to the hijacking of an Indian Airlines aircraft on 24 December 1999 on route to Delhi from Kathmandu. Again in the year 2002/03 and 2003/04 the flow of tourist arrival grew by 2.3 percent and 31.2 percent respectively more than previous year. Similarly, tourist arrival was decreased by 12.1 percent in the year 2004/05 more than previous year. Again in the year 2005/06, 2006/07 and 2007/08 the flow of tourist arrival grew by 14.7, 18.3 and 12.7 percent respectively more than previous year, except the fiscal year 2008/09 the flow of tourist arrival is increasing.

Figure 1



4.2 Gender-wise Trend of Tourists Arrival in Nepal

The gender wise trend of tourist arrivals in Nepal shows that the number of male tourists is always larger than that of female tourists, which indicates male preference for Nepal. In the beginning years the number of female tourists was bigger. In the year 1962 almost half the tourists (47.7) were females, but in the following year it was in a decreasing trend and the ratio reached at the lowest 31.3 percent in 2005. Since 2006 there has been a gradual increase in the ratio and the share of female tourists reached 44.8 percent in 2007. 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. It indicates that there is a need to develop appropriate products to attract the female visitors.

Table No. 3: Tourists Arrival in Nepal by Gender 1990-2012

Year	Gender		Total
	Male	Female	
1990	155311 (60.9)	99574 (39.1)	254885
1991	177574 (60.6)	115421 (39.4)	292995
1992	197051 (59.0)	137302 (41.0)	334353
1993	179178 (61.0)	114389 (39.0)	293567
1994	205389 (63.0)	121142 (37.0)	326531
1995	224769 (61.9)	138626 (38.1)	363395
1996	233055 (59.2)	160558 (40.8)	393613
1997	251358 (59.6)	170499 (40.4)	421857
1998	267871 (57.8)	195813 (42.2)	463684
1999	286161 (58.2)	205343 (41.8)	491504
2000	266937 (57.6)	196709 (42.4)	463646
2001	213465 (59.1)	147772 (40.9)	361237
2002	174710 (63.4)	100758 (36.5)	275468
2003	204732 (60.5)	133400 (39.5)	338132
2004	255,303 (66.3)	129994 (33.7)	385297
2005	257972 (68.7)	117426 (31.3)	375398
2006	218818 (57.0)	165108 (43.0)	383926
2007	290688 (55.2)	236017 (44.8)	526705
2008	286983 (57.4)	213294 (42.6)	500277
2009	288155 (56.5)	221801 (43.5)	509956
2010	361611 (60.0)	241256 (40.0)	602867
2011	352059 (47.8)	384156 (52.2)	736215
2012	439270 (54.7)	363822 (45.3)	803092

Note: Figures in parenthesis represent percentage of the total

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

Figure 2



Year 1 means year 1990 and year 23 means year 2012.

4.3 Trend of Tourists' Length of Stay

The tourists' length of stay in the country has important role in tourism development. Higher length of stay is more beneficial for the country. 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 tourists in Nepal is about 11.0 days. The trend shows stagnation around 11 days in the tourist's length of stay in the years 2007, 2008 and 2009. However, in the year 2012 it increased to 12.26 days. It seems that generally the tourists who come for mountain tourism activities have longer length of stay in Nepal.

Table No. 4: Length of Stay of Tourists Arriving in Nepal 1990 – 2012

Year	Average Length of Stay (in Days)
1990	12.0
1991	9.25
1992	10.14
1993	11.94
1994	10.0
1995	11.27
1996	13.5
1997	10.49
1998	10.76
1999	12.28
2000	11.88
2001	11.93
2002	7.92
2003	9.6
2004	13.51
2005	9.09
2006	10.2
2007	11.96
2008	11.78
2009	11.32
2010	12.67
2011	13.12
2012	12.26

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

4.4 Age-wise Trend of Tourists Arrival in Nepal

According to the age wise tourist arrivals trend in Nepal, in the early periods the highest share was occupied by the younger age group 16-30 followed by the age group of 31-45, 46-60 & over and 0-15 since 1965 to 1991 except in 1985. But since the year 1992 to 2012 the trend showed that 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. In the year 2012 among the total tourist arrivals in Nepal 55.8 percent were under the age of 45 and 38.7 percent were over the age of 45 years and the rest 5.5 percent tourists has not specified the age group. It shows that Nepal is popular both for youths and adults.

Table No. 5: Tourists Arrival in Nepal by Age Group 1990-2012

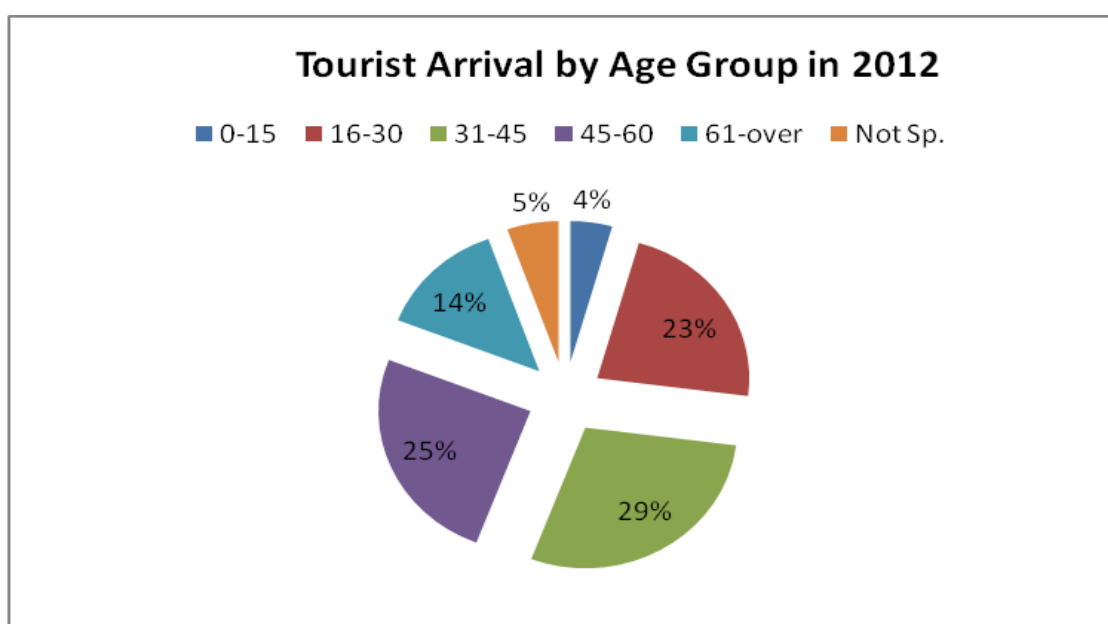
Year	0-15	16-30	31-45	46-60	61 & over	Not Specified	Total Arrivals
1990	10620 (4.2)	85903 (33.7)	82292 (32.3)	49388 (19.4)	26682 (10.4)		254885 (100.0)
1991	17174 (5.9)	96634 (33.0)	94539 (32.3)	54320 (18.5)	30328 (10.4)		292995 (100.0)
1992	18624 (5.6)	105123 (31.5)	111096 (33.2)	65651 (19.6)	33859 (10.1)		334353 (100.0)
1993	15289 (5.2)	91947 (31.3)	16665 (32.9)	59768 (20.4)	29898 (10.02)		293567 (100.0)
1994	20097 (6.2)	96016 (29.4)	106260 (32.5)	66174 (20.3)	37984 (11.6)		326531 (100.0)
1995	22878 (6.3)	106603 (29.3)	120212 (33.1)	76647 (21.1)	37055 (10.2)		363395 (100.0)
1996	22185 (5.6)	94924 (24.1)	116307 (29.5)	89751 (22.8)	70446 (17.9)		393613 (100.0)
1997	23840 (5.7)	121286 (28.8)	126828 (30.1)	107111 (25.4)	42792 (10.1)		421857 (100.0)
1998	26763 (5.8)	122103 (26.3)	151846 (32.7)	121190 (26.1)	41782 (9.0)		463684 (100.0)
1999	30967 (6.3)	150307 (30.6)	155985 (31.7)	113314 (23.1)	40913 (8.3)		491504 (100.0)
2000	19136 (4.1)	119816 (25.8)	148063 (31.9)	125140 (27.0)	51491 (11.1)		463464 (100.0)
2001	14608 (4.0)	95801 (26.5)	115678 (32.0)	93621 (25.9)	41525 (11.5)		361237 (100.0)
2002	12425 (4.5)	67774 (24.6)	99622 (36.2)	67017 (24.3)	28630 (10.4)		275468 (100.0)

2003	16056 (4.7)	78357 (23.2)	99740 (29.5)	85753 (25.4)	58226 (17.2)		338132 (100.0)
2004	38734 (10.1)	84125 (21.8)	128267 (33.3)	96920 (25.2)	37251 (9.7)		385297 (100.0)
2005	30429 (8.1)	57115 (21.2)	114103 (30.4)	106077 (28.3)	67674 (18.0)		375398 (100.0)
2006	37433 (9.8)	75626 (19.7)	123541 (32.2)	95260 (24.8)	52066 (13.6)		383926 (100.0)
2007	38870 (7.4)	112879 (21.4)	164488 (31.2)	130756 (24.8)	69927 (13.3)	9785 (1.9)	526705 (100.0)
2008	42581 (8.5)	106596 (21.3)	150171 (30.0)	121387 (24.3)	60531 (12.1)	19011 (3.8)	500277 (100.0)
2009	84891 (16.6)	140805 (27.6)	141955 (27.8)	99197 (19.5)	39639 (7.8)	3470 (0.7)	509956 (100.0)
2010	41156 (6.8)	120395 (20.0)	189852 (31.5)	172800 (28.7)	64593 (10.7)	14071 (2.3)	602867 (100.0)
2011	32,795 (4.5)	171,081 (23.2)	212,176 (28.8)	177,983 (24.2)	82,726 (11.2)	59,454 (8.1)	736215 (100.0)
2012	35,468 (4.4)	181,558 (22.6)	231,117 (28.8)	201,835 (25.1)	109,239 (13.6)	43,875 (5.5)	803092 (100.0)

Note: Figures in parenthesis represent percentage of the total

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

Figure 3



0-15=4.4%

45-60=25.1%

16-30=22.6%

61-over=13.6%

31-45=28.8%

Not specified=5.5%

4.5 Seasonal Trend of Tourists Arrival in Nepal

Table No 6: Tourists Arrival by Month 1990-2012

Months/ Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1990	19647 (7.7)	23828 (9.3)	28482 (11.2)	18101 (7.1)	13584 (5.3)	11619 (4.6)	13803 (5.4)	20179 (7.9)	21824 (8.6)	34975 (13.7)	23177 (10.3)	22666 (8.9)	254885 (100.0)
1993	19238 (6.5)	23931 (8.1)	30818 (10.5)	20121 (6.8)	20585 (7.0)	19602 (6.7)	13588 (4.6)	21583 (7.3)	23939 (8.1)	42242 (14.3)	30378 (10.3)	27542 (9.4)	293567 (100.0)
1996	27886 (7.0)	29676 (7.5)	39336 (10.0)	36331 (9.2)	29728 (7.5)	26749 (6.8)	22684 (5.7)	29080 (7.4)	32181 (8.1)	47314 (12.0)	37650 (9.5)	34998 (8.9)	393613 (100.0)
1999	29752 (6.5)	38134 (7.8)	46218 (9.4)	40774 (8.3)	42712 (8.7)	31049 (6.3)	27193 (5.5)	38449 (8.0)	44117 (8.6)	66543 (13.5)	48865 (10.0)	37698 (7.7)	491504 (100.0)
2002	17176 (6.2)	20668 (7.5)	28815 (10.5)	21253 (7.7)	19887 (6.9)	17218 (6.2)	16621 (6.0)	21093 (7.7)	23752 (8.6)	35272 (12.8)	28723 (10.4)	24990 (9.1)	257468 (100.0)
2005	25477 (6.8)	20338 (5.4)	28875 (8.0)	23414 (6.2)	25541 (6.8)	22608 (6.0)	23996 (6.4)	36910 (9.8)	36066 (9.6)	51498 (13.7)	41505 (11.1)	38170 (10.1)	375398 (100.0)
2008	36913 (7.4)	46675 (9.3)	58735 (11.7)	38475 (7.7)	30410 (6.1)	24349 (4.9)	25427 (5.1)	40011 (8.0)	41622 (8.3)	66421 (13.3)	52399 (10.5)	38840 (7.8)	500277 (100.0)
2011	42622 (5.8)	56339 (7.7)	67565 (9.1)	59751 (8.1)	46202 (6.3)	46115 (6.2)	42661 (5.8)	71398 (9.7)	63033 (8.5)	96996 (13.2)	83460 (11.3)	60073 (8.2)	736215 (100.0)
2012	52501 (6.5)	66459 (8.3)	89151 (11.1)	69796 (8.7)	50317 (6.3)	53630 (6.7)	49995 (6.2)	71964 (9.0)	66383 (8.2)	86379 (10.8)	83173 (10.3)	63344 (8.0)	803092 (100.0)

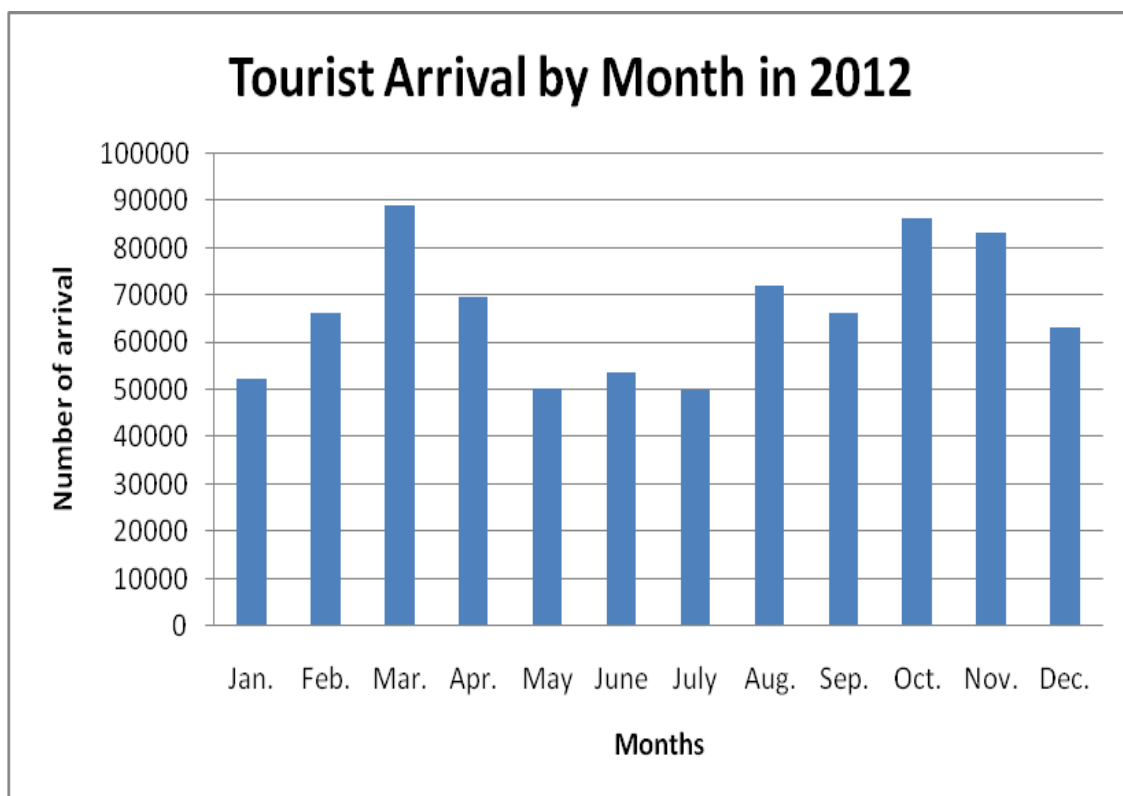
Note: Figures in parenthesis represent percentage of the total

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

The tourist flow in Nepal is generally confined during the Spring and Autumn seasons. March, April of Spring season and October, November of Autumn season, these four months are peak seasons for tourist coming to Nepal. Among the total tourists arrival in a year about 13 percent tourists visit the country in the month of October followed by March (10.3%), November (10.0%) and April (7.8%) respectively. Similarly, June and July are recorded as lowest tourist arrival months. Generally tourists are more concentrated in four months March, April, October and November; however, recently there is indication that tourists are coming to Nepal slowly in other seasons too. According to the data October is the most favorable month for tourist arrival in Nepal. March and November are also favorable months after October for tourist arrival in Nepal. According to the statistics March, October

and November are the most important months for international tourist arrivals. About 35 percent of tourists out of the total tourist come in these three months.

Figure 4



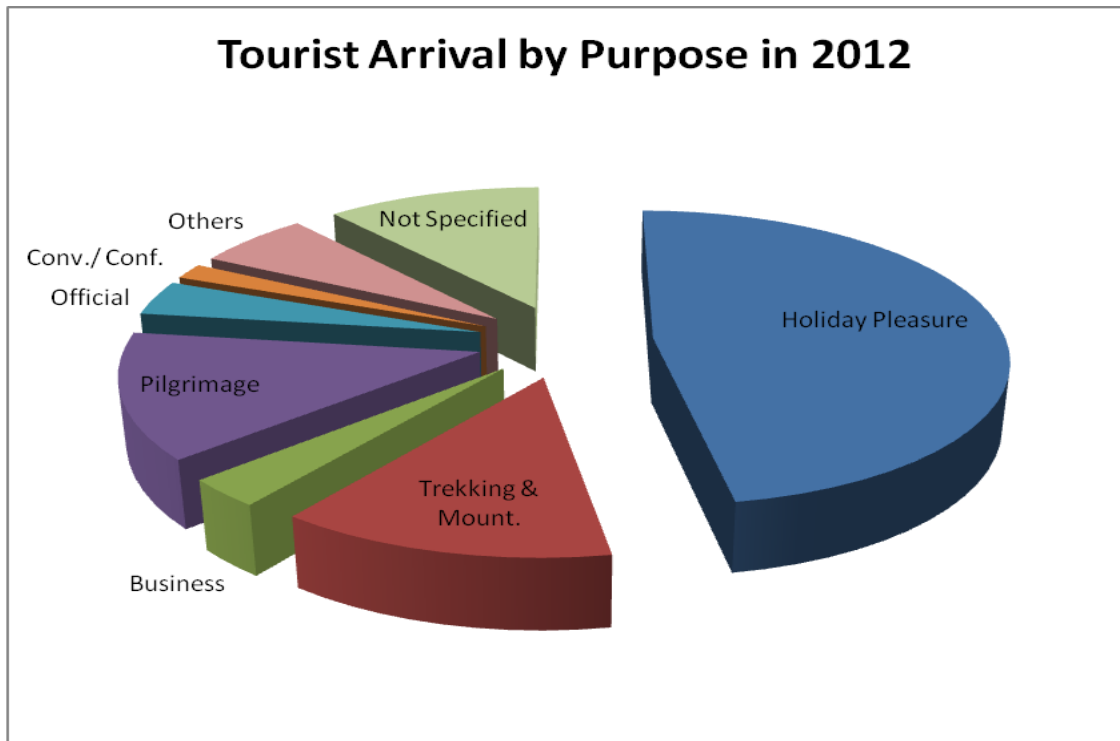
4.6 Purpose-wise Trend of Tourists Arrival in Nepal

Most of the tourists visiting Nepal come for holiday/pleasure purpose. Since the beginning above 75 percent tourists of arriving Nepal came with the holiday/pleasure purpose and it remained so until 1989. In the year 1990, 63.5 percent of tourist came Nepal for holiday and pleasure purpose which is the highest number than other purpose. In recent years, the number of tourists coming for holiday/pleasure has been decreasing, for example in 2009 and 2010 the tourists coming for holiday/ pleasure purpose are only 8.0 and 12.4 percent only. And the number of tourists coming for trekking/mountaineering purpose has been increasing with the share growing from 0.4% in 1965 to 27.9% in 2001. According to the data for 2009, most of the incoming tourists (26.1%) come for mountain tourism. This proves that mountain tourism is the prominent tourism product of Nepal and the country is the market leader in this

sector. 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 Nepal, the second highest number of tourists came for mountaineering and trekking purposes. Similarly the statistics show that the number of pilgrimage tourist also increasing day by day. In 2012, 13.7 percent of tourist came for pilgrimage purpose which is second highest number of the total arrival in that year. Similarly the trend of tourist arrivals for business purposes seems fluctuating and decreasing, only 3.1 percent of the total tourist arrivals for business purposes in the year 2012.

The highest number of business tourist arrivals was recorded in the year 1992 which was 9.5 percent of the total arrivals. On the other hand the rising tendency of trekking and mountaineering purpose of visit observed after the year 1990. The share of tourist's arrival of mountaineering and trekking purposes reached 27.9 percent of the total arrival in the year 2001.

Figure 5



Holiday Pleasure = 47.3%	Trekking & Mount = 13.1%	Business = 3.1%
Pilgrimage = 13.7%	Official = 3.8%	Conv. / Conf. = 1.7%
Rafting = 0	Others = 6.0%	Not Specified = 11.4%

Table No .7: Tourists Arrival in Nepal by Purpose of Visit 1990-2012.

Purpose / Year	Holiday Pleasure	Trekking & Mount	Business	Pilgrimage	Official	Conv./ Conf.	Rafting	Others	Not Specified	Total
1990	161839 (63.5)	39999 (15.7)	11728 (4.6)	6713 (2.6)	26578 (10.4)	2838 (1.1)	-	5190 (2.0)		254885 (100)
1993	170279 (58.0)	69629 (23.7)	19495 (6.6)	10421 (3.6)	15812 (5.4)	5367 (1.8)	-	2566 (0.9)		293567 (100)
1996	209377 (53.2)	88945 (22.6)	25079 (6.4)	4802 (1.2)	20191 (5.1)	6054 (1.5)	-	39165 (4.6)		393613 (100)
1999	290862 (59.2)	107960 (22.0)	23813 (4.8)	19198 (3.9)	24132 (4.9)	5965 (1.2)	-	19574 (4.6)		491504 (100)
2002	110143 (40.0)	59279 (21.5)	16990 (6.2)	12366 (4.5)	17783 (6.5)	0 (0.0)		58907 (21.4)		275468 (100)
2005	160259 (42.7)	61488 (16.4)	21992 (5.9)	47621 (12.7)	16859 (4.5)	0 (0.0)		67179 (17.9)		375398 (100)
2008	148180 (29.6)	104822 (21.0)	23039 (4.6)	45091 (9.0)	43044 (8.6)	6938 (1.4)	243 (0.0)	99391 (19.9)	29529 (5.9)	500277 (100)
2011	425,721 (57.8)	86,260 (11.7)	17,859 (2.4)	63,783 (8.7)	24,054 (3.3)	10,836 (1.5)	-	37,311 (5.1)	70,391 (9.6)	736,215 (100.0)
2012	379,627 (47.3)	105,015 (13.1)	24,785 (3.1)	109,854 (13.7)	30,460 (3.8)	13,646 (1.7)	-	48,540 (6.0)	91,165 (11.4)	803,092 (100.0)

Note: Figures in parenthesis represent percentage of the total.

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

4.7 Trend of Mode of Tourists Arrival in Nepal

Table No. 8: Mode of Tourists Arrival in Nepal 1990-2012

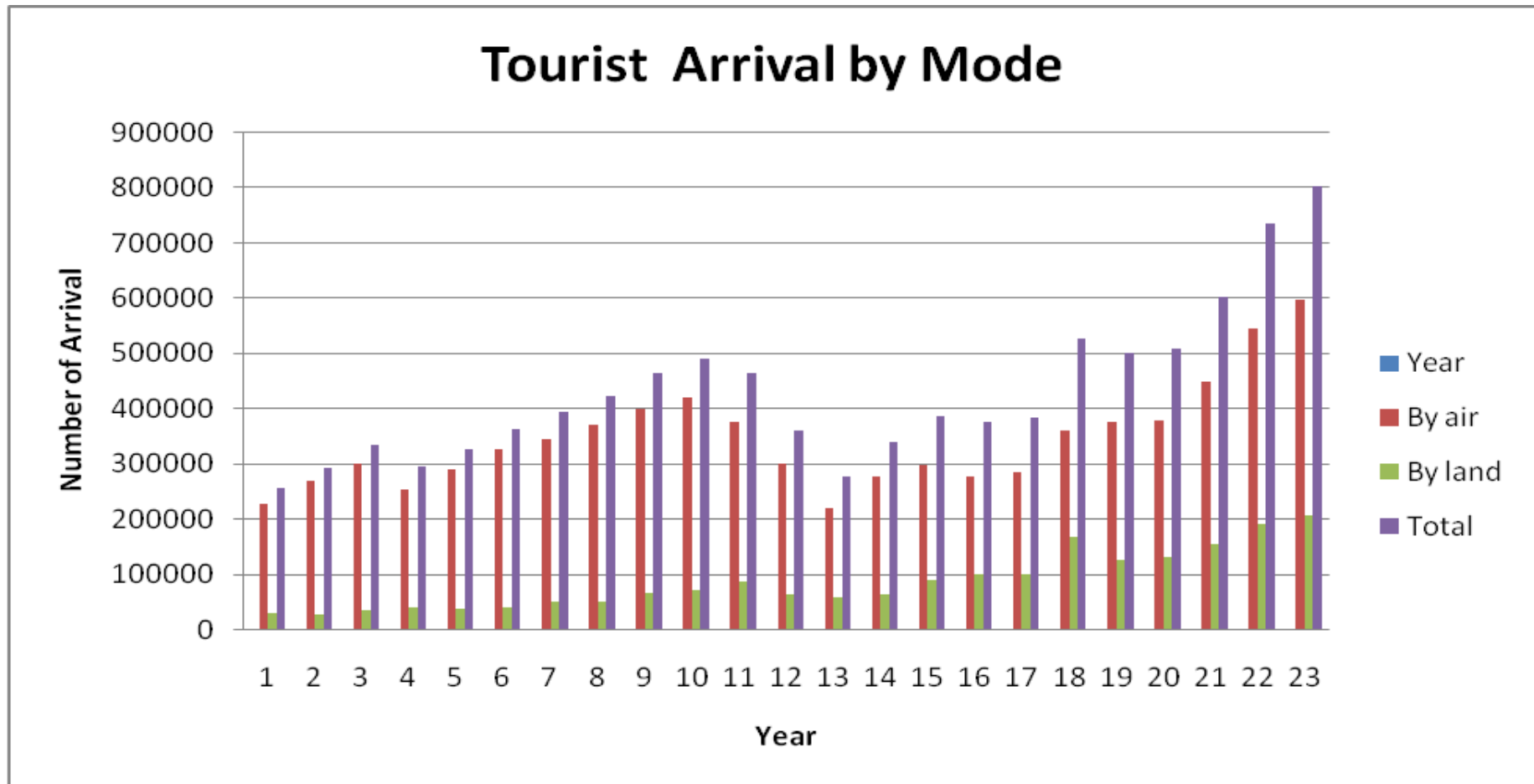
Year	By Air		By Land		Total
	Number	%	Number	%	
1990	226421	88.8	28464	11.2	254885
1991	267,932	91.4	25,063	8.6	292,995
1992	300,496	89.9	33,857	10.1	334,353
1993	254,140	86.6	39,427	13.4	293,567
1994	289,381	88.6	37,150	11.4	326,531
1995	325035	89.4	38360	10.6	363395

1996	343,246	87.2	50,367	12.8	393,613
1997	371,145	88.0	50,712	12.0	421,857
1998	398,008	85.8	65,676	14.2	463,684
1999	421,243	85.7	70,261	14.3	491,504
2000	376914	81.3	86732	18.7	463464
2001	299514	82.9	61723	17.1	361237
2002	218660	79.4	56808	20.6	275468
2003	275438	81.5	62694	18.5	338132
2004	297335	77.2	87962	22.8	385297
2005	277346	73.9	98052	26.1	375398
2006	283819	73.9	100107	26.1	383926
2007	360713	68.5	165992	31.5	526705
2008	374661	74.9	125616	25.1	500277
2009	379322	74.4	130634	25.6	509956
2010	448800	74.4	154067	25.6	602867
2011	545,221	74.1	190,994	25.9	736,215
2012	598,258	74.5	204,834	25.5	803,092

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

The available transport service, whether it may be air or land has a crucial factor to attract tourists in the country. More than 80 percent tourists came to Nepal by air transport. 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. However, the mode of transport of tourists visiting Nepal has changed since 2004. Since 2002, except the year 2003, below 80 percent tourists came by air and above 20 percent came via land. This may be due to the facilities of road.

Figure 6



Year 1 means year 1990 year 23 means year 2012.

4.8 Nationality Trend of Tourists Arrival in Nepal

Nepal is a popular tourist destination in the world. In Nepal, tourists come from different countries. In terms of nationality, the largest number of tourists coming to Nepal is from India and other major nationalities include UK, USA, Sri Lanka, Japan, Germany, France, etc. India has an increasing trend from 17.8 percent share in 2001 to 25.5 percent in 2003 and 2005. The highest share of 33.2 percent India nationalities were recorded in the year 1984. India is a major tourist generating market for Nepal. According to the data presented in table the highest percent of tourist arrivals in Nepal in 2012 was also 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.

Figure 7

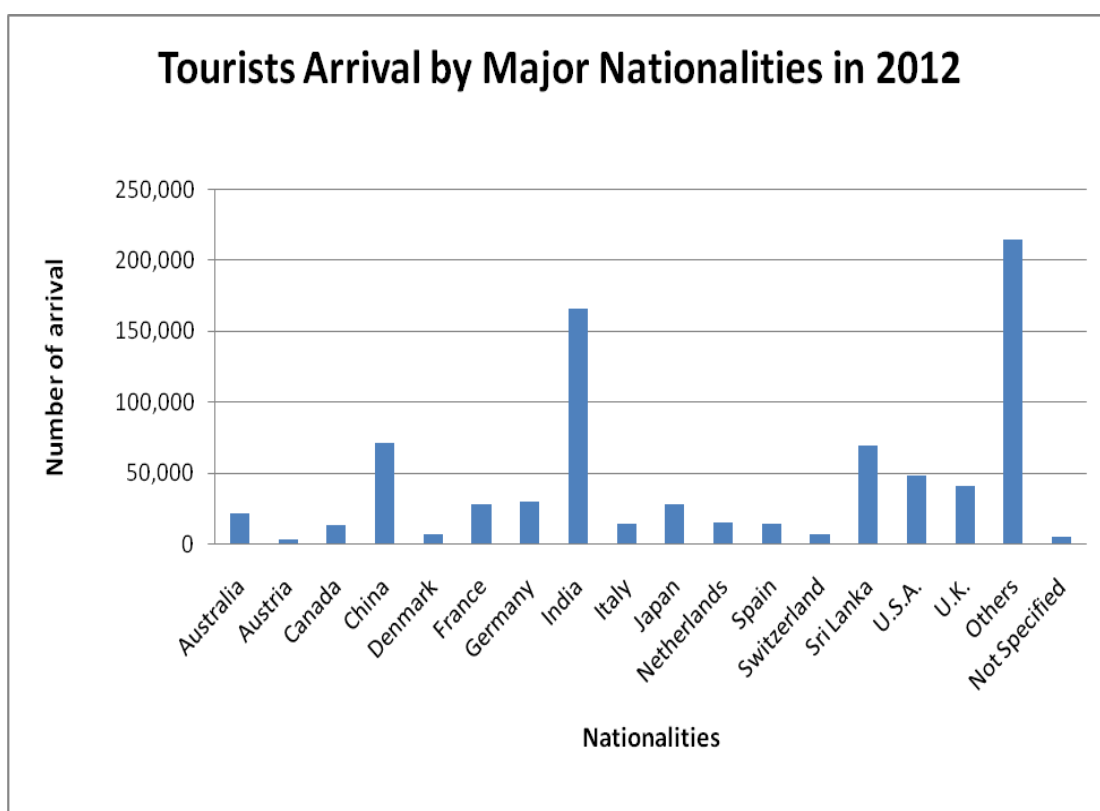


Table No. 9: Tourists Arrival in Nepal by Major Nationality 2001-2012

Year	2001	2004	2007	2010	2011	2012
Nationality						
Australia%	10,455 (2.9)	9,671 (2.5)	12,369 (2.3)	16,243 (2.7)	19,824 (2.7)	22,030 (2.7)
Austria%	4,164 (1.2)	4,341 (1.1)	4,473 (0.8)	3,389 (0.6)	3,998 (0.5)	3,797 (0.5)
Canada%	7,068 (2.0)	4,825 (1.3)	7,399 (1.4)	9,322 (1.5)	11,404 (1.5)	13,507 (1.7)
China%	8,738 (2.4)	13,326 (3.5)	28,618 (5.4)	46,360 (7.7)	61,917 (8.4)	71,861 (8.9)
Denmark%	3,854 (1.1)	2,633 (0.7)	3,157 (0.6)	4,359 (0.7)	6,138 (0.8)	7,118 (0.9)
France%	21,187 (5.9)	18,938 (4.9)	20,250 (3.8)	24,550 (4.1)	26,720 (3.6)	28,805 (3.6)
Germany%	21,577 (6.0)	16,025 (4.2)	21,323 (4.0)	22,583 (3.7)	27,472 (3.7)	30,409 (3.8)
India%	64,320 (17.8)	90,326 (23.4)	96,010 (18.2)	120,898 (20.1)	149,504 (20.3)	165,815 (20.6)
Italy%	8,745 (2.4)	12,376 (3.2)	11,243 (2.1)	10,226 (1.7)	12,621 (1.7)	14,614 (1.8)
Japan%	28,830 (8.0)	24,231 (6.3)	27,058 (5.1)	23,332 (3.9)	26,283 (3.6)	28,642 (3.6)
Netherland%	13,662 (3.8)	11,160 (2.9)	10,589 (2.0)	13,471 (2.2)	16,836 (2.3)	15,445 (1.9)
Spain%	5,897 (1.6)	11,767 (3.1)	15,672 (3.0)	13,712 (2.3)	16,037 (2.2)	14,549 (1.8)
Switzerland%	5,649 (1.6)	3,788 (1.0)	5,238 (1.0)	5,320 (11.0)	11,020 (1)	7,046 (1)
Sri Lanka%	9,844 (2.7)	16,124 (4.2)	49,947 (9.5)	45,531 (7.6)	59,884 (8.1)	69,476 (8.7)
U.S.A.%	32,052 (8.9)	20,680 (5.4)	29,783 (5.7)	36,425 (6.0)	42,875 (5.8)	48,985 (6.1)
U.K.%	33,533 (9.3)	24,667 (6.4)	32,367 (6.1)	35,091 (5.8)	39,091 (5.3)	41,294 (5.1)
Others%	81,662 (22.6)	100,419 (26.1)	147,694 (28.0)	168,590 (28.0)	179,158 (24.3)	214,638 (26.7)
Not Specified%	-	-	3,515 (0.7)	3,465 (0.6)	25,433 (3.5)	5,061 (0.6)
Total	361,237 (100.0)	385,297 (100.0)	526,705 (100.0)	602,867 (100.0)	736,215 (100.0)	803,092 (100.0)

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

Note: Figures in parenthesis represent percentage of the total.

4.9 Contribution from Tourism to Total Foreign Exchange Earnings and Merchandise Export Earnings

Tourism receipts today are viewed as major contributor in maintaining the balance of payments in developing countries such as Nepal. Tourism receipts in any country, primarily depends on its demand in the world tourism market. The demand for Nepalese tourism is governed by words of mouth, income, own price, and cross price variables in the long run, and words of mouth and instabilities in the short run (Paudyal, 1993, 2012). Tourism receipts not only one of the earners of foreign exchanges but also the contributor to the government exchequer. Tourism thus can have a major effect on a country's balance of payments, especially in a country like Nepal.

Tourism, thus, had increasingly contributed in the past to the foreign exchange earnings in Nepal, and thereby made substantial contribution to correct the adverse balance of payments. However, it has taken a different course in later years and the tourism contribution to total foreign exchange earnings in terms of percentage share in 2009/10 is still at the level of 2000/01. As a consequence, the tourism contribution to balance of payments via total foreign exchange earnings did not increase in the later years despite continued increments in tourism receipts. Nepal's huge trade deficit with India and overseas countries can be corrected by attracting more visitors and thereby make the overall balance of payments more favorable.

The supply of locally produced goods has backward and forward linkages to other sectors of the economy that generate more income and employment, both direct and indirect. Tourists purchase transport services such as those from taxis, buses, railways, air transportation and other transport services, and pay for entertainments, amenities such as hotels, resorts, bars and restaurants, sales of handicrafts and souvenirs, and so on. These expenditures by tourists become, at least in part, the incomes of local people leading to an increase in their incomes. English views, thus, that one person's enjoyment becomes the livelihood for others. This increase in

income will make an upward shift in the demand curve of local people for goods such as food and clothing, because of the high income elasticity of demand for goods in a poor society such as Nepalese.

Nepal with its enormous potentiality for the tourism development has been effortful to develop the tourism sector. In this context, the government of Nepal itself invested for the tourism infrastructure development and institutional buildings and encouraged private sector to invest in this sector by ways of various policy intervention. Tourism not only contributes to the economic growth through multiplier effects but also supplies the foreign currency required for major investment, which is used to import much needed modern technology, machines/equipments and management/skills. The government, thus, has taken initiation and a lead role in investing in the development of tourism facilities and infrastructures which can be used by the other sectors of the economy.

Table No. 10: Total Foreign Exchange Earnings and Merchandise Export Earnings from Tourism, 2000/01-2011/12

Year	Total Foreign Exchange Earning from Tourism (Rs. in millions)	As % of Total Value Of Merchandise Exports	As % of Total Value of Exports of Goods & Non Factor Services	As % of Total Foreign Exchange Earnings
2000/01	11,717.0	16.8	11.8	5.7
2001/02	8,654.3	14.9	10.6	4.8
2002/03	11,747.7	23.1	15.2	6.1
2003/04	18,147.4	32.9	20.3	8.0
2004/05	10,464.0	17.5	12.2	4.7
2005/06	9,556.0	15.5	10.9	3.6
2006/07	10,125.0	16.5	10.8	3.7
2007/08	18,653.0	30.1	17.9	5.5
2008/09	27,960.0	40.0	22.8	6.5
2009/10	28,139.0	44.5	24.6	8.1
2010/11	24,611.0	35.8	20.2	5.0
2011/12	30,703.8	37.7	20.0	4.8

Source: Nepal Rastra Bank.

Note: 1 US\$=85.5 NRs. In 2068/69

According to the data in the fiscal year 2000/01 the total foreign exchange earnings from tourism is Rs.11717 million. It reached Rs. 30703 million in the fiscal year 2011/12 which is three times more than the fiscal year 2000/01. The statistics show that in the fiscal year 2000/01 the tourism earning has occupied 16.8 percent of total merchandise exports.. The share of tourism to merchandise export has been increasing from FY 2000/01 to FY 2003/04 ranging 16.8 percent to 32.9 percent except the fiscal year 2001/02. Then from the fiscal year 2003/04 to 2006/07 the proportion of tourism earnings has been decreasing. The share of tourism to merchandise export has been increasing in the year 2007/08 to 2009/10 ranging 30.1 percent to 44.5 percent. It is also noteworthy that tourism earning has occupied 44.5 percent of total merchandise export in the fiscal year 2009/10 which is 4.5 percent more than the previous year. From the fiscal year 2005/06 to 2009/10 the total foreign exchange earnings from tourism is increasing rate then it declined in the fiscal year 2010/11. 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. In the fiscal year 2003/04 and 2009/10 the share of tourism earnings to total foreign exchange earnings is 8.0 percent and 8.1 percent respectively, which is the largest percent of tourism earnings to total foreign exchange earnings. After the fiscal year 2009/10 the share of tourism earnings to total exchange earnings is decreasing and it remained at 4.8 percent in FY 2011/12.

4.10 Contribution from Tourism to Gross Domestic Product (GDP)

Gross Domestic Product means total production of final goods and services in a country in the given time period generally in one year. It is considered as the main indicator of an economic development of the country. The given table shows the share of tourism to Gross Domestic Product of Nepal from 1990/91 to 2011/12.

Table No. 11: The Share of Tourism Receipt to Gross Domestic Product (GDP) (1990/91-2011/12)

Year	Total Foreign Exchange Earning from Tourism (Rs. in million)	As % of Total Foreign Exchange Earnings	As % of GDP
1990/91	3587.6	20.0	3.1
1991/92	5016.9	17.6	3.5
1992/93	5966.0	18.9	3.6
1993/94	8251.7	17.3	4.3
1994/95	8973.2	21.4	4.2
1995/96	9521.2	17.6	3.9
1996/97	8523.0	15.2	3.1
1997/98	9881.6	15.9	3.4
1998/99	12167.8	8.8	3.7
1999/00	12073.9	7.4	3.3
2000/01	11,717.0	5.7	2.7
2001/02	8,654.3	4.8	1.9
2002/03	11,747.7	6.1	2.4
2003/04	18,147.4	8.0	3.4
2004/05	10,464.0	4.7	1.8
2005/06	9,556.0	3.6	1.5
2006/07	10,125.0	3.7	1.4
2007/08	18,653.0	5.5	2.3
2008/09	27,960.0	6.5	2.8

2009/10	28,139.0	8.1	2.4
2010/11	24,611.0	5.0	1.8
2011/12	30,703.8	4.8	2.0

Source: Nepal Rastra Bank.

Note: 1 US\$=85.5 NRs. In 2068/69

In the fiscal year 1990/91 and 1994/95 the share of tourism earnings to total foreign exchange earnings is 20.0 percent and 21.4 percent respectively, which is the largest percent of tourism earnings to total foreign exchange earnings (in the period of 22 years). From the fiscal year 2005/06 to 2009/10 the total foreign exchange earnings from tourism is increasing 3.6 percent to 8.1 percent. Due to the improvement of security and peacefulness in the country tourism earning has raised significantly after the FY 2006/07 in Nepal. Then it declined in the fiscal year 2010/11 and 2011/12, 5.0 and 4.8 percent respectively. 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. After the fiscal year 2009/10 the share of tourism earnings to total exchange earnings is decreasing and it remained at 4.8 percent in FY 2011/12.

The total tourism receipt in FY 1990/91 has recorded Rs. 3587.6 million which is reached Rs. 30,703.8 million in the year 2011/12 which is 3 times greater than from 1990/91 to 2011/12 (in the period of 22 years). It is observed that tourism earnings from FY 1990/91 to 2011/12 grew by only more than 3 times. The statistics reveals that the share of tourism receipt was 3.1 percent of total GDP in the year 1990/91 and it decreased and remained at 2.0 percent of total GDP in the year 2011/12. The share of tourism receipt is fluctuating year to year. 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.

4.11 Major Contributors of Foreign Exchange Earnings

Table No. 12: Major Contributors of Foreign Exchange Earnings (2000/01-2009/10) (in Rs 10 millions)

Fiscal Years	Tourism Receipts	Worker's Remittance	Exports	Foreign Exchange	Tourism Receipts as a %	Workers' remittance as a %	Exports as a %
2000/01	1171.7	4721.61	6978.85	16663.80	7.03	28.33	41.88
2001/02	865.43	4753.63	5798.35	15164.90	5.71	31.35	38.24
2002/03	1174.77	5420.33	5076.07	15504.50	7.58	34.96	32.74
2003/04	1814.74	5858.76	5522.83	17900.60	10.14	32.73	30.85
2004/05	1046.38	6554.12	5995.61	18726.80	5.59	35.00	32.02
2005/06	955.58	9768.85	6148.24	21881.40	4.37	44.64	28.10
2006/07	1012.53	10014.48	6148.84	22676.40	4.47	44.16	27.12
2007/08	1865.31	14268.27	6197.11	28967.00	6.44	49.26	21.39
2008/09	2795.98	20969.85	6990.68	38019.80	7.35	55.16	18.39
2009/10	2813.86	23172.53	6317.75	40206.90	7.00	57.63	15.71

Source: Economic Survey, fiscal year 2010/11.

Table 11 shows the changing pattern of major contributors of foreign exchange earnings. Workers' remittances (58%), merchandise exports (16%) and tourism receipts (7%) are the major sources of the foreign exchange earnings in the country which together made about 81% of total foreign exchange earnings in 2009/10. Tourism's contribution to the total foreign exchange earnings has remained almost at the same level in 2009/10 compared to 2000/01. But it is highly fluctuating over the years between the two points of time mentioned. Its share of foreign exchange shot up to 10% in 2003/04 but fell to 4% by 2005/06, which, compared to that of 1980/81-1984/85 (28.6%), was a big fall. However, some improvements in the percentage share of tourism receipts in foreign exchange earnings were witnessed in 2007/08, 2008/09 and 2009/10 (6.4%, 7.4% and 7.0% respectively), and as a consequence, the average share of tourism receipts for 2005/06- 2009/10 came to 6.1%. However, tourism maintained third place after workers' remittances and merchandised exports over the period.

4.12 Contribution from Tourism to Foreign Exchange Earnings

Table No. 13: Share of Tourism Receipts in Foreign Exchange Earnings 2001/02-2009/10 (In Rs 10 millions)

Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Current account balance	1816	1161	1460	1154	1422	-90	2368	4144	-2814
Trade balance	-7029	-7768	-8576	-11006	-12895	-15599	-20932	-30352	-20297
Exports	5798	5076	5523	5996	6148	6149	6197	6991	6318
Service net	394	705	907	-203	-682	-838	-1109	-1048	-1639
Service receipts	2351	2652	3432	2600	2647	3208	4224	5283	5112
Tourist expenditures	865	1175	1815	1046	956	1013	1865	2796	2814
Merchandise exports and services	8149	7728	8954	8596	8795	9357	10421	12274	11430
Tourist expenditure /exports	15	23	33	17	16	16	30	40	45
Tourist expenditure/services	37	44	53	40	36	32	44	53	55
Tourist expenditure /goods + services	11	15	20	12	11	11	18	23	25
Tourist expenditure /trade balance	-12	-15	-21	-10	-7	-6	-9	-9	-14

Source: Adopted and calculated from MOF/GoN, Economic Survey, FY 2010/11.

Table 12 presents that tourism is important in the current account in the balance of payments of the country since it contributed 45% of the merchandise exports, 55% of the service exports and 25% of the goods and service exports. So tourism so far one of the major contributors of the foreign exchange earnings in the country. It is interesting that tourism receipts comprises over the half of the service exports in the balance of payments of the country. Tourism expenditures are used for financing trade deficit in several countries including Nepal. The widening gap between exports and imports has been bridged by the tourism expenditures and remittances in the country. The tourist expenditure or receipts as a ratio of trade deficit accounted for 14% in 2009/10 for Nepal. So tourism receipts can contribute to various areas of an economy.

4.13 Contribution of Tourism to the Employment Generation

Table No.14: Total Number of Travel, Trekking Agencies and Licensed Manpower Guide (2000-2010)

Year/ Agencies	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Travel Agencies	637	691	738	788	877	948	1026	1167	1320	1496	1739
Trekking Agencies	537	580	611	645	705	740	793	872	977	1096	1240
Tourist Guide	1854	1900	2001	2071	2149	2202	2271	2343	2458	2548	2661
Trekking Guide	2155	2745	3094	3457	3930	4395	4663	5098	5356	5987	6747

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

The above table shows that there were 637 travel agencies and 537 trekking agencies working in Nepal in the year 2000 which number of agencies reached 1739 and 1240 respectively in the year 2010. According to the data it can be concluded that the growth rate of travel and trekking agencies are increasing trend. Both the number of travel and trekking agencies has been increased more than 2 times during the period of 10 years i.e. from 2000 to 2010. The above table shows that 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 above table shows that the number of trekking guide has been increased more than 3 times during the study period i.e. from 2000 to 2010. The above table shows that 1739 travel agencies, 1240 trekking agencies, 2661 tourist guide and 6747 trekking guide were working in Nepal in the year 2010. So it can be concluded that these agencies are helping to the employment generation in Nepal.

4.14 Major Findings of the Study

- 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. Similarly, in the following decades in 1982, 1992 and 2002 the total number of tourist arrivals increased 1,75,448, 3,34,353 and 2,75,468 respectively which was an increase by 28.4, 54.1 and 44.6 times respectively in every decades in comparison to the year 1962.
- In the year 2012, the number of tourists reached 803092 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 total number of tourist arrivals 803092 in the year 2012 reached 130 times increase in comparison to the beginning year 1962.
- In the years 2000, 2001 and 2002 there has been a continuous decrease in tourist arrivals in the country
- Tourist arrivals in Nepal, despite showing a steady trend on most occasions have also shown relative stagnancy and fluctuations.
- 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.
- Since the year 1992 to 2012 the trend showed that 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.

- In the year 2012 among the total tourist arrivals in Nepal 55.8 percent were under the age of 45 and 38.7 percent were over the age of 45 years and the rest 5.5 percent tourists has not specified the age group.
- 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 for holiday/pleasure purposes.
- On the other hand the rising tendency of trekking and mountaineering purpose of visit observed after the year 1990.
- 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. This may be due to the facilities of road.
- In terms of nationality, the largest number of tourists coming to Nepal 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 is Rs.11717 million. It reached Rs. 30703 million in the fiscal year 2011/12 which is 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 share of tourism receipt is fluctuating year to year. 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.

- Workers' remittances (58%), merchandise exports (16%) and tourism receipts (7%) are the major sources of the foreign exchange earnings in the country which together made about 81% of total foreign exchange earnings in 2009/10.
- So tourism is so far as 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.

CHAPTER V

SUMMARY, CONCLUSION AND SUGGESTIONS

5.1 Summary

In 1943 the term tourism was first used in the sense of going around or travelling from place to place. The meaning of the Tourist is an individual who travels for the pleasure or travelling out of country. It was first appeared in the oxford English dictionary in 1811 A.D. but the origin of these activities goes back considerable further. The term of tourism were first used as official term in 1993 by league of Nation. Tourism was defined as travelling of people abroad for the period of over 24 hours. 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.

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. 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.

The recent trend of tourists' arrival in Nepal seems satisfactory. However, from the perspective of tourism based resources and its availability in the country seems rather pessimistic. To promote tourism sector and its contribution to socio-economic sector of the country, we need to utilize available resources properly and beneficially. For this, there is need of dynamic and tourism friendly policy and joint effort of the government and the private sector as well. Though possibility of tourism industry is

very high in Nepal its pace of development is very slow. The previous chapter reveals that the trend of tourist arrival in Nepal is satisfactory.

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. Similarly, in the following decades in 1982, 1992 and 2002 the total number of tourist arrivals increased 1,75,448, 3,34,353 and 2,75,468 respectively which was an increase by 28.4, 54.1 and 44.6 times respectively in every decades in comparison to the year 1962. In the year 2012, the number of tourists reached 803092 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 total number of tourist arrivals 803092 in the year 2012 reached 130 times increase in comparison to the beginning year 1962. In the years 2000, 2001 and 2002 there has been a continuous decrease in tourist arrivals in the country. Tourist arrivals in Nepal, despite showing a steady trend on most occasions have also shown relative stagnancy and fluctuations. 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. Since the year 1992 to 2012 the trend showed that 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. In the year 2012 among the total tourist arrivals in Nepal 55.8 percent were under the age of 45 and 38.7 percent were over the age of 45 years and the rest 5.5 percent tourists has not specified the age group. 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. On the other hand the rising tendency of trekking and mountaineering purpose of visit observed after the year 1990. 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. This may be due to

the facilities of road. 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 is Rs.11717 million. It reached Rs. 30703 million in the fiscal year 2011/12 which is 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 share of tourism receipt is fluctuating year to year. 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. Workers' remittances (58%), merchandise exports (16%) and tourism receipts (7%) are the major sources of the foreign exchange earnings in the country which together made about 81% of total foreign exchange earnings in 2009/10. So tourism so far 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.

5.2 Conclusion

Tourist arrivals in Nepal is growing steadily, however her place in world tourism seems in lower position and even in the comparison to the countries of the south Asia like India, Sri Lanka and Maldives. The foreign exchange earnings from tourism in Nepal; is also fluctuating day by day. Nepal is undertaking very limited tourism marketing activities in the country and out of the country while other countries in the world with more resources are spending as huge amount of investment on aggressive marketing in their destinations. The government of Nepal has limited budget to spend

on tourism sector which is inadequate to utilize tourism resources fully in the country. Nepal's natural attractions, physical, historical, cultural, monuments like temples, art treasures, festivals and wild life are the best attractions for foreign visitors. Nepal's Himalayas and their scenic beauty are also the prominent attractions to the visitors. Nepal has greater prospects in tourism industry development. So government should focus in the development of tourism sector. Higher percentage of tourist visit Nepal for entertainment. Due to lack of physical infrastructure, lack of security, lack of quality hotels etc, the pace of tourism development in Nepal is very slow. Tourism, despite having a long history, has really appeared as the development form since the 1950s only, in Nepal. The trend of tourists visiting Nepal seems satisfactory; however, a rightful appropriation of potential resources to change the existing situation of the tourism industry shall be expedient.

Tourism industry has emerged as a sector that contributes a lot to the country by creating jobs and by reaching development to remote and far off areas that has turned out a corner stone in alleviating poverty. It plays an important role in economic and technological development of nations. It also serves to stimulate the development of basic infrastructure, contributes to the growth of domestic industries, attracts foreign investment, facilitates the transfer of technology and information. Thus, to promote tourism sector and its contribution to socio-economic sector of the country, we need to utilize available resources properly and beneficially. For this, there is a need of dynamic and tourism friendly policy and joint effort of the government and the private sector as well. Some tourism plans and institutions both of the private and public sectors of the country are aware for the tourism development in the country launching the various plans and policies regulatory. Implying the tourism plans, policies and marketing strategies in the country the government has given limited attention toward tourism marketing and promotional programs. Further lack of proper marketing strategies, lack of proper implementation of research based promotional activities and effective publicity of Nepal in potential segments in the world market are the major challenges to attain the expected level of outcome from tourism. Although lack of sufficient resources allocation, lack of long term vision, comprehensive policies and programs, deficiency of other supportive things, lack of sufficient infrastructure development, lack of publicity for Nepal in international

tourism markets and lack of peace and security in the country it seems difficult to achieve the goal of tourism.

Tourism industry can be a backbone for Nepalese economy. Nepal has higher potentialities to develop tourism industry which is suitable for socio-economic prosperity for the country. Therefore the government should pay more functional attention and initiate strong actions and policies to address tourism and take as the significant sector of the national economy.

5.3 Suggestions

The recent trend of tourists' arrival in Nepal seems satisfactory; however, a rightful appropriation of potential resources to change the existing situation of the tourism industry. Nepal is one of the most important tourist destinations in the world. Tourism plays a crucial role for the economic development as well as permanent sources of earning foreign currency for the country. In order to promote further tourism development in Nepal, the following suggestions should be taken up.

- Policies and programs related to tourism industry should be developed.
- The policies and programs should have short term and long-term objectives and visions with adequate and reliable information.
- The government should give much priority to develop the tourism infrastructure and other facilities like transportation, tourism information, sanitation, health facilities, hotels/lodges facilities, and extension of visa fee to improve the availability of products and services offered to the visitors.
- The government should have a clear vision about the tourism industry in Nepal.
- Natural beauty, social, cultural and traditional things are to be most essentially protected and preserved.
- Reliable transport facility should be provided to every tourist destination of Nepal.
- Private sectors should be encouraged to establish quality hotels and lodges for tourists.
- Sufficient lodges and resorts should be established in tourist destinations.

- More efficient and skilled manpower should be produced for this sector.
- The government, private sectors and civil society should carry out necessary steps to control growing urban pollution.
- The government should be identify the new tourist destinations and develop them.
- Government and private sectors should increase more recreational facilities for tourist.
- The government should be make security plan and implement it.
- International media and journals should be properly used so as the raise the number of foreigners in Nepal.
- Advertisement and publicity are very much essential factors for development of tourism industry. So publicity of Nepal in international market should be raised.
- Hotel/Lodges should concentrate on to provide cleanliness, hygienic food, safe drinking water, comfortable rooms etc.
- Proper training should be given to the staffs of the hotels to serve with good hospitality for tourists.
- Discount in hotel charge, flight cost and other tourists' facilities should be given to the tourists on during the off- season.
- All necessary facilities like modern international communication system such as telex, fax, adequate telephone lines, e-mail, internet etc. should be provided for the tourists, it helps to increase the length of stay also.
- The number of tourist inflow in Nepal is increasing but not in a satisfactory way. Furthermore tourist market of Nepal is very small, so the government as well as private sector should try to increase their share in the world market in future and government should give much more priority to the tourism sector.

Appendix-A

Number of Tourists Arrival in Nepal 1962-2012

Year	Total	Growth rate
1962	6179	-
1965	9388	15.0
1970	45970	37.4
1975	92440	15.0
1980	162897	12.0
1985	180989	2.1
1990	254885	6.2
1991	292995	15
1992	334353	14.1
1993	293567	-12.2
1994	326531	11.2
1995	363395	11.3
1996	393613	8.3
1997	421857	7.2
1998	463684	9.9
1999	491504	6
2000	463646	-5.7
2001	361237	-22.1
2002	275468	-23.7
2003	338132	22.7
2004	385297	13.9
2005	375398	-2.6
2006	383926	2.3
2007	526705	37.2
2008	500277	-5
2009	509956	1.9
2010	602867	18.2
2011	736215	22.1
2012	803092	9.1

Source: Nepal Tourism Statistics 2012, Ministry of Tourism and Civil Aviation, Govt. of Nepal, 2012.

Appendix-B

Tourists Arrival in Nepal by Gender 1962-2012

Year	Gender		Total Arrivals
	Male	Female	
1962	3231(52.3)	2948(47.7)	6179
1965	5226(55.7)	4162(44.3)	9388
1970	26157(56.9)	19813(43.1)	45970
1975	55741(60.3)	36699(39.7)	92440
1880	100006(61.4)	62891(38.6)	162897
1885	113863(62.8)	67426(37.2)	180985
1990	155311(60.9)	99574(39.1)	254885
1991	177574(60.6)	115421(39.4)	292995
1992	197051(59.0)	137302(41.0)	334353
1993	179178(61.0)	114389(39.0)	293567
1994	205389(63.0)	121142(37.0)	326531
1995	224769(61.9)	138626(38.1)	363395
1996	233055(59.2)	160558(40.8)	393613
1997	251358(59.6)	170499(40.4)	421857
1998	267871(57.8)	195813(42.2)	463684
1999	286161(58.2)	205343(41.8)	491504
2000	266937(57.6)	196709(42.4)	463646
2001	213465(59.1)	147772(40.9)	361237
2002	174710(63.4)	100758(36.5)	275468
2003	204732(60.5)	133400(39.5)	338132
2004	255,303(66.3)	129994(33.7)	385297
2005	257972(68.7)	117426(31.3)	375398
2006	218818(57.0)	165108(43.0)	383926
2007	290688(55.2)	236017(44.8)	526705
2008	286983(57.4)	213294(42.6)	500277
2009	288155(56.5)	221801(43.5)	509956
2010	361611(60.0)	241256(40.0)	602867
2011	352059(47.8)	384156(52.2)	736215
2012	439270(54.7)	363822(45.3)	803092

Note: Figures in parenthesis represent percentage of the total

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

Appendix-C

Tourists Arrival in Nepal by Age Group 1962-2012

Year	0-15	16-30	31-45	46-60	61 & over	Not Specified	Total Arrivals
1962							6179
1965	150 (1.6)	2563 (27.3)	2375 (25.3)	2272 (24.2)	2028 (21.6)		9388 (100.0)
1970	1613 (3.5)	16302 (35.5)	11240 (24.5)	9559 (20.8)	7256 (15.7)		45970 (100.0)
1975	2958 (3.2)	36514 (29.5)	27177 (29.4)	16824 (18.2)	8967 (9.7)		92440 (100.0)
1880	6914 (4.2)	59724 (36.7)	48786 (29.9)	31544 (19.4)	15929 (9.8)		162897 (100.0)
1885	9497 (5.2)	58861 (32.5)	61528 (34.0)	33520 (18.6)	17583 (9.7)		180989 (100.0)
1990	10620 (4.2)	85903 (33.7)	82292 (32.3)	49388 (19.4)	26682 (10.4)		254885 (100.0)
1991	17174 (5.9)	96634 (33.0)	94539 (32.3)	54320 (18.5)	30328 (10.4)		292995 (100.0)
1992	18624 (5.6)	105123 (31.5)	111096 (33.2)	65651 (19.6)	33859 (10.1)		334353 (100.0)
1993	15289 (5.2)	91947 (31.3)	16665 (32.9)	59768 (20.4)	29898 (10.02)		293567 (100.0)
1994	20097 (6.2)	96016 (29.4)	106260 (32.5)	66174 (20.3)	37984 (11.6)		326531 (100.0)
1995	22878 (6.3)	106603 (29.3)	120212 (33.1)	76647 (21.1)	37055 (10.2)		363395 (100.0)
1996	22185 (5.6)	94924 (24.1)	116307 (29.5)	89751 (22.8)	70446 (17.9)		393613 (100.0)
1997	23840 (5.7)	121286 (28.8)	126828 (30.1)	107111 (25.4)	42792 (10.1)		421857 (100.0)
1998	26763 (5.8)	122103 (26.3)	151846 (32.7)	121190 (26.1)	41782 (9.0)		463684 (100.0)
1999	30967 (6.3)	150307 (30.6)	155985 (31.7)	113314 (23.1)	40913 (8.3)		491504 (100.0)
2000	19136 (4.1)	119816 (25.8)	148063 (31.9)	125140 (27.0)	51491 (11.1)		463464 (100.0)
2001	14608 (4.0)	95801 (26.5)	115678 (32.0)	93621 (25.9)	41525 (11.5)		361237 (100.0)
2002	12425 (4.5)	67774 (24.6)	99622 (36.2)	67017 (24.3)	28630 (10.4)		275468 (100.0)

2003	16056 (4.7)	78357 (23.2)	99740 (29.5)	85753 (25.4)	58226 (17.2)		338132 (100.0)
2004	38734 (10.1)	84125 (21.8)	128267 (33.3)	96920 (25.2)	37251 (9.7)		385297 (100.0)
2005	30429 (8.1)	57115 (21.2)	114103 (30.4)	106077 (28.3)	67674 (18.0)		375398 (100.0)
2006	37433 (9.8)	75626 (19.7)	123541 (32.2)	95260 (24.8)	52066 (13.6)		383926 (100.0)
2007	38870 (7.4)	112879 (21.4)	164488 (31.2)	130756 (24.8)	69927 (13.3)	9785 (1.9)	526705 (100.0)
2008	42581 (8.5)	106596 (21.3)	150171 (30.0)	121387 (24.3)	60531 (12.1)	19011 (3.8)	500277 (100.0)
2009	84891 (16.6)	140805 (27.6)	141955 (27.8)	99197 (19.5)	39639 (7.8)	3470 (0.7)	509956 (100.0)
2010	41156 (6.8)	120395 (20.0)	189852 (31.5)	172800 (28.7)	64593 (10.7)	14071 (2.3)	602867 (100.0)
2011	32,795 (4.5)	171,081 (23.2)	212,176 (28.8)	177,983 (24.2)	82,726 (11.2)	59,454 (8.1)	736215 (100.0)
2012	35,468 (4.4)	181,558 (22.6)	231,117 (28.8)	201,835 (25.1)	109,239 (13.6)	43,875 (5.5)	803092 (100.0)

Note: Figures in parenthesis represent percentage of the total

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

Appendix-D

Tourists Arrival by Month 1962-2012

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1962	489 (7.9)	569 (9.7)	787 (12.7)	829 (13.4)	486 (7.9)	237 (3.8)	440 (7.1)	284 (4.6)	328 (5.3)	616 (10.0)	590 (8.6)	497 (8.0)	6179 (100.0)
1965	768 (8.2)	1053 (11.2)	1317 (14.0)	1225 (13.2)	716 (7.6)	433 (4.6)	730 (7.8)	839 (8.9)	337 (3.6)	704 (7.5)	680 (7.2)	586 (6.2)	9388 (100.0)
1970	2755 (6.0)	2816 (6.1)	3957 (8.6)	3603 (7.8)	3463 (7.5)	2236 (4.6)	4160 (9.1)	5042 (11.1)	3533 (7.7)	4555 (9.9)	4518 (8.8)	5332 (11.6)	45970 (100.0)
1975	6895 (7.5)	6114 (6.6)	11415 (12.3)	7610 (8.2)	8641 (7.4)	4141 (4.5)	4528 (4.9)	8501 (9.2)	5718 (6.2)	11277 (12.2)	9626 (10.4)	9774 (10.6)	92440 (100.0)
1980	10913 (6.7)	14431 (8.9)	17483 (10.7)	14658 (9.0)	11308 (9.9)	7938 (4.9)	10264 (6.3)	14134 (8.7)	9876 (6.1)	18318 (11.2)	17055 (10.5)	16519 (10.1)	162897 (100.0)
1985	10478 (5.8)	13751 (7.6)	17768 (9.8)	14681 (8.1)	13248 (7.3)	9997 (5.5)	7901 (4.4)	11588 (6.4)	14248 (7.9)	24187 (13.4)	21048 (11.6)	22094 (12.2)	180989 (100.0)
1990	19647 (7.7)	23828 (9.3)	28482 (11.2)	18101 (7.1)	13584 (5.3)	11619 (4.6)	13803 (5.4)	20179 (7.9)	21824 (8.6)	34975 (13.7)	23177 (10.3)	22666 (8.9)	254885 (100.0)
1991	17917 (6.1)	19382 (6.6)	25323 (8.6)	23721 (8.1)	21952 (7.5)	19808 (6.7)	19362 (6.6)	24429 (8.3)	23224 (8.0)	39339 (13.4)	32507 (11.1)	26031 (8.9)	292995 (100.0)
1992	17451 (5.2)	27489 (8.2)	31505 (9.4)	30682 (9.1)	29089 (8.7)	22469 (6.7)	20942 (6.2)	27338 (8.1)	24839 (7.4)	42647 (12.7)	32341 (9.6)	27561 (8.2)	334353 (100.0)
1993	19238 (6.5)	23931 (8.1)	30818 (10.5)	20121 (6.8)	20585 (7.0)	19602 (6.7)	13588 (4.6)	21583 (7.3)	23939 (8.1)	42242 (14.3)	30378 (10.3)	27542 (9.4)	293567 (100.0)
1994	21735 (6.7)	24872 (7.6)	31586 (9.7)	27292 (8.3)	26232 (8.0)	22907 (7.0)	19739 (6.0)	27610 (8.5)	27959 (8.6)	39393 (12.0)	28008 (8.6)	29198 (10.0)	326531 (100.0)
1995	22207 (6.1)	28240 (7.8)	34219 (9.4)	33994 (9.4)	27843 (7.7)	25650 (7.1)	23980 (6.6)	27686 (7.6)	30569 (8.4)	46845 (12.9)	35782 (9.8)	26380 (7.3)	363395 (100.0)
1996	27886 (7.0)	29676 (7.5)	39336 (10.0)	36331 (9.2)	29728 (7.5)	26749 (6.8)	22684 (5.7)	29080 (7.4)	32181 (8.1)	47314 (12.0)	37650 (9.5)	34998 (8.9)	393613 (100.0)
1997	25585 (6.0)	32861 (7.8)	43177 (10.2)	35229 (8.3)	33456 (8.0)	26367 (6.2)	26091 (6.1)	35549 (8.4)	31981 (7.6)	56272 (13.3)	40173 (9.5)	35116 (8.3)	421857 (100.0)
1998	28822 (6.2)	37956 (8.2)	41338 (9.0)	41087 (9.0)	35814 (7.7)	29181 (6.3)	27895 (6.0)	36174 (8.0)	39664 (8.5)	62487 (13.4)	47403 (10.2)	35863 (8.0)	463684 (100.0)
1999	29752 (6.5)	38134 (7.8)	46218 (9.4)	40774 (8.3)	42712 (8.7)	31049 (6.3)	27193 (5.5)	38449 (8.0)	44117 (8.6)	66543 (13.5)	48865 (10.0)	37698 (7.7)	491504 (100.0)
2000	25307 (5.5)	38959 (8.4)	44944 (9.7)	43635 (9.4)	28363 (6.1)	26933 (5.8)	24480 (5.3)	34670 (7.5)	43523 (9.4)	59195 (12.8)	52993 (11.4)	40644 (8.8)	463646 (100.0)
2001	30454 (8.4)	38680 (10.7)	46709 (12.9)	39083 (10.8)	28345 (7.8)	31030 (3.6)	18329 (5.1)	25322 (7.0)	31170 (8.6)	41245 (11.4)	30282 (8.4)	18588 (5.1)	361237 (100.0)
2002	17176 (6.2)	20668 (7.5)	28815 (10.5)	21253 (7.7)	19887 (6.9)	17218 (6.2)	16621 (6.0)	21093 (7.7)	23752 (8.6)	35272 (12.8)	28723 (10.4)	24990 (9.1)	257468 (100.0)
2003	21215 (6.3)	24349 (7.2)	27737 (8.2)	25851 (7.6)	22704 (6.7)	20351 (6.0)	22661 (6.7)	27568 (8.2)	28724 (8.5)	45459 (13.4)	38398 (11.4)	33115 (9.8)	338132 (100.0)

2004	30988 (8.0)	35631 (9.2)	44290 (11.5)	33514 (8.7)	26802 (7.0)	19793 (5.1)	24860 (6.5)	33162 (8.6)	25496 (6.6)	43373 (11.3)	36381 (9.4)	31007 (8.0)	385297 (100.0)
2005	25477 (6.8)	20338 (5.4)	28875 (8.0)	23414 (6.2)	25541 (6.8)	22608 (6.0)	23996 (6.4)	36910 (9.8)	36066 (9.6)	51498 (13.7)	41505 (11.1)	38170 (10.1)	375398 (100.0)
2006	28769 (7.5)	25728 (6.7)	36873 (9.6)	21983 (5.7)	22870 (6.0)	26210 (6.8)	25183 (6.6)	33150 (8.6)	33362 (8.7)	49670 (12.9)	44119 (11.5)	36009 (9.4)	383926 (100.0)
2007	33192 (6.3)	39934 (7.6)	54722 (10.4)	10942 (7.8)	35854 (6.8)	31316 (5.9)	35437 (6.7)	44683 (8.5)	45552 (8.6)	70644 (13.4)	52273 (9.9)	42156 (8.0)	526708 (100.0)
2008	36913 (7.4)	46675 (9.3)	58735 (11.7)	38475 (7.7)	30410 (6.1)	24349 (4.9)	25427 (5.1)	40011 (8.0)	41622 (8.3)	66421 (13.3)	52399 (10.5)	38840 (7.8)	500277 (100.0)
2009	29278 (5.7)	40617 (7.8)	49567 (9.7)	43337 (8.5)	30037 (5.9)	31749 (6.2)	30432 (6.0)	44174 (8.7)	42771 (8.4)	72522 (14.2)	54423 (10.5)	41049 (8.0)	509956 (100.0)
2010	30645 (5.1)	49264 (8.2)	63058 (10.5)	45509 (7.5)	32542 (5.4)	33263 (5.5)	38991 (6.5)	54672 (9.1)	54848 (9.1)	79130 (13.1)	67537 (11.2)	50408 (8.4)	602867 (100.0)
2011	42622 (5.8)	56339 (7.7)	67565 (9.1)	59751 (8.1)	46202 (6.3)	46115 (6.2)	42661 (5.8)	71398 (9.7)	63033 (8.5)	96996 (13.2)	83460 (11.3)	60073 (8.2)	736215 (100.0)
2012	52501 6.5	66459 (8.3)	89151 (11.1)	69796 (8.7)	50317 (6.3)	53630 (6.7)	49995 (6.2)	71964 (9.0)	66383 (8.2)	86379 (10.8)	83173 (10.3)	63344 (8.0)	803092 (100.0)

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

Appendix-E

Tourist Arrivals in Nepal by Purpose of Visit 1990-2012.

Year	Holiday Pleasure	Trekking & Mount.	Business	Pilgrimage	Official	Conv./ Conf.	Rafting	Others	Not Specified	Total
1990	161839 (63.5)	39999 (15.7)	11728 (4.6)	6713 (2.6)	26578 (10.4)	2838 (1.1)	-	5190 (2.0)		254885 (100)
1991	177370 (60.5)	42308 (14.4)	14601 (5.0)	9103 (3.1)	37274 (12.7)	5441 (1.9)	-	6898 (2.4)		292995 (100)
1992	237711 (71.1)	35166 (10.5)	31765 (9.5)	7219 (2.2)	20967 (6.3)	815 (0.2)	-	710 (0.2)		334353 (100)
1993	170279 (58.0)	69629 (23.7)	19495 (6.6)	10421 (3.6)	15812 (5.4)	5367 (1.8)	-	2566 (0.9)		293567 (100)
1994	168155 (51.5)	76865 (9.5)	23522 (7.2)	5475 (1.7)	20431 (6.3)	5361 (1.6)	-	26722 (8.2)		326531 (100)
1995	183207 (50.4)	84787 (23.3)	21829 (6.0)	5257 (1.4)	20040 (5.5)	5272 (1.5)	-	42953 (11.8)		363395 (100)
1996	209377 (53.2)	88945 (22.6)	25079 (6.4)	4802 (1.2)	20191 (5.1)	6054 (1.5)	-	39165 (4.6)		393613 (100)
1997	249360 (59.1)	91525 (21.7)	27409 (6.5)	4068 (1.0)	24106 (5.7)	5814 (1.4)	-	19565 (4.6)		421857 (100)
1998	261347 (56.4)	112644 (24.3)	24954 (5.4)	16164 (3.5)	22123 (4.8)	5181 (1.1)	-	21271 (4.6)		463684 (100)
1999	290862 (59.2)	107960 (22.0)	23813 (4.8)	19198 (3.9)	24132 (4.9)	5965 (1.2)	-	19574 (4.6)		491504 (100)
2000	255889 (55.2)	118780 (25.6)	29454 (6.4)	15801 (3.4)	20832 (4.5)	5599 (1.2)	-	17291 (3.7)		463646 (100)
2001	187022 (51.8)	100828 (27.9)	18528 (5.1)	13816 (3.8)	18727 (5.2)	0 (0.0)		22316 (6.2)		361237 (100)
2002	110143 (40.0)	59279 (21.5)	16990 (6.2)	12366 (4.5)	17783 (6.5)	0 (0.0)		58907 (21.4)		275468 (100)
2003	97904 (29.0)	65721 (19.4)	19387 (5.7)	21395 (6.3)	21967 (6.5)	0 (0.0)		111758 (33.1)		338132 (100)
2004	167262 (43.4)	69442 (18.0)	13948 (3.6)	45664 (11.9)	17088 (4.4)	0 (0.0)		71893 (18.7)		385297 (100)
2005	160259 (42.7)	61488 (16.4)	21992 (5.9)	47621 (12.7)	16859 (4.5)	0 (0.0)		67179 (17.9)		375398 (100)
2006	145802 (27.7)	66931 (12.7)	21066 (4.0)	59298 (11.3)	18063 (3.4)	0 (0.0)		72766 (13.8)		383926 (100)
2007	217815 (41.4)	101320 (19.2)	24487 (4.6)	53594 (10.0)	21670 (4.1)	8019 (1.5)	65 (0.0)	78579 (14.9)	22156 (4.2)	526705 (100)
2008	148180 (29.6)	104822 (21.0)	23039 (4.6)	45091 (9.0)	43044 (8.6)	6938 (1.4)	243 (0.0)	99391 (19.9)	29529 (5.9)	500277 (100)
2009	40992 (8.0)	132929 (26.1)	22758 (4.5)	51542 (10.1)	24518 (4.8)	9985 (2.0)	285 (0.1)	186849 (36.6)	40098 (7.9)	509956 (100)
2010	63082 (12.4)	70218 (13.8)	21377 (4.2)	101335 (19.9)	26374 (5.2)	9627 (1.9)	730 (0.1)	252473 (49.5)	57651 (11.3)	602867 (100)
2011	425,721 (57.8)	86,260 (11.7)	17,859 (2.4)	63,783 (8.7)	24,054 (3.3)	10,836 (1.5)	-	37,311 (5.1)	70,391 (9.6)	736,215 (100.0)
2012	379,627 (47.3)	105,015 (13.1)	24,785 (3.1)	109,854 (13.7)	30,460 (3.8)	13,646 (1.7)	-	48,540 (6.0)	91,165 (11.4)	803,092 (100.0)

Note: Figures in parenthesis represent percentage of the total.

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

Appendix-F

Tourists Arrival in Nepal by Major Nationality 2001-2012

Nationality	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	10,455	7,159	7,916	9,671	7,093	8,231	12,369	13,846	15,461	16,243	19,824	22,030
%	(2.9)	(2.6)	(2.3)	(2.5)	(1.9)	(2.1)	(2.3)	(2.8)	(3.0)	(2.7)	(2.7)	(2.7)
Austria	4,164	3,140	3,025	4,341	3,007	3,474	4,473	3,540	3,245	3,389	3,998	3,797
%	(1.2)	(1.1)	(0.9)	(1.1)	(0.8)	(0.9)	(0.8)	(0.7)	(0.6)	(0.6)	(0.5)	(0.5)
Canada	7,068	3,747	4,154	4,825	4,168	4,733	7,399	8,132	8,965	9,322	11,404	13,507
%	(2.0)	(1.4)	(1.2)	(1.3)	(1.1)	(1.2)	(1.4)	(1.6)	(1.8)	(1.5)	(1.5)	(1.7)
China	8,738	8,715	7,562	13,326	22,377	17,538	28,618	35,166	32,272	46,360	61,917	71,861
%	(2.4)	(3.2)	(2.2)	(3.5)	(6.0)	(4.6)	(5.4)	(7.0)	(6.3)	(7.7)	(8.4)	(8.9)
Denmark	3,854	2,040	2,178	2,633	1,770	1,956	3,157	3,847	4,464	4,359	6,138	7,118
%	(1.1)	(0.7)	(0.6)	(0.7)	(0.5)	(0.5)	(0.6)	(0.8)	(0.9)	(0.7)	(0.8)	(0.9)
France	21,187	13,376	15,865	18,938	14,108	14,835	20,250	22,402	22,154	24,550	26,720	28,805
%	(5.9)	(4.9)	(4.7)	(4.9)	(3.8)	(3.9)	(3.8)	(4.5)	(4.3)	(4.1)	(3.6)	(3.6)
Germany	21,577	15,774	14,866	16,025	14,345	14,361	21,323	18,552	19,246	22,583	27,472	30,409
%	(6.0)	(5.7)	(4.4)	(4.2)	(3.8)	(3.7)	(4.0)	(3.7)	(3.8)	(3.7)	(3.7)	(3.8)
India	64,320	66,777	86,363	90,326	95,685	93,722	96,010	91,177	93,884	120,898	149,504	165,815
%	(17.8)	(24.2)	(25.5)	(23.4)	(25.5)	(24.4)	(18.2)	(18.2)	(18.4)	(20.1)	(20.3)	(20.6)
Italy	8,745	8,057	8,243	12,376	8,785	7,736	11,243	7,914	7,982	10,226	12,621	14,614
%	(2.4)	(2.9)	(2.4)	(3.2)	(2.3)	(2.0)	(2.1)	(1.6)	(1.6)	(1.7)	(1.7)	(1.8)
Japan	28,830	23,223	27,412	24,231	18,239	22,242	27,058	23,383	22,445	23,332	26,283	28,642
%	(8.0)	(8.4)	(8.1)	(6.3)	(4.9)	(5.8)	(5.1)	(4.7)	(4.4)	(3.9)	(3.6)	(3.6)
Netherland	13,662	8,306	8,443	11,160	8,947	7,207	10,589	10,900	11,147	13,471	16,836	15,445
%	(3.8)	(3.0)	(2.5)	(2.9)	(2.4)	(1.9)	(2.0)	(2.2)	(2.2)	(2.2)	(2.3)	(1.9)
Spain	5,897	5,267	8,265	11,767	8,891	10,377	15,672	13,851	13,006	13,712	16,037	14,549
%	(1.6)	(1.9)	(2.4)	(3.1)	(2.4)	(2.7)	(3.0)	(2.8)	(2.6)	(2.3)	(2.2)	(1.8)
Switzerland	5,649	3,352	3,246	3,788	3,163	3,559	5,238	5,186	5,281	5,320	11,020	7,046
%	(1.6)	(1.2)	(1.0)	(1.0)	(0.8)	(0.9)	(1.0)	(1.0)	(1.0)	(1.1)	(1)	(1)
Sri Lanka	9,844	9,805	13,930	16,124	18,770	27,413	49,947	37,817	36,362	45,531	59,884	69,476
%	(2.7)	(3.6)	(4.1)	(4.2)	(5.0)	(7.1)	(9.5)	(7.6)	(7.1)	(7.6)	(8.1)	(8.7)
U.S.A.	32,052	17,518	18,838	20,680	18,539	19,833	29,783	30,076	32,043	36,425	42,875	48,985
%	(8.9)	(6.4)	(5.6)	(5.4)	(4.9)	(5.2)	(5.7)	(6.0)	(6.3)	(6.0)	(5.8)	(6.1)
U.K.	33,533	21,007	22,101	24,667	25,151	22,708	32,367	33,658	35,382	35,091	39,091	41,294
%	9.3)	(7.6)	(6.5)	(6.4)	(6.7)	(5.9)	(6.1)	(6.7)	(6.9)	(5.8)	(5.3)	(5.1)
Others	81,662	58,205	85,725	100,419	102,360	99,996	147,694	136,823	140,574	168,590	179,158	214,638
%	(22.6)	(21.1)	(25.4)	(26.1)	(27.3)	(26.0)	(28.0)	(27.3)	(27.6)	(28.0)	(24.3)	(26.7)
Not Specified	-	-	-	-	-	4,005	3,515	4,007	6,043	3,465	25,433	5,061
%						(1.0)	(0.7)	(0.8)	(1.2)	(0.6)	(3.5)	(0.6)
Total	361,237	275,468	338,132	385,297	375,398	383,926	526,705	500,277	509,956	602,867	736,215	803,092
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

Source: Nepal Tourism Statistics, 2012, Ministry of Tourists and Civil Aviation, Govt. of Nepal, 2012.

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