

# **ROLE OF TOURISM IN NEPAL**

**A Thesis**

**Submitted to the**

**Department of Economics, Faculty of Humanities and Social Science,**

**Birendra Multiple Campus of Tribhuvan University**

**in Partial Fulfillment of the Requirements for the**

**Degree of MASTER of ARTS**

**in**

**ECONOMICS**

**Submitted By:**

**MANISH TAMANG**

**Roll No.: 190175/2076**

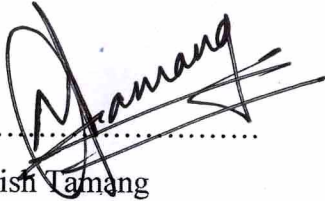
**T.U. Regd. No.: 7-2-240-124-2008**

**Birendra Multiple Campus Bharatpur, Chitwan**

**September, 2023**

## DECLARATION

I, MANISH TAMANG, hereby declare that the thesis entitled "ROLE OF TOURISM IN NEPAL" submitted to the Department of Economics, Birendra Multiple Campus, Bharatpur of Tribhuvan University is entirely my work done under the guidance and supervision of my supervisor. I have made due acknowledgement to all ideas and information borrowed from various sources in the course of preparing this thesis. The result of this thesis has not been submitted or presented anywhere else for the award of any degree or for any other purpose. I assure that no part of this thesis has been published in any forms before.



.....  
Manish Tamang

Roll No.: 190175/2076

T.U. Regd. No.: 7-2-240-124-2008



त्रिभुवन विश्वविद्यालय  
TRIBHUVAN UNIVERSITY

वीरेन्द्र बहुमुखी क्याम्पस

BIRENDRA MULTIPLE CAMPUS

DEPARTMENT OF ECONOMICS

520253  
☎:056 { 520689  
526159  
Fax:056-520253

भरतपुर, चितवन  
Bharatpur, Chitwan

पत्र संख्या:  
च.नं. (Ref.)

मिति:  
Date:

## LETTER OF RECOMMENDATION

This thesis entitled "ROLE OF TOURISM IN NEPAL" has been prepared by Mr. MANISH TAMANG under my supervision. I hereby, recommend this thesis in partial fulfillment of requirements for the Degree of MASTER of ARTS in ECONOMICS for final examination.

Thesis Supervisor  
Thaneshwar Sapkota  
(Assistant Professor)

Date : 20 Aug 2023  
(2080/05/03 B.S.)



पत्र संख्या:  
च.नं. (Ref.)

त्रिभुवन विश्वविद्यालय  
TRIBHUVAN UNIVERSITY

वीरेन्द्र बहुमुखी क्याम्पस

BIRENDRA MULTIPLE CAMPUS

DEPARTMENT OF ECONOMICS



520253  
056-520689  
526159  
Fax:056-520253

भरतपुर, चितवन  
Bharatpur, Chitwan

मिति:  
Date:

## APPROVAL SHEET

We certify that this thesis entitled "ROLE OF TOURISM IN NEPAL" submitted by Mr. MANISH TAMANG to Department of Economics, Birendra Multiple Campus, Bharatpur, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfilment of the requirements for the Degree of MASTER OF ARTS in ECONOMICS has been found satisfactory in the scope and quality. Therefore, we accept this thesis as a part of the said degree.

### Thesis Committee

Thesis Supervisor

(Thaneshwar Sapkota)

(Assistant professor)

External Examiner

(Omkar Poudel)

(Assistant Professor)

Head of the Department

(Deepak Regmi)

(Associate Professor)

Date: 8 Sept 2023

२०८०/५/२२ B.S.

## **ACKNOWLEDGEMENT**

First of all, I would like to express my sincere gratitude to my thesis supervisor Assistant Professor Thaneshowar Sapkota, Birendra Multiple Campus, Department of Economics. His patience, enthusiasm, co-operation and suggestion made me present this research work to produce in the present form. His brilliant, skillful supervision enriched this study higher than my expectation. I could not remain and more without giving heartfelt thanks to the head of the department, Associate Professor Mr. Deepak Regmi for his painstaking supervision throughout the study period. This research work would not be possible without his stimulation inspiration and cooperation.

I would like to express my deep gratitude and indebtedness to my parents, brothers, sister and brother-in-law for their encouragement and support. I want to specially remember my sweet niece for her calmness and patience during my work.

I am thankful to the respondents as well as other people of the study area, who provided necessary as well as valuable information and possible help to accomplish this study.

Last but not least, I would like to thank to Mr. Bhoj Raj Poudel of Advance computer Solution for his continuous support and make this thesis in attractive layout.

Manish Tamang

## ABSTRACT

This thesis entitled "ROLE OF TOURISM IN NEPAL" has been conducted to study the contribution and potentiality of tourism industry in Nepal.

This study was based on both exploratory and descriptive research design. Data were collected from secondary sources and both quantitative and qualitative techniques were used for data interpretation. Simple quantitative methods, including percentage calculations, ratios, and statistical diagrams were used to present the data and information. The findings were portrayed by using descriptive formats alongside appropriate figures and tables.

The flow of tourists in Nepal is slowly going into the increasing trend, even though, it was badly affected by the earthquake appeared in 2015 and COVID-19 of 2020 and 2021. The large number of tourists visited in Nepal is from India with compared to other nationalities. The maximum number of tourists visited to Nepal were for holiday and pleasure purposes (64%). The average stay of tourist in Nepal was 13 days. The average expenses of each tourist in a day were \$52.1. The contribution of tourism on GDP was near about 2.0 percent in 2019 which was higher contribution in comparison to other years. The main tourists destinations were found National Parks and Wildlife Reserve. Religious places are in second priority

In Nepal, tourism plays a vital role in creating both direct and indirect employment opportunities, particularly within urban centers and major tourist hubs. To attracts visitors from neighboring nations. Nepal has eased visa requirements for South Asian Nationals and facilitated entry to National Parks and Historical Sites. Nepal should formulate annual plan for tourism promotion and marketing. Effective budgeting, resource allocation, continues monitoring and feedback mechanisms are essential for achieving set goals.

*Key words: Tourism, Adventure, Trekking, National Park, Travelling*

## TABLE OF CONTENTS

DECLARATION	i
LETTER OF RECOMMENDATION	ii
APPROVAL SHEET	iii
ACKNOWLEDGEMENT	iv
ABSTRACT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATIONS	x
CHAPTER I: INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem	3
1.3 Objectives of the Study	4
1.4 Significance of the Study	4
1.5 Limitations of the Study	5
1.6 Organization of the Study	5
1.7 Definition of key term	5
CHAPTER II: REVIEW OF LITERATURE	7
2.1 Tourism in Nepal	8
2.2 Review of Previous Studies	10
2.3 Review of International Literature	19
2.4 Research Gap	21
CHAPTER III: RESEARCH METHODOLOGY	23
3.1 Research Design	23
3.2 Nature and Sources of Data	23
3.3 Data Collection and Procedure	24
3.4 Statistical tools used	24
CHAPTER IV: PRESENTATION AND ANALYSIS OF DATA	25
4.1 Role of Tourism in Nepal:	25
4.1.1 Tourist Arrival by year	25
4.1.2 Tourist arrival by means of transportation:	27
4.1.3 Tourist arrival by nationality	30

4.1.4	Tourist arrival by purpose of visit	31
4.1.5	Revenue from tourism	32
4.1.6	Contribution of Tourism on GDP	33
4.1.7	Contribution on Employment	36
4.1.8	Average Expenditure by Foreign Tourists	36
4.1.9	No. of days staying in Nepal	37
4.2	Prospects of Tourism in Nepal	39
4.3	Problem of Tourism in Nepal	40
CHAPTER V: SUMMARY, CONCLUSION AND RECOMMENDATION		42
5.1	Summary	42
5.2	Conclusion	44
5.3	Recommendations	45
REFERENCES		49



## LIST OF TABLES

Table 4.1: Tourists Arrival by year (2009-2022)	26
Table 4.2: Tourist arrival by means of transportation:	28
Table 4.3: Tourist arrival by nationality (2009-2022):	30
Table 4.4: Revenue from tourism and its growth rate	32
Table 4.5: Tourism related enterprises (registered in tourism industry division)	35
Table 4.6: Number of days staying in Nepal	38

## LIST OF FIGURES

Figure 4.1: Tourists Arrival by year 2009-2022)	27
Figure 4.2: Tourist arrival by means of transportation	29
Figure 4.3: Average percentage of Tourist arrival by purpose of visit (2009 to 2022)	31
Figure 4.4: Annual growth rate of foreign Earnings	33
Figure 4.5: contribution of tourism in GDP	34
Figure 4.6: Average expenditure by foreign tourists	37

## **ABBREVIATIONS**

CBS	:	Central Bureau of Statistics
FAO	:	Food and Agriculture Organization
GDP	:	Gross Domestic Product
GNI	:	Net National Income
HAN	:	Hotel Association of Nepal
HMTTC	:	Hotel Management and Tourism Training Center
IMF	:	International Monetary Fund
IUOTO	:	International Union of Official Travel Organization
MCTCA	:	Ministry of Culture, Tourism and Civil Aviation
MOTCA	:	Ministry of Tourism and Civil Aviation
NI	:	National Income
NPC	:	National Planning Commission
NTB	:	Nepal Tourism Board
NTS	:	Nepal Tourism Statistics
STN	:	Sustainable Tourism Network
TAAN	:	Travel Agents Association of Nepal
TPP	:	Tourism Promotion Program
UNO	:	United Nations Organization
WHO	:	World Health Organization

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Tourism industry includes activities related to travel and hospitality including accommodation transportation, attractions and services. It plays a significant role in many economics, generating revenue and creating jobs.

Tourism refers to the temporary, short-term movement of people to destination outside the places where they normally live and work, and their activities during the stay at these destinations. Most of these movements are international in character. Tourism is major element in the balance of payments of many countries, which has grown faster than the trade in goods. Tourism generates employment and income. It makes use of resources, which may not be used otherwise, in particular of unemployed labor in developing countries with few alternative sources of employment. It can directly influence living standards and quality of life which lead to the satisfaction of the visitors and multiple benefits to the destination visited i.e. employment generation, economic growth, conservation of natural and cultural heritage, culture exchange etc. Tourism has always helped the local economy by improving living standards, education, health care, social awareness and infrastructure (Pant, 2014).

Nepal is a small Himalayan Democratic Republic Country located in between two big economic powers of Asia, China in the North and India in the East, West and South with open border. Nepal is least developed, landlocked and geographically disadvantageously placed country. Its location is in the northern margin of south Asia. The country covers an area of 147,181 square kilometers, which accounts as 0.03 percent of land area of the earth. The country has nearly 1050 kilometers length and 160 kilometers breadth in its spatial extension mainly along the south slope of the Himalayas (Upadhyay, 2006).

Nepal opened its doors to tourism in the early 1950s when Hillary and Tenzing first climbed Mount Everest in 1953. Mostly visitors have been mesmerized by the magic of Nepal's kaleidoscopic natural scenery and the cultural mosaic of its people and history. Even lord Shiva during ancient past settled back in Nepal due to its fascination

motivating Hindu pilgrims to visit holiest places. Similarly, birth of Lord Buddha draws the attention of global Buddhist community. Nepal is strongly positioned as a preferred nature, culture and adventure destination in the world tourism map with wide range of products to offer visitors. Using tourism as a powerful driver of development the vision seeks to build on past planning initiatives, the sector has developed faster since the first tourism master plan 1972 (Ministry of Tourism and Civil Aviation-MOTCA ).

Nepal is considered as a paradise for ornithologist nature's lovers, trekker and researcher of various disciplines. The country is recognized for its unique and pristine natural and cultural diversity with immense heritage sites of aesthetic architecture, historical and social significance with its natural beauty and cultural heritage like Mount Everest (crown of the world) snow peak Mountains, birth place of lord Buddha (apostle of peace) and Goddess Sita, a number of lakes and rivers etc. Nepal is an attractive destination for tourists from all over the world. Numerous interesting natural and cultural sites have attracted tourists of different parts of the world. Nepal has wider prospects in promoting tourism, because it is probably one of the most fascinating and beautiful countries in the world. Tourism is important not only from the point of view of foreign exchange earnings but it also enhances scope for various industrial branches like hotels, motels and other food services, amusement, and other leisure activities gift-shops and large number of other enterprises such as fruit production and processing etc. tourism is instrumental in the economy of Nepal in the process of regional development of agriculture and industrial sector. Therefore the objective is to create a vision of Nepal's development based in tourism development.

Tourism plays an important and influential role in creating economic activity in regional level. Be it transportation, local retailers, handicraft, export local food consumption or herbal medicines all are directly or indirectly influenced by tourism. So, the Nepal has only one option with which it can address poverty and gear for economic development and that is tourism. Nepal has the highest mountains in the world including Mount Everest, world class trekking and mountaineering peaks, 10 national parks, conservation areas, 1 hunting reserve, 2 wildlife reserves, temples and medieval architectures that can easily attract tourists there by contributing to a large amount of foreign exchange earnings. All of these present a potential opportunity to sell Nepal as a tourism product. We are fortunate to have beautiful Himalayas, lush

vegetation and vary biodiversity and wildlife which can be offered as eco- tourism product (Upadhyay R, 2006).

Government of Nepal has rolled out new tourism policy 2065, which intends to reinforce Nepal as an attractive, beautiful, and safe destination in the international tourism map. The policy aims at increasing employment opportunity for livelihood; increasing productivity and living standard of general public; and increasing economic growth along with contribution to the revenues, by augmenting the magnitude of tourism activities and enterprises of tourism sector such as air lines, hotel, travel and tour. The policy emphasize on domestic, village, sports, education, agro and health tourism (NTB, 2021).

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

## **1.2 Statement of the Problem**

Being many possibilities in the development of tourism, there are some hindrances in the tourism of Nepal. Some problems are related with the infrastructure of the tourism like transportation facilities, hotels, restaurant, trekking guides and information dissemination etc. On the other hand, major problems are associated with the planning and management of the tourism business. However, the main problem is laid on the economic issues whether Nepal is being benefited by the tourism. Does tourism have higher opportunity cost in Nepal? What sort of tourism should Nepal focused? Can tourism sustain in Nepal? What are the contributions of the tourism in Nepal? There are many possibilities however, which can be promoted for the sustainability and the existence of the Nepalese tourism. To know the reality of the impact of the Nepalese tourism, it is very much necessary to the sense of doing on and promoting on tourism. The economic burden and the opportunity are to be compared so that the comparative advantage can be judged. So, to get the real economic impact of tourism this study analyses the overall data of the Nepalese tourism so far the data are available. Hence,

the thesis has tried to answer the following research questions:

- i. What is the role of tourism on Nepalese economy?
- ii. What are the potentialities of tourism in Nepal?

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

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

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

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

Nepal is acknowledged as an attractive destination for tourists interested in culture and nature. The country's unique aspects lie in its diverse geography, ethnic communities, and cultural heritage, which define Nepali society. The growth of tourism in Nepal hinges on establishing stronger connections between conserving nature and promoting tourism. While Nepal's abundant natural wonders draw nature enthusiasts, it also caters to visitors with various interests such as culture, sports, and adventure. The welcoming locals and their vibrant socio-cultural heritage are particularly appealing to Westerners. Recognizing the economic benefits of tourism, policymakers can formulate economic strategies based on its impact. This approach offers guidance for sustainable tourism development to various stakeholders like planners, the Ministry of Tourism, Nepal Tourism Board, NGOs/INGOs, and the District Development Committee, with the potential to alleviate poverty. Those in the tourism industry can gain insights from this study, further enhancing the role of tourism in Nepal's economy.

Tourism stands out as a promising and viable sector within the Nepalese economy. It holds a position of significance in the national economic landscape. The potential of tourism to drive pro-poor growth and thereby reduce poverty requires careful consideration alongside other available opportunities. In many rural parts of the nation, tourism often represents the only viable option. Consequently, developing countries like Nepal should prioritize tourism as a pivotal avenue for economic advancement.

## 1.5 Limitations of the Study

All the research work has own limitation and purpose; no study can be made beyond the limitation. The limitation of the study as follow: The present study was limited to Nepalese tourism industry. All the information were based on data disseminated by the various government and non-government agencies in Nepal.

1. The sources of data were collected as secondary i.e. from 2009 to 2021/22
2. This study was based on the contribution of tourism industry and problems and prospects of it.

## 1.6 Organization of the Study

This thesis was divided into five chapters. The first chapter introduction deals with the topic with some background information. The second chapter is the review of relevant literature. The third chapter includes methodology of the research and the fourth chapter presents data analysis. Finally, the fifth chapter includes summary, conclusion and recommendations of the study.

## 1.7 Definition of key term

The key term "contribution and potentiality of Tourism Industry In Nepal" refers to the analysis and assessment of the effects that tourism has on the economy of Nepal. Tourism is a significant sector in many countries, and in the case of Nepal, it plays a crucial role in contributing to the nation's economic growth and development.

When examining the contribution and potentiality of Tourism Industry In Nepal, various aspects are considered, including:

1. **Revenue Generation:** Tourism brings in foreign exchange earnings through expenditures made by international tourists on accommodation, food, transportation, souvenirs, and other tourism-related activities.
2. **Employment Opportunities:** The tourism industry generates jobs directly and indirectly in sectors such as hospitality, travel services, transportation, and handicrafts, providing livelihoods for many Nepalese people.



3. **Investment and Infrastructure:** The influx of tourists often leads to increased investment in tourism-related infrastructure, such as hotels, restaurants, transportation networks, and recreational facilities, which can have positive impacts on other industries as well.
4. **Government Revenue:** Through taxes, fees, and permits levied on tourism activities, the government generates revenue that can be used to finance public services and development projects.
5. **Multiplier Effect:** Tourism spending can have a multiplier effect on the economy, as money spent by tourists circulates through various sectors, leading to increased economic activity and income.
6. **Regional Development:** Tourism can stimulate economic development in specific regions and communities, encouraging local entrepreneurship and creating opportunities for rural areas to participate in the tourism supply chain.
7. **Foreign Investment and Trade:** A thriving tourism industry can attract foreign investment and encourage international trade, promoting economic integration and diversification.
8. **Cultural Preservation:** Tourism can also contribute to the preservation of Nepal's rich cultural heritage and traditions, as visitors often appreciate and support local art, crafts, and cultural practices.
9. **Challenges and Sustainability:** Assessing the economic impact of tourism also involves considering potential challenges such as over-reliance on tourism, environmental degradation, and the need for sustainable tourism practices.
10. **Economic Policies:** Understanding the economic impact of tourism helps policymakers in Nepal formulate strategies to maximize the benefits of tourism while minimizing its negative consequences.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

Tourism means the business activities connected with providing accommodation, services and entertainment for people who are visiting a place for pleasure or recreation (Advanced Oxford Dictionary, 9th impression 2002). A tourist is an individual who travels away from their home either the same country or abroad for the reason of leisure, family matter or business. A holiday maker, a conference delegate and a travelling business person are all tourists. In the same way a tourist can be defined as by the World Tourist Organization, a person who visits a destination and stays there for at least one night before returning to their home ( The World Book Encyclopedia, 1997).

Australian economist Mr Herman Van Schullar gave the first definition of tourism in 1910. He defined tourism as "the total of operations mainly of economic nature, which directly relates to the entry, city or region"(Ghimire,2002)

At present, tourism is regarded as a very important industry to the national economies regardless of their level of economic development. It is an industry, which helps correcting and adverse trade balance in the economy Even the developed countries prefer developing tourism and are also promoting tourism with different angles. For the developing countries, it is the most vital tool for earning foreign currency and the concerned authorities are busy to handle tourists.

The human history of travelling is very old and is difficult to determination of its origin, however, with increased urbanization and the introduction of faster means of transport joined with the rise in the revenue of the middle class, travelling become a part of life, especially in the western , which gave rise to tourism as one of the largest and indispensable industries in the world. The important point here is that one person's enjoyment becomes the livelihood for other peoples.

In the past, the word tourism has often been applied to only one meaning, pleasure travel. This definition is too limited and scanty as well. The definition of tourism identified the several characteristics of tourism as mentioned below:

- i. The duration of visit must generally be of short-term nature.
- ii. Tourism involves a complex set of interrelationships between people, places and products.
- iii. These interrelationships evolve through the transportation of people to people to various destinations outside of their normal place of residence and their stay at those destinations.
- iv. Tourism is essentially a pleasure activity in that it does not involve earnings related travel even if the destination, region or country (Ghosh, 1998).

The significance of tourism was highlighted when the United Nations General Assembly designated the year 1967 as the international tourist year. It recognized that tourism is a basic and desirable human activity deserving the praise and encouragement of all peoples and government.

Tourism can be taken as the world's fastest growing industry, anticipated to be the largest within a few years, if it is not already. Now tourism is the biggest international business after oil. It is the world's largest export industry, which, according to WTO, generated about US\$372.6 billion during 1995 by some 567 million tourists worldwide. In the same year, travel and tourism can be said to have provided indirect and direct employment for 212 million people accounting for 10.7 of the global work force. It, thus, provides a major contribution to foreign exchange earning of several developing and even developed nations. In 2008, world tourism generated 12% of world GNP, Domestic tourism is considered to be nine times higher than international tourism (Ghosh, 1998).

## **2.1 Tourism in Nepal**

A number of causes such as snowy mountains, beautiful landscape and cultural monuments are the main attractions for visitors to Nepal. Until 1950, the concept of tourism was not properly known to Nepal. Along pilgrimage routes 'Dharmashalas' were constructed. As a components of the value set in providing services. 'Dharmashalas' are still found build by villagers as projects in remote and lovely spots. The Shakyas and Newars developed the first kind of hotel. The means for the village hotel is Bhatti's (Pradhanaanga1993). A huge political change took place in Nepal due to the revolution of 1951. After the revolution, Nepal was opened to all the foreigners,

however, fewer British people visited to Kathmandu from 1918 to 1925. After the end of the Rana regime, the roads were not proper motor able, transport and communications were not properly developed. In 1950, Nepal established a Tourist Department Board under the Department of Industry to develop tourist industry through the nation. In 1957, a separate department of Tourist came into existence during the first plan. It is the first time, in 1952, proper numbers of tourists were recorded to have visited Nepal, In 1953, Tenzing Sherpa and Sir Edmund Hillary succeeded in climbing the world highest peak the Mount Everest. Then Nepal came to be known as one of the main tourists destination in the world (Satyal,1988).

"During short period of the 1950to 1965, Nepal had progressed a great deal in tourism sector. The total number of tourists was increased from 562 in the year 1952 to 9388 in the year 1965. Similarly, the foreign exchanged earned from tourism in 1965/66 as US\$ 39956. During the period of 1966 to 1968 the government policy was designed to increase the accommodation facilities , improve modern accommodations and transportation facilities. Tourism sector was taken as one of the leading foreign exchange earning sources for the government.

Some of the time it was commented about tourism industry that it is a hen that has been laying golden eggs so far. But is high time we take care of the hen so that it will continue to lay eggs in the future (Sunday Dispatch, 1996). There is no doubt, it is one of the few areas where Nepal has potentially competitive advantage and can compete in the international market with the relatively tiny efforts. Our modern era is the era of interdependence and mass communication. The economy of the nation has played an important part in the emergence of mass tourism. Change in transport technology by air as well as by land and sea have accelerated travel and reduced costs. "Tourism is one industry, which can cast a lifeline to the world's least educated and poorest population. The world's largest and fastest growing industry, tourism has already provides ten percent of the world's income and employs on in ten of the world's work forces. According to projection it would have tripled in the size on 2025. Serving on one billion tourists a year. One in four of them are expected to alight on developing world soil, carrying foreign currency and looking to spend.

The National Committee on Tourism in India has defined tourism as the modern trend of traveling for leisure, cultural exploration, and the desire to gain knowledge about

foreign lands. This concept of tourism is closely tied to the growth of the industry, which is influenced by factors such as the ease and speed of travel, economic progress, and political development (Mohanty, 1992: 43). The evolution of tourism has been gradual, with advancements in travel options leading to its expansion. Although mass tourism initially took root in Europe during the late 19th century, it has now become a global phenomenon. This contemporary tourism revolution holds significant promise and has lived up to its potential by becoming a highly profitable global enterprise. It plays a pivotal role in generating foreign exchange, tax revenue, ancillary industry growth, employment opportunities, and income, while also aiding in the development of underdeveloped industrial areas through various interconnected effects (Singh, 1975).

Tourism stands out as a major driving force behind Nepal's development. Leveraging Nepal's natural assets and various opportunities, tourism has become a significant productive sector within the country. The proper utilization of natural resources, diverse cultural and religious aspects, as well as existing flora and fauna can boost income, employment, and foreign currency earnings in the tourism sector. This, in turn, can contribute to alleviating issues of poverty and unemployment. Additionally, tourism can attract foreign currency and capital investments, further boosting Nepal's economic development. In essence, tourism serves as a catalyst for Nepal's overall progress, acting as a stimulus package for its development.

## **2.2 Review of Previous Studies**

In April 1993, there were 374 hotels and resorts operating outside the park in the vicinity of Sauraha, with approximately 23,000 visitors in that year. The study also noted an increase in the number of guides, including members of the 'Tharu' tribe. Traditional methods of transportation like bullock carts and elephant riding had been replaced by jeeps. The study concluded that the local population had benefited from various employment opportunities. Despite these developments, the significance of domestic tourism in Nepal was not adequately recognized in the tourism industry. Due to limited income and savings, Nepalese people typically did not travel away from home unless necessary.

At the same time, domestic tourism in Nepal lacked promotion and advertisements. In

response, a "Study on Domestic Tourism in Nepal" was conducted in 1997, initiated by the Partnership for Quality Tourism Project and the Visit Nepal Year 1998. The study aimed to identify the nature of current domestic tourism, analyze the movement of domestic tourists, identify destinations and places of interest, assess growth potential and investment opportunities, and provide recommendations for the future development of domestic tourism in Nepal.

Tiwari (2010) focused on the potential and challenges of tourism in Nepal. The study emphasized the rapid growth of tourism as an industry in Nepal, surpassing other sectors. Analyzing the years 2005 to 2010, there was a 6.0 percent increase in tourist arrivals compared to 2005/06. However, during 1997-98, there was a more significant increase of 9.9 percent (totaling 491,504 visitors). Examining average length of stay, it was 10.76 in 1998 and around 12.28 in 2005, indicating a positive trend. The year 2006 saw an average length of stay of 13.50, attributed to favorable political, environmental, and economic conditions. Even during the special tourist year "Visit Nepal '98," the average length of stay was not entirely satisfactory.

Gurung (2010) delved into environmental management in mountain tourism. The study explored patterns of tourism activities, the environmental impact of tourism, and the carrying capacity of trekking routes. The research identified deforestation in mountain areas due to overgrazing, land conservation, and fuelwood extraction. Gurung attributed negative environmental effects to poverty among the local population. The study also highlighted the presence of non-degradable waste such as toilet paper, packaging materials, plastics, and metals along popular trekking routes like Lobuje and Sagarmatha Base Camp. Gurung proposed involving local residents in waste management along trekking routes. To address overcrowding on certain routes, he suggested measures like increasing entry fees on busy routes and redirecting trekkers to less crowded paths like Pokhara-Jomsom and Pokhara-Manag. He also recommended the creation of new trekking routes and opening up mountain peaks in western Nepal. Finally, he stressed the provision of kerosene oil on trekking routes to help preserve the forests.

Pollaco (2010) researched Cultural Tourism and highlighted the customer-centric approach to marketing in the tourism industry. The study emphasized that successful tourism marketing should prioritize visitors' expectations and experiences, aiming to

create positive memories and impressions of Nepal and its people. The study argued that the positive image and memories held by tourists are more valuable for the country than promotional activities such as international advertisements and brochures. Nepal was seen as offering a unique product and significant opportunities for marketers willing to take on the challenge. While limited marketing resources were acknowledged, the study suggested focusing efforts on potential future markets like the USA, Australia, the Pacific, and European countries, especially Scandinavian nations. It also noted the emerging economic potential of Southeast Asia and the need for strategic market selection due to resource constraints

Chhetri (2010) conducted research on the impacts of tourism on culture and the environment, focusing on a case study of Chitwan. The study revealed that following the establishment of Royal Chitwan National Park in 1973, there were significant developments in the social and economic aspects around the village of Sauraha. This led to substantial changes in the socioeconomic and cultural activities of the villagers. Additionally, the study highlighted that Royal Chitwan National Park was the third most important destination for tourists visiting Nepal.

WTO (2011) explained that according to the World Bank, ecotourism (along with adventure travel and cultural travel) stands as one of the three categories of tourism that is particularly conducive to community-based initiatives. These specialized markets attract especially desirable "patrons" who tend to spend more and extend their stays at a destination compared to the average tourists. This leads to higher revenue with minimal impact on the local community's way of life, as well as on the local culture and environment. Community-based tourism has the potential to evoke a sense of local pride and provide resources for maintaining or enhancing cultural assets, such as archaeological ruins, historic sites, and traditional craft production.

Shrestha (2011) conducted a study on the issues and prospects of tourism in Nepal. The study's main objective was to address the challenges and opportunities in Nepal's tourism sector. The research identified the key problems faced by tourism, based on its contribution to the national economy, the state of tourism infrastructure, government policies and planning, and foreign exchange earnings. Additionally, the study analyzed the trend of foreign exchange earnings in relation to the gross domestic product (GDP) and found that Nepal has yet to introduce and diversify new tourism products. Experts

suggest that issues such as air accessibility, marketing strategies, pollution, infrastructure, coordination, political instability, and commitment need to be addressed for the growth of the tourism industry in Nepal. Despite these challenges, the prospects for tourism in Nepal remain positive in terms of employment generation, contribution to GDP, and overall economic development.

Poudel (2011) conducted research on the impact of tourism businesses on revenue collection in Pokhara. The study aimed to highlight the role of tourism businesses in generating revenue. The researcher utilized both primary and secondary data for the study. It was found that tourist arrivals are significantly influenced by national policies and political stability. Many respondents expressed dissatisfaction with the current state of tourism in Nepal. The majority of respondents suggested implementing various marketing efforts such as media promotion, destination promotion, and personalized promotions. The study highlighted that government policies, plans, and marketing strategies related to tourism were inadequate. The research established a positive correlation between tourist arrivals and revenue collection. To further boost tourism, Nepal needs to tap into various regions such as SAARC, North America, West Europe, and East Europe.

Tripathi (2011) conducted a study on the impact of the tourism industry on Nepal's economy and a pre-feasibility study on developing a model tourism village in Palpa district. The study selected specific village development committees based on their potential for tourism development. After evaluating strengths like historical and cultural significance, natural attractions, economic benefits to the local community, and available infrastructure, Tanahun village was recommended as a model tourism village in Palpa district.

Shrestha (2011) undertook a study on regional tourism and the need to move forward. The research focused on the challenges of developing international tourism in Nepal on a macro level. The study aimed to promote international tourism in Nepal based on natural and anthropological resources, the country's economic development, tourist demand, and supply. The study suggested various strategies for promoting tourism, such as creating charter flights, focusing on specific markets, offering cultural shows, and expanding the range of tourism products. The study also emphasized the need for better infrastructure and cohesiveness in Nepal's tourism development.



Shrestha (2013) conducted a study on the role of tourism in economic development. The research emphasized the significant and crucial role tourism plays in Nepal's economic development. Tourism is considered an emerging sector for foreign exchange earnings and shows high potential for growth. The study investigated the economic impact of tourism on the country's development and highlighted the role of tourism in balancing the balance of payments. Despite fluctuations, tourism's contribution to foreign exchange earnings has been notable over the years.

Acharya (2013) found that Nepal's tourism sector is a major industry and contributes significantly to the national economy through foreign exchange earnings. Tourism has helped improve the balance of payments, create employment opportunities, and strengthen the overall economic condition. Despite obstacles like environmental pollution, resource exploitation, and lack of infrastructure, tourism's growth potential remains substantial. The development of tourism relies on both natural and man-made resources, including well-equipped hotels, attractions, and effective marketing efforts. To further promote tourism, Nepal should tap into various global markets, develop cultural shows, and offer diverse attractions.

Shrestha (2013) conducted a study on entrepreneurship in the international hospitality and tourism industries in Nepal. The study highlighted the crucial role of the tourism industry in Nepal's economic development, particularly through foreign exchange earnings. Tourism is an essential revenue source, given Nepal's cultural and natural assets.

The significance of tourism's role can be understood through its contribution to national development. The foreign currency earnings derived from tourism play a pivotal role in maintaining the balance of payments. The highest proportion of tourism receipts compared to merchandise export earnings was recorded in 1982/83, reaching 74.3 percent, followed by 65.0 percent in 1988/89. However, there has been a fluctuating trend in tourism receipts as a percentage share of the total value of merchandise export. The lowest percentage was observed in 2001/2002 at 16.4 percent, and similarly, tourism receipts as a percentage of the total value of goods and services export was lowest in the same year at 10.2 percent. The contribution of tourism to total foreign exchange earnings hit a low point in 2002/03, dropping to 7.0 percent from 19.5 percent in 1990/91.

Acharya (2013) discovered that Nepal's tourism sector is a major contributor to the national economy through foreign exchange earnings. The sector's role in overall national development is particularly significant, including its contribution to improving the balance of payments and addressing unemployment by generating attractive job opportunities. As a member of the World Trade Organization, Nepal must focus on comprehensive infrastructure development to facilitate the visits of interested individuals. Despite challenges such as lack of financing and infrastructure, Nepal's rich natural and cultural resources offer immense potential for tourism development.

Shrestha (2013) conducted a study on entrepreneurship within the international hospitality and tourism industries in Nepal. The research highlighted the crucial role of the tourism industry in Nepal's economic progress, especially through foreign exchange earnings. The potential of Nepal's cultural values and natural beauty makes tourism a key source of foreign exchange earnings, particularly in a developing country like Nepal.

The emergence of entrepreneurship in Nepal is closely tied to the growth of the tourism industry. However, the study emphasized that lack of coordination between the government and private sector remains a significant challenge. Addressing issues like managerial skills and entrepreneurship will be pivotal for sustainable entrepreneurship development. The genuine hospitality and welcoming nature of Nepalese people, along with the country's natural beauty, have been central to satisfying tourists and fostering entrepreneurship in the hotel industry. Given the international competition in the tourism industry, Nepal must prioritize professional development across the sector. Adequate marketing efforts are lacking and Nepal must actively promote its advantages in line with market needs and potentials to remain competitive. Urgent attention and collaboration between the government and private sectors are essential to position and promote Nepal effectively.

Dahal (2014) highlighted the emerging concept of village tourism as a catalyst for the promotion and development of Nepal's tourism sector. This concept is particularly relevant in a country like Nepal, composed of diverse villages and ethnic groups with distinct cultures and traditional lifestyles. Village tourism doesn't necessarily require concrete infrastructure, making it a viable and impactful option. More than 60% of tourists arriving in Nepal are interested in experiencing village life. Many villages still

retain traditional occupations like farming, fishing, weaving, pottery, and basketry, which have been passed down through generations.

Village tourism offers a true reflection of Nepal, providing a contrast to the bustling city life. Visitors who engage in village tourism experience relaxation in a fresh environment. Their interest lies in exploring the culture and lifestyles of local people, seeking authenticity instead of the polluted scenes often seen in urban areas. Such travelers naturally seek new experiences in these destinations. Villages like Tash is in Sankhuwasabha, Ghandruk, and Sirubari in Kaski district have been developed as village tourism sites. While various research studies have been conducted on the impact of tourism on Nepal's national economy, there has been limited research on the specific effects of the tourism industry on government revenue and foreign reserves. This research aims to address this gap, with the findings of previous researchers offering valuable insights. However, these studies have not provided guidance on the linear relationship between selected variables such as microeconomic and macroeconomic indicators (e.g., total foreign exchange earnings, earnings from tourism, gross domestic product, total investment) and their degrees of significance. This current study aims to fill this void, serving the interests of scholars, students, businesses, policymakers, and the government.

Hirachan (2014) conducted a study on e-marketing practices employed by travel agencies and evaluated the effectiveness of e-marketing in promoting the tourism industry. The research aimed to understand travel agencies' perceptions of e-marketing prospects within the tourism sector. The study involved a field survey, with 25 out of 30 responses collected. A majority of the respondents (80 percent) perceived the current state of travel and tourism as poor, with only 12 percent expressing satisfaction. The perception of tourist origins varied, with 56 percent believing most tourists came from Europe and 40 percent from Asia. Respondents favored personal contact (56 percent) for promotion, followed by websites (28 percent), e-marketing (24 percent), and magazines (4 percent). The study also revealed that most travel agencies (84 percent) had websites for promotional purposes. However, due to lack of knowledge, funding, and attention, they were not fully utilizing e-marketing in a professional manner. The study concluded that effective internet promotion could significantly contribute to enhancing the tourism sector in Nepal.

Sharma (2014) explored tourism marketing in the Khumbu area, focusing on marketing strategies, policy, and legal provisions. The study found that tourism had positively impacted educational opportunities, healthcare, access to resources, and mobility in Solukhumbu. However, it also highlighted a widening gap between the rich and poor due to tourism development. While wealthier individuals adopted new lifestyles, poorer individuals preserved their cultural traditions to attract tourists. The growth of locally-owned lodges, restaurants, and trekking agencies played a vital role in the local economy's success.

Pant (2014) conducted research on the economic impact of tourism in Nepal, identifying it as a critical and emerging sector with high potential for development. The study aimed to understand the current state of the tourism industry, assess its economic impact on the national economy, and forecast future trends in tourist arrivals.

Subedi (2014) analyzed the economic impact of tourism in Nepal, noting that regional and political economic challenges affected the number of tourists visiting Nepal. The study also pointed to the concentration of tourists from specific countries and the seasonality factor. While some regions benefited from tourism development, others suffered due to government failures in regulation and control. Despite world-renowned heritage sites, pilgrimage and wildlife tourism were still in early stages of development.

Shrestha (2016) examined the impact of tourism on Nepal's economy, along with the challenges and prospects in the tourism industry. The study addressed problems related to tourism's contribution to the national economy, infrastructure, government policies, and coordination issues. Despite these challenges, the study identified the positive prospects of tourism in generating employment, contributing to the national GDP, and overall economic development.

KC (2017) focused on climate change for affecting in tourism industry. He said that it is a burning issue which had affected different sectors of the environment. There is a close relationship between climate and tourism in ecosystem tourism, coastal tourism, mountain tourism and nature-based tourism. According to him climate change brings more risks than opportunities by causing regional and seasonal shifts in tourists flow. To minimize the adverse impact on tourism of it, appropriate preventive measures, rescue measures and early warning systems should be implemented in mountain

tourism in Nepal.

Badal (2019) revealed the opportunities of tourism year 2020 as the arrival of two million tourists, creation of one million tourism related jobs, advancement in nature culture, linkage with Indian and Chinese economies, development of public-private partnership models, decentralization of Nepalese tourism and investment opportunities. Actually, the challenges found by the study are insufficient infrastructures, limited connectivity, inadequate investments and weak national carriers, weak co-ordination among government agencies scarcity of marketing and resources. To grab the opportunities of the tourism year 2020, the entire tourism stakeholders have to meet the revealed challenges.

Joshi and Dahal (2019) conducted a study on relationship between social carrying capacity and tourism carrying capacity: a case of Annapurna Conservation Area, Nepal. The research aims to examine the relationships between social carrying capacity and tourism carrying capacity in Annapurna Conservation Area (ACA), Nepal. Carrying capacity is a key indicator in assessing the sustainable tourism development at a given place. The study used survey research design to obtain information from tourist and local residents. Social carrying capacity in ACA has not exceeded its threshold, even though this popular trekking destination has been witnessing robust growth in the number of tourist in the region post armed- conflict (1997-2007).

Badal and Kharel (2019) explained about the opportunities and challenges of tourism industry in the context of visit Nepal 2020. Only tourism can transform the nation because other areas of economy requires extensive capital and skillful human resources. Nepal cannot take competition with India in terms of agriculture production and cannot compete with China in terms of industrial productions. At this crucial pace of time Nepal's government has announced visit Nepal 2020, which could be a milestone of Nepalese Economic Development. Nepal's unique form of musical expression and cultural vibes are becoming lost resulting in cultural dilution.

World Bank (2020) published about Nepal Development Update, according to this article the global Covid-19 pandemic imposed both a supply and a demand shock on Nepal's economy. The World crisis induced by the pandemic initially impacted Nepal through the tourism sector, with arrival from China dropping by around 70 percent in

February and a full stop to the issuance of visitor visas, taking affect in early march 2020, the impacts of the pandemic didn't remain limited to tourism . As a result of Covid-19, GDP growth rate in Nepal is estimated at 1.8 percent in FY2020, compared to 7 percent in FY 2019

K Nepal (2022) undertook a study on the quest for sustainable tourism in Nepal. The research focused on a study about long a prime destination for mountaineers and trekkers, Nepal has struggled to develop a tourism industry that is economically and environmentally sustainable. After getting a draw for hippies in the late 1960s, the nation never managed to reorient itself away from budget travelers and toward higher-value services that could make the most of its cultural and natural attractions as its neighborhood nation Bhutan has done. The Covid-19 is the third main interruption to tourism in recent years after a decade-long civil war and the 2015 earthquake.

### **2.3 Review of International Literature**

The National Committee on Tourism in India has defined tourism as the modern trend of traveling for leisure, cultural exploration, and the desire to gain knowledge about foreign lands. This concept of tourism is closely tied to the growth of the industry, which is influenced by factors such as the ease and speed of travel, economic progress, and political development (Mohanty, 1992: 43). The evolution of tourism has been gradual, with advancements in travel options leading to its expansion. Although mass tourism initially took root in Europe during the late 19th century, it has now become a global phenomenon. This contemporary tourism revolution holds significant promise and has lived up to its potential by becoming a highly profitable global enterprise. It plays a pivotal role in generating foreign exchange, tax revenue, ancillary industry growth, employment opportunities, and income, while also aiding in the development of underdeveloped industrial areas through various interconnected effects (Singh, 1975).

Burger (1987) doctoral level study entitled "Economic Impact of Tourism in Nepal; An Input Output Analysis" is regarded as the first research of this level on economic issues'. This study focused to analyze the impact of tourism on the Nepalese economy and present information to Nepal's development planners. In this study, he states that tourism in Nepal is of the rather recent origin. Before 1950, no foreigners allowed to

visit Nepal without the permission of Rana rulers. After the introduction of democracy in Nepal in 1951, the tourist inflow in Nepal rapidly increased. He indicated that more than 10,000 tourist arrived Nepal in 1976. Since the number of tourist arrivals has grown at an average rate of 20 percent per annum and more than 80 percent of the total tourist arrived in the country by air and 20 percent arrived by land. He pointed out that the majority of tourist come for pleasure and sight-seeing. He concludes two major groups were identified, pleasure tourist and trekking tourist.

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

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

Durga and Gupta (2012) studied has identified and discussed the barriers to community participation towards tourism development in the Sudhmahadev tourist destination of Jammu & Kashmir. The study has found that the barriers proposed by Tosun (2000), exists in Sudhmahadev and few of them like relatively high cost of community participation, limited capacity of poor people and attitudes of professionals exists there. We can interpret by these results that barriers exist there due to the noninvolvement of locals in tourism development process by Tourism and Government. It is found that local residents believe that their representatives should be involved in decision making processes and locals should be involved in tourism related projects. Local residents also believe that tourism related activities need large amount of investments and time. According to local residents: Sudhmahadev is a well- known tourist spot with beautiful hills and religiously important Shiv temple is having a huge potential to attract more and more tourists. As Amarnath pilgrimage is a huge attraction for tourists and pilgrims in Jammu & Kashmir and this destination can be promoted by linking it with that

pilgrimage. People also believe that tourism authorities are not showing their interests in the promotion of this destination and they are mostly focusing on the already developed destinations. Locals said that from long time they are demanding for the construction of a road to connect Sudhmahadev with famous tourist destination Patnitop, but their demand is never been heard by concerned tourism development authorities. Locals also believe that their destination, Sudhmahadev, should be connected with other nearby tourist destinations like Patnitop and Shivkhori, so that Sudhmahadev can be developed as an enroute tourist destination.

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

El-said and Aziz (2022) According to the research conducted by Osman El-said and Heba Aziz Covid-19 brought the global tourism industry to a standstill. For in response, various tourism stakeholders adopted creative approaches for example virtual tour (VTs) to keep their attractions firmly in the minds of potential visitors. This study has actually integrated the Technology Acceptance Model (TAM) and Protective Action Decision Model (PADM) models to determine the factors that affect an individual's decision to adopt VTs as temporary alternatives.

## **2.4 Research Gap**

The trends of tourism industry in Nepal has been a topic of interest for researchers and policymakers. While there has been considerable research conducted on this subject, there are still some research gaps that could be explored further. Here are a few research gaps related to the trends of tourism industry in Nepal.

Most studies on the trends of tourism industry in Nepal have focused on popular tourist destinations such as Kathmandu, Pokhara, and Chitwan. There is a need for research that explores the economic impact of tourism in less-visited regions of Nepal. Additionally, examining the seasonality of tourism and its effect on different regions



could provide insights into the distribution of tourism's economic benefits. While tourism brings economic opportunities, it is important to understand the extent to which local communities participate in and benefit from tourism activities. Research could explore the level of local community involvement in tourism businesses and the distribution of tourism revenues among different stakeholders. This would help identify ways to ensure that local communities reap the maximum benefits from tourism. Nepal is a developing country with a significant portion of its population living below the poverty line. Research could investigate the role of tourism in poverty alleviation efforts. This could include examining the effectiveness of tourism-related initiatives, such as community-based tourism or pro-poor tourism in reducing poverty and improving the livelihoods of marginalized communities. Tourism can have both positive and negative environmental impacts. While some studies have explored the environmental consequences of tourism in Nepal, further research is needed to understand the sustainability practices in place and their effectiveness. Examining the economic costs and benefits of sustainable tourism practices could help guide policy decisions and promote responsible tourism development. Nepal is known for its rich cultural heritage and natural beauty, which attract a large number of tourists. However, there is a potential research gap in exploring niche tourism markets and diversification strategies. Investigating the potential for adventure tourism, religious tourism, ecotourism, or other specialized forms of tourism could shed light on new opportunities for economic growth and reducing dependency on mass tourism. Research could explore the role of tourism in promoting local entrepreneurship and small business development. Understanding the challenges faced by local entrepreneurs in the tourism sector, as well as the factors that contribute to their success, would provide valuable insights for fostering entrepreneurship and maximizing the economic benefits of tourism at the local level.

These research gaps offer opportunities for further investigation into the trends of tourism industry in Nepal. By addressing these gaps, researchers can contribute to a better understanding of the relationship between tourism and economic development in the country and help inform sustainable tourism policies and practices.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The research findings were obtained through the utilization of observation, interviews, and questionnaires as the primary investigative tools. Semi-structured questionnaires were developed for making recommendations. This study employed a research design that combined exploratory and descriptive approaches..

Both quantitative and qualitative techniques were employed for data collection, with an approach that wasn't mutually exclusive but rather complementary. Simple quantitative methods, including percentage calculations, ratios, and bar diagrams, were employed to present the data. Qualitative data, on the other hand, was systematically and logically gathered through interviews and observations during the study.

#### **3.2 Nature and Sources of Data**

This study was used secondary data. The nature of data required, their sources and methods of collecting data were briefly discuss below:

This study was analyze the data related to the tourism business in Nepal. The main sources of the data were secondary in nature. Related books, article, annual reports to village tourism contributed by different scholars was collected from different libraries. Secondary data required for the purpose of this study was collected from following sources:

1. Nepal Tourism statistics, Tourism Board,
2. Ministry of Finance,
3. Unpublished/published records of Hotel Association of Nepal,
4. Ministry of Culture, Tourism and Civil Aviation,
5. Economic review published by NRB,
6. News articles
7. Academic journals
8. Encyclopaedias.

### **3.3 Data Collection and Procedure**

Both quantitative and qualitative technique was used to collect the information rather than competitive or mutual exclusive to analyze the data. The quantitative data were collected through different secondary sources and transferred, processed and tabulated into SPSS and MS-Excel. Simple quantitative techniques such as calculation of percentage, ratio, bar diagram were used to present the data calculated.

### **3.4 Statistical tools used**

The gathered data was structured and categorized according to the primary tourism activities in Nepal. The information was grouped, sub-grouped, and categorized as needed to fulfill the study's goals. A combination of qualitative and quantitative methods was employed to analyze the data, and the findings were portrayed using descriptive formats alongside appropriate figures, tables and pie chart or data visualization tools like graphs, pie chart, table etc. are being used to show the information and findings. Time series analysis is employed when dealing with data collected over time, such as tourism related data or historical records. Descriptive is been used to find out some finding as well.

## **CHAPTER IV**

### **PRESENTATION AND ANALYSIS OF DATA**

Tourism has become an important economic activity in all the countries in the world. the impact of tourism is the outcome of tourism development in a particular country or area. The impact of tourism can be direct or indirect and positive or negative. Traditionally, its impacts are economic, socio-culture and environmental. positive impacts includes raising income, employment multiplier effect, increase in GDP, reduction in deficit balance of payment, increase foreign currency and poverty alleviation. this thesis attempts to confirm empirically about the trends of tourism industry in Nepal.

#### **4.1 Role of Tourism in Nepal:**

Tourist flow to Nepal has been affected by several factors in recent years, including the COVID-19 pandemic, political instability, and natural disasters such as earthquakes. Despite these challenges, Nepal has the potential to be a major tourist destination, and the government and the tourism industry are working to promote the country and attract more visitors.

As in the earlier years, the Ministry of Culture, Tourism and Civil Aviation brought “Nepal Tourism Statistics 2021 ” as its annual publication. It covered information on inbound tourist such as number of international visitors by nationality, demographic composition, length of stay, purpose of visit, etc. Similarly, it included information on outbound tourist like Nepalese nationals going abroad by purpose and country of destination. Tourist arrival to Nepal is not up to the expectation. To address the problem, government has already commenced necessary process for the construction of two regional international airports, one in Bhairahawa and the other in Pokhara. Once the two airports come into operation I hope the number of tourist arrival to Nepal will be gradually improved. The matching of services with markets to effect consumption is also marketing. Tourists ’ arrival by years for 14 years is presented in following.

##### **4.1.1 Tourist Arrival by year**

Tourist arrival by year according to the Nepal Ministry of Tourism would specifically

refer to the official statistics and data regarding the number of tourists who have visited Nepal in a particular year . This data includes detail about international tourists coming to Nepal.

**Table 4.1: Tourists Arrival by year (2009-2022)**

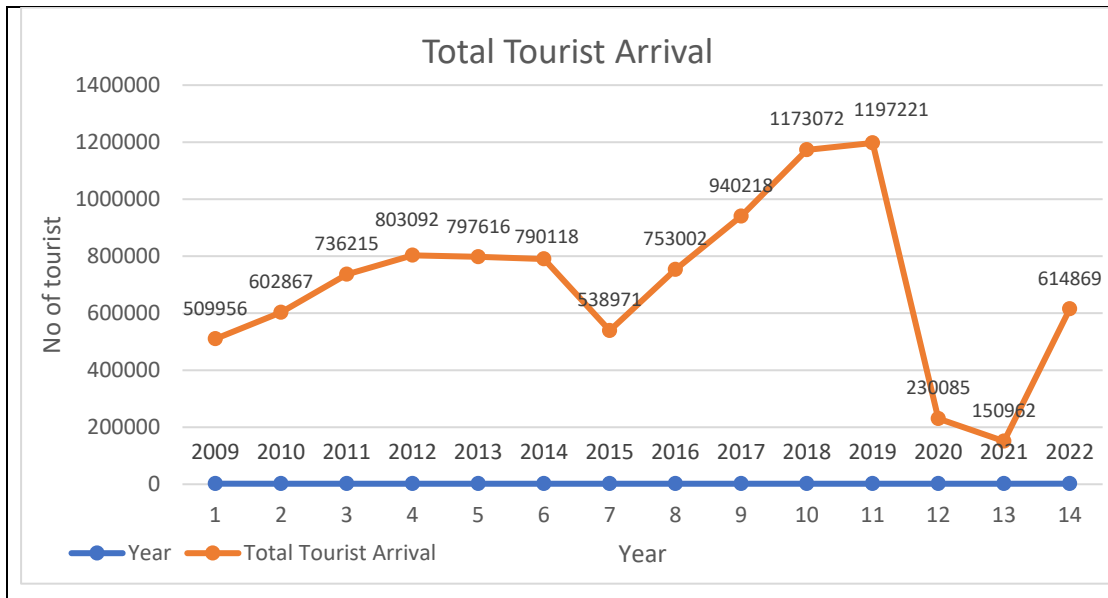
<b>Year</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
2009	288155	221801	509956
2010	361611	241256	602867
2011	352059	384156	736215
2012	439270	363822	803092
2013	449058	348558	797616
2014	445627	344491	790118
2015	289158	249183	538971
2016	399091	359911	753002
2017	509585	430633	940218
2018	624928	548144	1173072
2019	634392	562799	1197221
2020	124048	106037	230085
2021	105410	45552	150962
2022	358683	256012	614869

*Source: Tourism Statistics, 2009-2022*

Table 1 clearly showed the information of tourism flow in Nepal for 14 years. The date from 2009 to 2022 has been shown in total number in the table . In 2009, the total number of tourists visited in Nepal were 509956 which contains male 288155 and female 221801. The number of tourists were in increasing order. At the point it was reached to 803092 in 2012 where male was 439270 and female 363822. It was around this number for few years, but, due to the earthquake took place in 2015 the number of tourists visited to Nepal decreased up to 536970. After certain time of this natural disaster earthquake, the tourism sector of Nepal was in a right track but again due to the spread and fear of COVID-19 all over the world, the total number of tourists visited to Nepal decreased and reached up to 150962 where male tourists was 105410 and female was 45552. Now, little hope in this industry has been appeared . It is showed by the tourism statistical data of 2022 where total number of tourists visited to Nepal reached

up to 614869. From the above table we can easily conclude the female tourists visited to Nepal with compared to male tourists seems in less number in every year. We can show the above information from the bar graph below as well.

**Figure 4.1: Tourists Arrival by year 2009-2022)**



Source: Tourism Statistics(2009-2022)

#### 4.1.2 Tourist arrival by means of transportation

An individual named "Anu scholar" explained the term "means of transportation" as the various methods or modes people use to move from one place to another. Here the tourists visits in Nepal mostly uses the two popular means of transportation. It refers to the breakdown of the number of tourists who visit a destination based on the

mode of transportation they use to get there. This data helps to understand how tourists are accessing a location, whether its by air or by land in Nepal, which is presented in the table bellows.

**Table 4.2: Tourist arrival by means of transportation:**

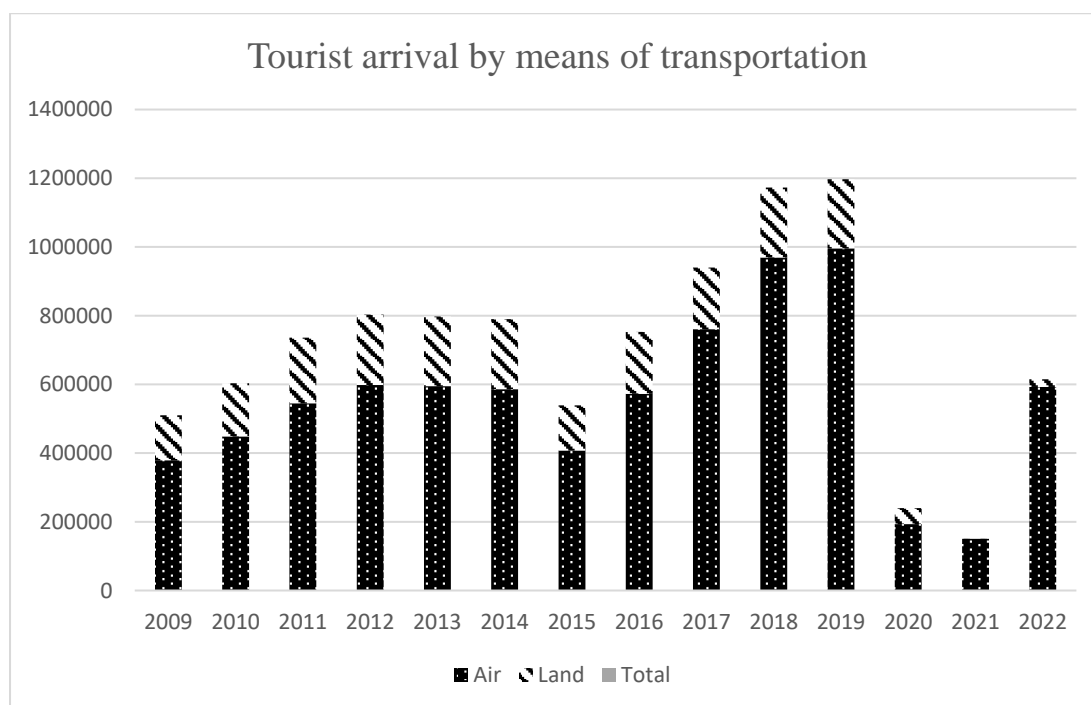
S.N.	Year	Air	Land	Total
1	2009	379322	130634	509956
2	2010	448800	154607	602867
3	2011	545221	190994	736215
4	2012	5981258	204834	803092
5	2013	594848	202768	797616
6	2014	585981	204137	790118
7	2015	407412	131558	538970
8	2016	572563	180439	753002
9	2017	760577	179641	940218
10	2018	969287	203785	1173072
11	2019	995884	201307	1197191
12	2020	193130	46955	230085
13	2021	150625	337	150962
14	2022	592631	22238	614869

*Source: Tourism Statistics, 2009-2022*

In the table above we can see the number of tourist visited to Nepal by various means of transportation . Tourists arrived by air and by land is shown in the table. In 2009 the total number of tourist arrived in Nepal was 509956 where there were 379322 from air and 130634 from land. Similarly in 2015 the total number of tourist arrived in Nepal was 538970 where there were 407412 from the air and 131558 from the land.

When we compare between the means of transportation that tourists are using to travel Nepal we find that the tourists have been using air route in maximum. It is shown by the data itself. We can also present it in the bar graph as well. Which is presented below:

**Figure 4.2: Tourist arrival by means of transportation**



*Source : Nepal Tourism Statistics 2022*

Above table and figure shows that, maximum tourists visited Nepal by air. Tourists' arrival by air and land in the year 2009 to 2022 are shown. The year 2019 marked the highest number of tourist arrival in Nepal with record of 1.197 million foreign visitors in Nepal. Despite the significant number of tourists, the average stay was just 12 days, as in previous years. However, the average length of stay of tourists has increased in 2020, even though the number.



### 4.1.3 Tourist arrival by nationality

According to Nepa's government site "the tourist arrival by nationality refers to the official record and statistics the vatagorize and track the number of tourists visiting Nepal bases on their respective nationalities". This presented data provides insights into which countries are the primary sources of tourists for Nepal.

**Table 4.3: Tourist arrival by nationality (2009-2022):**

<i>S.N.</i>	<i>Year</i>	<i>Rank 1</i>	<i>Rank2</i>	<i>Rank3</i>	<i>Rank4</i>	<i>Rank5</i>
1	2009	India	Sri Lanka	UK	China	USA
2	2010	India	China	Sri Lanka	USA	UK
3	2011	India	China	Sri Lanka	USA	UK
4	2012	India	China	Sri Lanka	USA	UK
5	2013	India	China	USA	Thailand	UK
6	2014	India	China	USA	Sri Lanka	UK
7	2015	UK	India	China	USA	Sri Lanka
8	2016	India	China	Sri Lanka	USA	UK
9	2017	India	China	USA	UK	Sri Linka
10	2018	India	China	USA	Sri Lanka	UK
11	2019	India	China	USA	UK	Sri Linka
12	2020	India	Myanmar	Thailand	China	USA
13	2021	India	USA	UK	China	Bangladesh
14	2022	India	USA	UK	Australia	Bangladesh

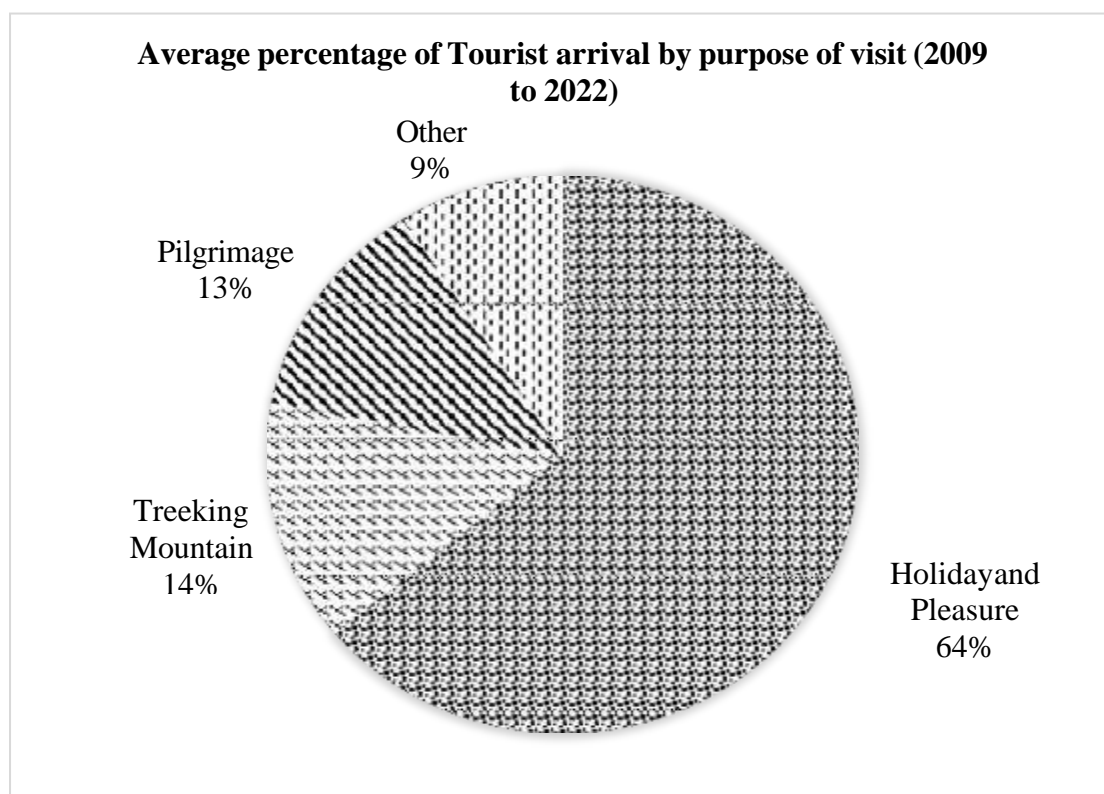
*Source: Tourism Statistics, 2009-2022*

The above table showed the top 5 nationality arrived in Nepal as a tourist from 2009 to 2022. India is ranked first in all the year in respect to tourists flow except UK in 2015. China and USA are the repeated second rank nationality of tourists arrived in the year 2009 to 2022 except Myanmar in 2020 and USA in 2021 and 2022. Different tourists from different nationality arrives in Nepal every year, but, only top 5 nationality are shown in the table.

#### 4.1.4 Tourist arrival by purpose of visit

It refers to the categorization and tracking of tourists based on the reasons they visit a particular destination. This classification actually includes various purposes such as holiday and pleasure, trekking mountain, pilgrimage and others. The classification of tourism visited in Nepal in last 14 years is presented below:

**Figure 4.3: Average percentage of Tourist arrival by purpose of visit (2009 to 2022)**



Source: *Tourism Statistics, 2009-2022*

In the figure of pie-chart there is shown the distribution of tourists in percentage wise in past 14 years for different purposes. The tourists visited Nepal are mainly for holiday/pleasure purpose in these 14 years of time frame from 2009 to 2022. Here 64% of tourist visited for holiday and pleasure purposes, 14% for trekking mountain, 13% for pilgrimage and 9% for other purposes. More comparatively in 2015 due to earth quake in Nepal very less number of tourists visited for every propose and slowly it raised and again in 2022 the number of tourist is decreased in all purposes due to Covid 19 risks all over the world.

#### 4.1.5 Revenue from tourism

It refers to the financial income generated by a destination or region from various activities related to tourism industry. It includes money spent on accommodations, transportation, attraction, entertainment, food and other travel- related expenses

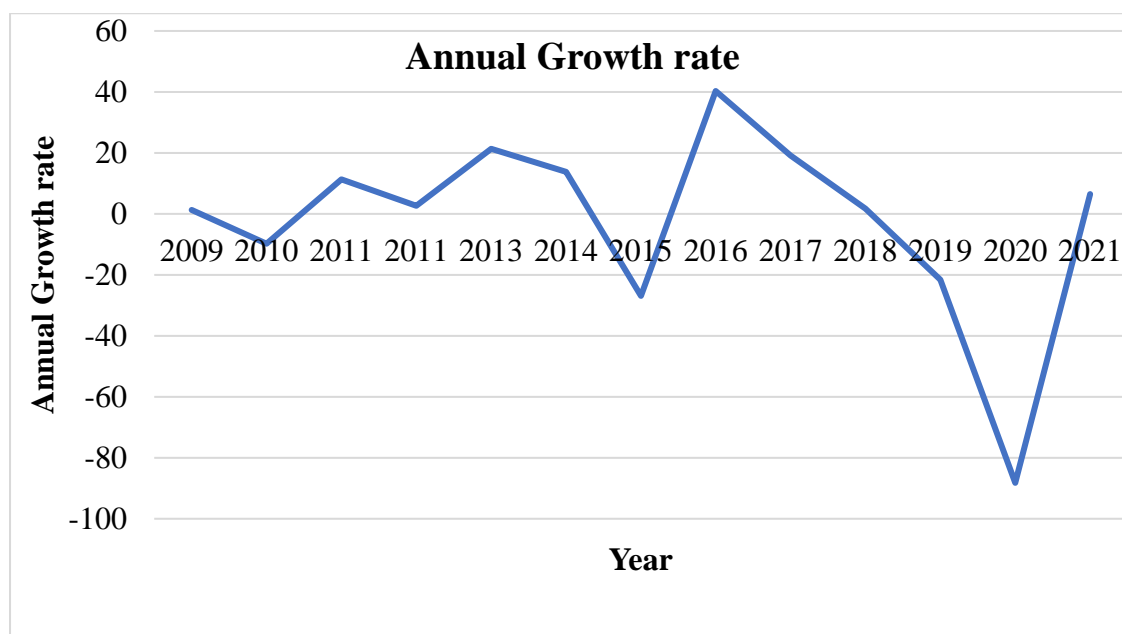
**Table 4.4: Revenue from tourism and its growth rate**

<b>Year</b>	<b>USD (in Million)</b>	<b>Annual Growth rate</b>	<b>Contribution of tourism in GDP (in %)</b>
2009/10	377.5	1.27	2.4
2010/11	340.5	-9.80	1.6
2011/12	379	11.30	1.7
2012/13	389	2.638	1.8
2013/14	472	21.33	2.1
2014/15	537	13.77	2.2
2015/16	392.7	-26.87	1.6
2016/17	551	40.31	1.9
2017/18	656.5	19.14	2.0
2018/19	667.7	1.70	2.0
2019/20	523.5	-21.59	1.6
2020/21	61.6	-88.23	0.2
2021/22	65.6	6.49	1.7

*Sources: Nepal tourism statistics 2022*

The annual growth rate of the foreign earning is slightly increasing in previous phase. But in 2015/16 and in 2019/20 and 2020/21 it was negative. The main causes of decreasing were earthquake and covid pandemic.

**Figure 4.4: Annual growth rate of foreign Earnings**



Sources: *Nepal Tourism Statistics, 2022*

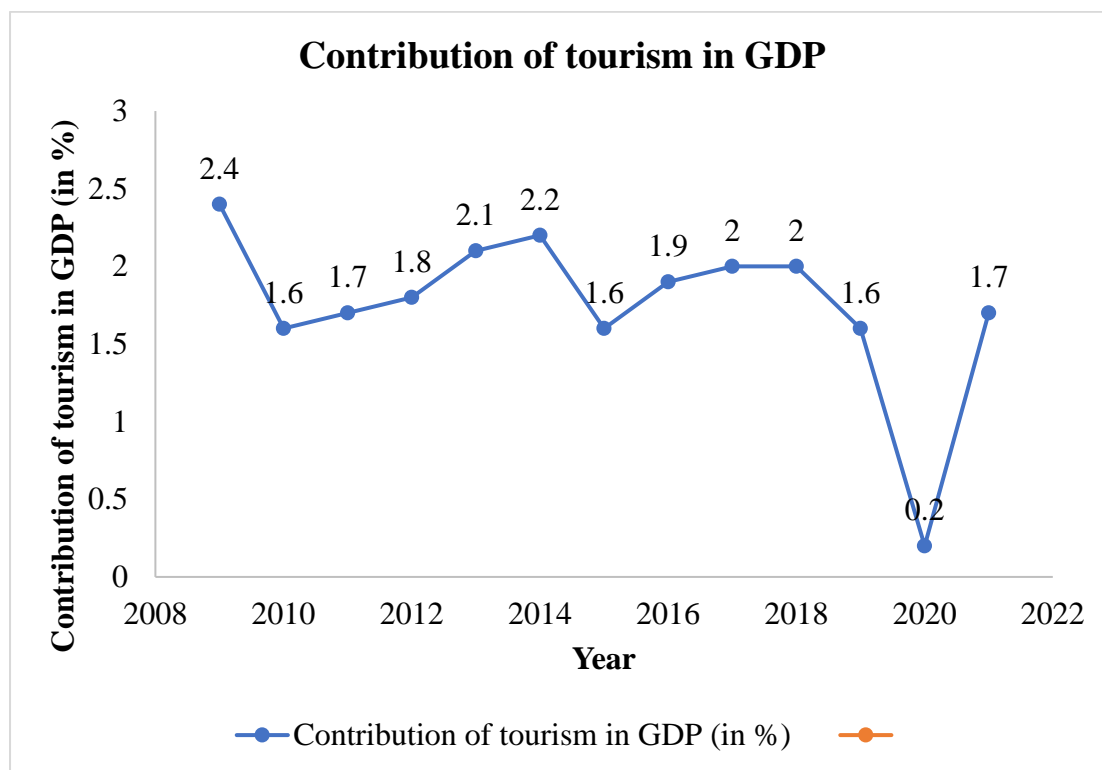
In the figure above, year is shown in the x-axis and annual growth rate of foreign earning from tourism is shown in y-axis. Total earning from tourism in the year 2014 was US\$ 471769 thousand and total earning in the year 2015 was 497838 where in 2019 it was 724337 which was highest revenue than most of the year. In the year 2020 and 2021 the revenue were 217007 and 112509 thousand which were very low with compared to most of the year. It is shown by the data that it is completely due to the effect of COVID-19. The average expenses per visitor per day in Nepal was higher in 2015 because Nepal experienced a devastating earthquake on April, 2015, with a magnitude of 7.8. As a result many tourists who were in Nepal at the time extended their stay to assist with relief efforts and were stranded in the country due to the disruption of transportation services.

#### **4.1.6 Contribution of Tourism on GDP**

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

leisure industries directly supported by tourists.

**Figure 4.5:** contribution of tourism in GDP



Sources: NRB 2022

In the figure above, year is shown in the x-axis and contribution of GDP(%) is shown in the y-axis. In the year 2009 the contribution of tourism in GDP was 2.4% and it was around 2% in average until 2015 but it got fell down up to 1.6% in 2015. There appeared a huge natural disaster at that time so its contribution was in downfall condition. After that it was again in a positive track but from 2019 it again got fall down at reached up to 0.2% which was in 2020. There was a disruption in tourism sector more heavily due to the spread of covid-19 pandemic all over the world, where Nepal had to suffered a lot.

**Table 4.5: Tourism related enterprises (registered in tourism industry division)**

S.N.	Year	Tourism related Hotel	Travel Agencies	Trekking Agencies	Tourist Guide
1	2009	744	1496	1096	8535
2	2010	789	1739	1240	9408
3	2011	827	1936	1378	10138
4	2012	850	2239	1598	11098
5	2013	1023	2450	1761	12882
6	2014	1075	2611	1903	13771
7	2015	1073	2768	2019	14865
8	2016	1105	3444	2376	16766
9	2017	1102	3224	2637	17707
10	2018	1254	3805	2649	20374
11	2019	1289	3680	2764	21825
12	2020	1313	3743	2797	22007
13	2021	1345	3801	2821	23723
14	2022	1401	4773	3136	30040

*Source: Tourism Statistics, 2009-2022*

Tourism related enterprises registered in tourism industry division are found increased during the study period 2009 to 2022. Number of hotels, rooms, travel agencies trekking agencies, tourist guide and trekking guide all are found increased. Tourism is a significant industry in Nepal, with a range of tourism-related enterprises operating in the country. These companies offer trekking, hiking, mountaineering, and other adventure activities in Nepal's stunning natural landscapes. There are numerous hotels and lodges catering to different budget levels, from budget to luxury, located throughout Nepal. These companies offer travel packages and arrangements for tourists visiting Nepal, including flight bookings, tour arrangements, and other services.

Since the government has declared that tourism sector is one of the main sectors that contribute to gross domestic product, its role is important. Total foreign exchange earnings from tourism in the year 2008/09 is 11717 million which is 16.8 percent of total value of merchandise exports 11.8 percent of total value of exports of goods and non-factor services, 5.7 percent of total foreign exchange earnings and 2.7 percent of

total gross domestic product. The total foreign exchange earnings is maximum in the year 2018/19 i.e. 30703.8 million and its contribution to GDP is 2.0 percent. However, total foreign exchange earnings found fluctuated during the period 2008/09 to 2013/14, its contribution on GDP is also in fluctuating trend. The contribution of the tourism sector to GDP is found highest in year 2011/12 which is 3.4% and least in the year 2014/15 which is 1.4% only.

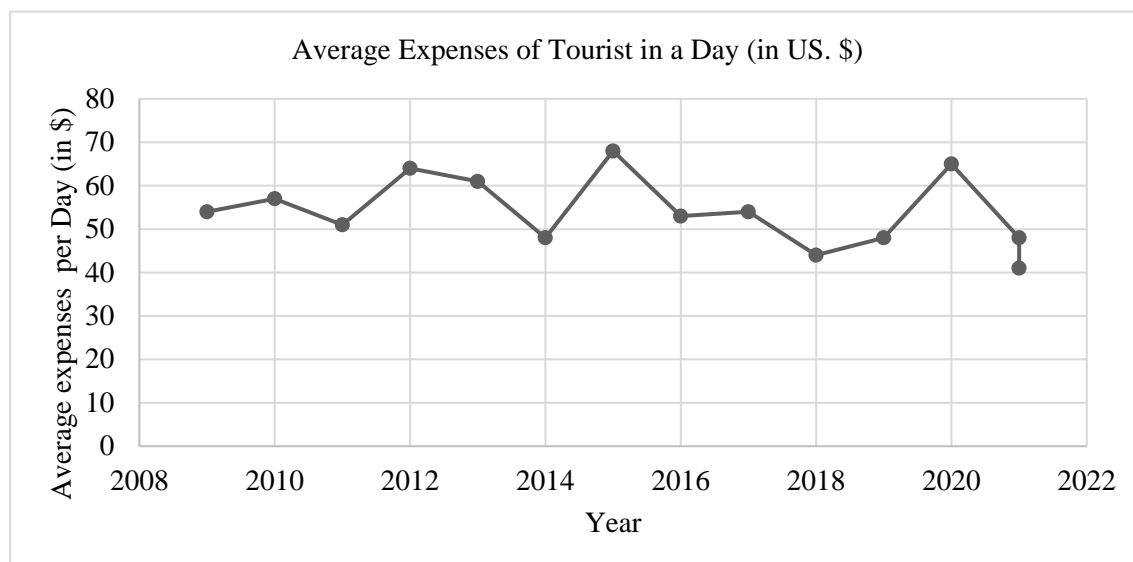
#### **4.1.7 Contribution on Employment**

Tourism is a major economic driver and one of the main options of livelihoods of people of Nepal (Sharma, 2018). Tourism makes a significant contribution to employment, which is composed both of the self employed and employees. As reported in the Tourism Employment Survey 2021, in Nepal, about 5 percent of the tourism personnel were self employed and 95 percent of the personnel were employees (MoCTCA, 2021). A large proportion of national workforce is involved directly or indirectly in providing different facilities to the tourists. There are four types of agencies directly involved in tourism sector with a view of providing facilities to both tourists of domestic and international origin. These include travel agencies, trekking agencies, rafting agencies and tourist transportation service. Likewise, trekking guides, tour guides, and river guides are the personnel directly related to tourists' service. Besides, many people are involved in industries, micro- enterprises, transportation and other tourism related activities in producing goods and services to the tourists. Table 2 shows the scenario of direct involvement of agencies and manpower in tourism sector. Tourism plays a significant role in generating employment opportunities in Nepal. It is one of the major sectors that contribute to employment and income generation, particularly in areas heavily reliant on tourism. Here are some key points regarding employment generation by tourism in Nepal:

#### **4.1.8 Average Expenditure by Foreign Tourists**

It refers to the average amount of money that tourists from other countries spend during their stay in a particular destination. Calculating the average expenditure helps assess the trend of tourism in a region and provides insights into the spending patterns and preferences of international visitors. The average expenditure made in different years are presented bellows.

**Figure 4.6: Average expenditure by foreign tourists**



*Source: Tourism Statistics, 2009-2022*

The average tourist's stay in the country in the previous five years was around 12 days. It was 12.7 days in 2019, 12.4 days in 2018 and 12.6 days in 2017. Before that the average tourist stay was 13.12 days and 13.16 days in 2011 and 2016 respectively.

Average expenses of tourist is 52.1 US (\$) with the duration of tourists' stay increasing, their spending has also increased. Per tourist, spending has increased to reach 65 US Dollars as compared to the previous years. In previous years the average per tourist spending was 45 US Dollars.

#### **4.1.9 No. of days staying in Nepal**

It refers to the duration of time that tourists from other nations spend within the borders of Nepal during their visit. It's often used in tourism statistics to analyze trends and plan for tourism-related activities and services. The average length of stay of tourists in different year from 2009-2022 are presented in the table bellows.



**Table 4.6: Number of days staying in Nepal**

<i>Year</i>	<i>Number</i>	<i>Average length of stay</i>
2009	509956	11.32
2010	602867	12.67
2011	736215	13.12
2012	803092	12.16
2013	797616	12.60
2014	790118	12.44
2015	538970	13.16
2016	753002	13.4
2017	940218	12.6
2018	1173072	12.4
2019	1197191	12.7
2020	230085	15.1
2021	150962	15.5
2022	614869	13.1

*Source: Tourism Statistics, 2009-2022*

The number of tourists visiting Nepal reduced drastically in 2020 and 2021, their length of stay has increased to some extent. According to the government data, tourist arrivals shrunk to 230,085 in 2020 from more than 1 million a year ago, while their stay increased by 19 percent during the review period as compared to 2019.

The average stay of a tourist in Nepal is 13 days. In 2020, it increased by 19 percent and reached 15.1 days. According to Nepal Tourism Statistics-2020, the stay of tourists in Nepal has reached 15 days for the first time.

The Ministry of Culture, Tourism, and Civil Aviation on Monday released the Nepal Tourism Statistics-2020. According to the same statistics, the length of stay of tourists has increased.

Compared to the previous years, tourist arrivals have seen a decline of around 80 percent in 2020 due to the pandemic. Tourist arrivals in 2020 is only 230 thousand 85. It was one million 197 thousand 191 in 2019 and one million 173 thousand 72 in 2018.

The ministry estimates that the length of tourists' stay may have increased due to coronavirus in 2020. Most of the tourism-related activities were not open last year due to the outbreak of Covid-19 and lockdown. However, businessmen say that their length of stay has been extended this year as tourists have come to Nepal only for trekking and mountaineering. Even under normal circumstances, the stay of tourists for trekking and mountaineering is longer than average.

In 2020, foreign tourists came to Nepal for trekking and mountaineering while they were stopped from coming to Nepal for other activities. According to the statistics, the purpose of visiting Nepal in 2020 has not changed. Foreign tourists come to Nepal for trekking, mountaineering, pilgrimage and holiday celebrations. Out of them, 60.5 percent of the foreign tourists visiting Nepal this year are for holidays, 12.4 percent for adventure tourism like mountaineering and trekking and 15.6 percent for visiting religious places, and 11.5 percent for other activities.

#### **4.2 Prospects of Tourism in Nepal**

Nepal is having significant prospects of tourism due to its unique blend of cultural richness natural beauty and adventure opportunities. Some key factors contribution to the prospects of tourism in Nepal includes the following.

- i. **Himalayan Beauty:** Nepal is the country to eight of the world's fourteen highest peaks, including Mount Everest. The potentiality of trekking, Mountaineering and adventure tourism attracts enthusiasts from around the globe.
- ii. **Cultural diversity:** The Country Nepal is the country with diverse ethnicities traditions and languages. Mostly visitors are drawn to explore ancient temples monasteries and historical sites in main cities like Kathmandu, Bhaktapur and Patan.
- iii. **Adventure Tourism:** Nepal is not only limited with trekking and Mountaineering from adventure aspect it also offers various activities such as white water rafting/canyoning paragliding, bungee jumping and jungle safaris in its different national parks.
- iv. **Spiritual and Religious significance:** Nepal is the country with the combination of Multi-religious society. It is the birthplace of Lord Buddha and a Sacred destination for both Hindus and Buddhists. Religious places like Pashupatinath

temple, Muktinath temple and Lumbini the birth place of Buddha attract pilgrims and spiritual seekers.

- v. **Wildlife and Nature:** Different popular National Parks like Chitwan National Park, Bardia National Park and wildlife reserves provide ample opportunities for wildlife enthusiasts to spot rhinos, tigers, elephants and various bird species in their natural habitats.
- vi. **Yoga and Wellness Retreats :** The condition of tranquil settings make Nepal a great destination for yoga and wellness retreats, catering to travelers seeking relaxation and self-discovery.
- vii. **Culinary and Food Tourism:** Exploring and experiencing local cuisine and culinary experiences can definitely attract food enthusiasts looking to indulge in authentic Nepali dishes.
- viii. **Ecotourism and Sustainable practices:** It is the country's commitment to sustainability and ecotourism align with the preferences of environmentally conscious travelers.
- ix. **World Heritage Sites:** Nepal is the country which is rich in cultural and natural diversity. As per the UNESCO world heritage convention, UNESCO world heritage sites are places of cultural and natural significance. Nepal has a total of 4 world heritage sites. They are the Kathmandu Valley and Lumbini as cultural World Heritage Sites and Chitwan and Sagarmatha National Park as Natural World Heritage Sites.

Here, the prospects of the tourism industry in Nepal found promising . The country's diversified landscapes, rich culture, and adventure opportunities continue to attract travelers. Sufficient investments in infrastructure and sustainable practices could further enhance Nepal's appeal and contribute to its tourism accessibility.

### **4.3 Problem of Tourism in Nepal**

As we know that Nepal is a unique place for visitors or tourists. Similarly, tourism industry has a great importance in Nepal. Nepal is having many prospects for tourism development. However, Nepal is not able to completely develop this sector, because of the following problems

- i. **Poor transportation and communication facility:** Transportation and

communication are the two most important pillars of a modern physical era. These kind of facilities are required for the progress of the tourism industry. But there is insufficient access of modern transportation and communication facility in Nepal.

- ii. Political Instability: It creates uncertainty for tourists and negatively impact the tourism industry.
- iii. Natural disasters: Due to its landscapes, Nepal is prone to earthquakes and other natural disasters which can disturb travel plans and deter tourists.
- iv. Limited air connectivity: Availability of limited direct flights to Nepal from major international destinations can make it less accessible and more expensive for tourists to travel.
- v. Lack of skilled workforce: A shortage of proper skill manpower in the tourism and hospitality sector is impacting the quality of services offered to tourists.
- vi. Permits and Bureaucracy: Very complex and time-consuming permit procedures for adventure and tourism activities is completely discouraging tourists to visit in Nepal.
- vii. Marketing and promotion: This is the age of information and technology. There is limited use of means of marketing for the promotion of wonderful and attractive destiny of Nepal. So, Nepal faces competition from other tourists destinations with stronger marketing efforts.
- viii. Seasonality; the tourism industry in Nepal is heavily depends on peak seasons for trekking and other activities. Which is leading to over crowding during certain times and low business during off peak periods.
- ix. Safety concerns: Sufficient preparation about safety, particularly in remote trekking areas, actually can deter possible tourists and impact the overall image of the country.

Addressing these problems and challenges requires a co- operative effort between government, private sector and local communities to local communities to promote sustainable tourism practices that can benefit both the industry and Nepal's natural and cultural heritage (Baral and Rijal, 2022).

## **CHAPTER V**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

This chapter contains the summary, conclusion and research for further study of the study respectively and subsequently.

#### **5.1 Summary**

Tourism plays a significant role in the Nepalese economy, contributing substantially to the Gross Domestic Product (GDP) and generating employment for a considerable portion of the population. It brings positive impacts on foreign exchange earnings, infrastructure advancement, and cultural preservation. However, the industry encounters challenges including over-reliance on a few key destinations, environmental degradation, and difficulties in managing tourist influx. Despite these hurdles, the Nepalese government remains committed to fostering and expanding the tourism sector as a means to spur economic growth and alleviate poverty.

The Earth quake and COVID-19 pandemic has inflicted severe damage on Nepal's tourism industry. The country heavily depends on tourism, and the abrupt cessation of international travel due to the pandemic led to a steep drop in visitor numbers. This downturn has reverberated throughout the economy, affecting numerous small and medium-sized businesses as well as jobs in lodging, dining, transportation, and related sectors.

In this study, it is found that, most (64 percent) tourist visit Nepal for holiday and pleasure propose. To aid the industry, the Nepalese government has taken measures such as providing financial assistance and tax relief to impacted businesses. However, the road to recovery is expected to be lengthy and uncertain. Global travel restrictions and health concerns have eroded consumer confidence, and it might take several years for the industry to rebound to its pre-pandemic levels. The government is devising strategies to rejuvenate tourism by emphasizing domestic travel, promoting sustainable practices, and ensuring the well-being of tourists and local communities.

Nepal, though geographically small, is renowned for its majestic mountains, with Mount Everest being a standout. The country boasts captivating landscapes, natural

wonders, and rich cultural attractions, making it a sought-after destination for international travelers.

While tourism in Nepal began gaining momentum only in the 1960s, it rapidly secured a prominent place on the global tourism stage. The industry emerged as a significant contributor to Nepal's national economy, particularly in the 1980s. It serves as a vital foreign exchange earner and generates both direct and indirect employment opportunities.

Nepal stands out as an ideal destination for those interested in culture and nature. The nation's geography, ethnic diversity, and cultural heritage create a distinctive blend. Tourism development hinges on effectively linking conservation efforts with tourism. Nepal's abundant natural assets attract nature enthusiasts, while cultural aficionados, sports enthusiasts, and adventure seekers also find their interests catered to. The warm hospitality of its people and the rich socio-cultural heritage hold strong appeal for visitors from the Western world.

Recognizing the economic impact of tourism in Nepal, policymakers can craft informed economic strategies based on this impact. This study provides valuable guidance to planners, the Ministry of Tourism, the Nepal Tourism Board, NGOs/INGOs, District Development Committees, and all tourism-related organizations. It has the potential to significantly contribute to poverty reduction in Nepal, benefiting those engaged in the tourism sector. Furthermore, it underscores the strength of tourism in Nepal's economy.

Tourism stands out as a pivotal and viable sector within the Nepalese economy. It's acknowledged as one of the foremost contributors to the national economy. The potential of tourism to foster pro-poor growth and thereby alleviate poverty needs to be considered within the context of available alternatives. In numerous rural areas of Nepal, tourism represents the most viable option. Consequently, developing countries like Nepal should regard tourism as a paramount opportunity for economic advancement.

Recognizing the significance of the tourism sector in bolstering the national economy, the Nepalese government has formulated various policies, plans, and strategies to ensure its sustainable development. A range of strategies has been adopted to position

Nepal as a must-visit destination. Tourism acts as a major economic catalyst and a significant livelihood option for the Nepalese populace (Sharma, 2018). It contributes significantly to employment, encompassing both self-employed individuals and wage-based employees. According to the Tourism Employment Survey 2021, about 5 percent of tourism personnel in Nepal were self-employed, while 95 percent were wage-based employees (MoCTCA, 2021). A substantial part of the national workforce is directly or indirectly engaged in providing services to tourists. The tourism sector includes various agencies directly catering to tourists, such as travel agencies trekking agencies, rafting agencies, and tourist transportation services. Additionally, there are guides for trekking, tours, and river excursions, along with a host of individuals involved in industries, micro- enterprises, transportation, and other tourism-related activities that produce goods and services for tourists.

## **5.2 Conclusion**

Nepal possesses significant potential in the realm of tourism. Tourism has emerged as a promising industry, holding a crucial role as a major contributor to the national economy. In Nepal, tourism plays a vital role in creating both direct and indirect employment opportunities, particularly within urban centers and major tourist hubs. More recently, it has gained recognition as a driving force to mitigate rural poverty by engaging rural communities in various forms of tourism-related businesses.

Nepal's strengths lie in its natural and cultural attractions, providing a competitive edge in the field of tourism. Recognizing the necessity for collaboration between the public and private sectors in promoting and marketing Nepalese tourism, the Nepal Tourism Board (NTB) was established. With substantial collaboration and backing from the private travel trade sector, NTB has been actively positioning Nepal as a significant global tourism destination. It's important to note, however, that due to limited marketing funds, competing with well-established destinations like India, Thailand, and Malaysia presents challenges.

Current global trends in tourism underscore the importance and promise of regional tourism, a concept that holds particular significance for Nepal. Given budget constraints for marketing initiatives in European markets, NTB has strategically focused its promotional endeavors on key Asian and European markets. Countries like India,

China, Japan, Thailand, the United States, the United Kingdom, and Germany are pivotal markets for Nepal, while there's untapped potential in countries like China, Bangladesh, and Sri Lanka, as well as other Western European nations. To attract visitors from neighboring nations, Nepal has eased visa requirements for South Asian nationals and facilitated entry to national parks and historical sites. Notably, all 15 international airlines flying into Kathmandu connect Nepal with various parts of Asia, including India, China, Pakistan, Bangladesh, the Middle East, and Southeast Asia. Despite challenges faced by the national flag carrier, new foreign airlines express interest in Nepal, instilling hope for the future. Encouraging trends in tourist arrivals from these countries are also observed.

Effective collaboration between the private sector and NTB is imperative. NTB should devise novel and cost-effective marketing strategies, targeting specialized markets through promotional initiatives for adventure tourism, pilgrimage tourism, eco-tourism, and MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism by creating tailored packages. Despite costs related to landing fees, parking, navigation, handling charges, and aviation fuels, as well as competitive pressure and environmental considerations, Nepal's distinct allure remains a valuable draw for visitors from around the world.

In light of these prospects, a well-defined policy framework and robust public-private partnership are crucial. With careful planning and a collaborative approach, the outlook for regional tourism in Nepal is promising, aligning with trends seen in Europe and America.

### **5.3 Recommendations**

In order to bring and get appropriate research, the new researchers and students can select the areas by considering the following areas.

Diversification of tourism destinations: Encourage tourists to visit new and less-explored areas, beyond the traditional tourist hotspots, to spread the benefits of tourism to more parts of the country.

Emphasis on sustainable tourism practices: Foster a responsible and environmentally



conscious approach to tourism development and operations, to ensure long-term viability of the industry and protect the country's natural and cultural heritage.

Promotion of domestic tourism: Encourage local residents to travel within the country to help mitigate the impact of declining international visitor numbers.

Investment in infrastructure and services: Enhance transportation networks, accommodations, and other tourism-related services to provide tourists with a high-quality and safe experience.

Partnership between government, industry, and local communities: Foster collaboration between all stakeholders to ensure the sustainable development of tourism, while benefiting the local communities.

Focus on health and safety: Implement measures to ensure the health and safety of tourists, as well as the local communities, to maintain consumer confidence in the industry.

Encouragement of value-added activities: Encourage tourists to engage in activities that contribute more to the local economy, such as trekking, cultural tours, and local experiences, rather than just visiting popular tourist attractions.

The recent travel trend in the area of pilgrimage, MICE and sports is encouraging though adventure, culture and nature are the major attractions of Nepal to international visitors. It is required to give attention to promote and develop these areas. Experts viewed that Nepal has been overexposed as a country of mountains, but, according to them time has come to reposition on a new products. So, appropriate positioning as per the strength and demand of our product and the competitive situation of the industry should be made.

Both, the government and the local people should give due emphasis to conserve our cultural and natural assets. The tourism products we have are not properly conserved, so their condition is degrading. These products should be maintained and preserved properly for the sustainable growth of industry.

Nepal should create diverse package offerings to entice a wider range of tourists to the

country. When formulating these packages, various combinations can be tailored to cater to different types of visitors, taking into consideration their purposes, as well as their age and gender groups. Modifications to the packages could be based on specific products or by incorporating both products and services.

The key hindrance to Nepal's tourism development is the unpredictability of air seat availability, particularly with Nepal Airlines. This uncertainty has disrupted schedules and impacted visitor arrivals. Feedback from tourism experts and organizations highlights the urgency of addressing this issue by focusing on enhancing air seat capacity. A prominent concern is the capacity of Nepal Airlines. The airline needs to augment its air seat capacity and establish sustainable solutions for its challenges. Alternatively, private airlines should be granted immediate permission to operate, even on routes where Nepal Airlines currently operates. Currently, private airlines are not allowed to function on such routes. Moreover, the government should actively encourage more international airlines to operate to and through Nepal. Priority should also be placed on increasing air seat capacity by establishing more international flights connecting major tourist source cities around the world.

Currently, Tribhuvan International Airport (TIA) stands as Nepal's sole international airport. Due to limitations in size, larger aircraft cannot land there, making it less financially appealing for international carriers to operate in Nepal. Furthermore, expanding TIA seems to have restricted feasibility. Consequently, an alternative international airport should be developed in other regions of the Terai, strategically chosen for technical and economic viability from market perspectives. This step could enhance international connectivity and position Nepal as a central hub for international flights, bolstering its reputation as a notable tourist destination.

To facilitate easy access to various tourist destinations within the country, the government should prioritize the development and improvement of road transportation. Nepal currently faces limited accessibility, and existing roads are often inadequately maintained. Constructing roads strategically to improve access without altering trekking routes is essential for accessing new areas. Regular road maintenance, especially in tourist-frequented zones, is also crucial, and a portion of tourism revenue could be allocated for this purpose.

Collaborative efforts between the government and the private sector are crucial for effective tourism marketing. These joint endeavors should focus on destination promotion, product promotion, and addressing negative international publicity whenever such instances arise. Instances of unfavorable publicity have occurred in the past, and it's vital that neither sector relies on the other to manage these challenges. A unified approach is necessary for continuous and effective promotion of Nepal.

Nepalese Embassies and consulates abroad can serve as potent platforms for disseminating information about Nepal. By leveraging these diplomatic entities with staff specializing in tourism marketing and promotion, Nepal can efficiently showcase its offerings. Nepalese Embassies and consulate offices abroad should be effectively utilized as channels for promoting Nepal.

Nepal should formulate an annual plan for tourism promotion and marketing. This strategy should involve identifying target markets and segments through continuous market analysis and competitor evaluation. Prioritization should rely on product strengths, market trends, competitive strategies, and demands. Suitable promotional strategies and programs can then be developed. Effective budgeting, resource allocation, continuous monitoring, and feedback mechanisms are essential for achieving set goals. Such a professional approach can institutionalize the process of promotion and marketing.

Implementing these recommendations can help Nepal's tourism industry to recover from the pandemic and to achieve a sustainable and inclusive growth in the future.

## REFERENCES

- Acharya, K. (2013). *Potentiality of tourism industry in Kathmandu*. An unpublished Master Degree Thesis, T U, Kathmandu.
- Acharya, P. (2005). *Socio-economic impacts of tourism in Lumbini, Nepal: A case study*.
- Advanced Oxford Dictionary. (2002). *Advanced oxford dictionary*, 9<sup>th</sup> impression. 2002.
- Agarwal, M. K., & Upadhyay, R. P. (2006). *Tourism and economic development in Nepal*.
- Anup, K. C. (2017). Climate change and its impact on tourism in Nepal. *Journal of Tourism and Hospitality Education*, 7, 25-43.
- Badal, B. P., & Kharel, S. (2019). Opportunities and challenges of tourism industry in the context of visit Nepal 2020. *Tribhuvan University Journal*, 33(1), 67-80.
- Baral, R., & Rijal, D. P. (2022). Visitors' impacts on remote destinations: An evaluation of a Nepalese mountainous village with intense tourism activity. *Heliyon*, 8(8).
- Burger, V. (1978). The economic impact of tourism in Nepal. An input-output analysis. *Dissertation Abstracts International*, A, 39(1).
- Chand, D. (2000). Nepal's tourism: Uncensored facts. (*No Title*).
- Dahal, R. P. (2014). Taking tourist to village.
- Dhakal, S. (2002). *Nepalese culture, society and tourism*. An Unpublished M.A. Thesis Submitted to CEDECON, T.U., Kirtipur, Nepal.
- El-Said, O., & Aziz, H. (2022). Virtual tours a means to an end: An analysis of virtual tours' role in tourism recovery post COVID-19. *Journal of Travel Research*, 61(3), 528-548.
- Gautam, B. P. (2011). Tourism and economic growth in Nepal. *NRB Economic Review*, 23(2), 18-30.
- Ghimire, A. (2002). *Travel and Tourism: A Practical Approach*..
- Ghimire, P. (2008). *Problems and Prospects of Rural Tourism in Western*

*Development Region, with special Reference to Gulmi District* (Doctoral dissertation, Department of Rural Development).

- Ghosh, B.N. (1998). *Tourism and Travel Management*, Vikash publishing House, India.
- Gurung, D. B. (2003). *Socio-economic and environmental assessment of tourism in Dhampus VDC of Annapurna Region*. Unpublished Ph. D. Thesis, Faculty of Sociology, TU Kirtipur, Nepal.
- Gurung, D. B. (2003). *Socio-economic and environmental assessment of tourism in Dhampus VDC of Annapurna Region*. *Unpublished Ph. D. Thesis, Faculty of Sociology, TU Kirtipur, Nepal*.
- Gurung, H. (2010). *Environmental management on mountain tourism*.
- Hirachan, J. B. (2014). *A study on e-marketing used by travel agencies*. *Unpublished master's thesis*, Tribhuvan University, Central Department of Economics (CEDECON), Kirtipur, Kathmandu..
- Joshi, S., & Dahal, R. (2019). *Relationship between social carrying capacity and tourism carrying capacity: a case of Annapurna conservation area, Nepal*. *Journal of Tourism and Hospitality Education*, 9, 9-29.
- Kathmandu, N. (2014). Central bureau of statistics. *Population (in million)*, 33, 34-0. Kathmandu: Ministry of Tourism and Civil Aviation.
- Klemperer, K. (1997). 1997 World Book Multimedia Encyclopedia. *Information Technology and Libraries*, 16(3), 139.
- Kunwar, R. (2002). *Anthropology of Tourism*, Delhi: Adroit Publication. Lawoti, M. (2007). *Democracy, domination and exclusionary constitutional- engineering process in Nepal, 1990*. *Contentious politics and democratization in Nepal*, 48-72.
- Mohanty, P. (1992). *Hotel industry and tourism in India*. Ashish Publishing House.
- Nepal, S. K. (2022). *The quest for sustainable tourism in Nepal*. *Current History*, 121(834), 147-153..
- Pandit, S. B. (2004). *A Study of Tourism in Nepal-A Case Study of Sauraha Chitwan*. *An Unpublished MA Thesis Submitted to CEDECON, TU, Kirtipur*,

*Nepal.*

- Panta, A. (2002). Tourism development and economic impact in Nepal. *An Unpublished MA Thesis Submitted to CEDECEN, TU, Kirtipur, Nepal.*
- Phulara, S. R. (2009). *Problems and Prospects of Religious Tourism in the Khaptad Region* (Doctoral dissertation, Department of Economics).
- Pokharel, B. K. (2007). Role of Tourism in Economic Development of Nepal. *An Unpublished MA Thesis Submitted to CEDECEN, TU, Kirtipur, Nepal.*
- Pollaco, J. (2010). Cultural tourism in Nepal.
- Poudel, K. (2011). An implication of tourism business on revenue collection in Pokhara. *Unpublished master's thesis*, Tribhuvan University, Central Department of Economics (CEDECEN), Kirtipur, Kathmandu.
- Pradhan, K. M. (2014). Cultural tourism and Nepal. *Transnational Corporations Review*, 6(3), 238-247.
- Sharma, P. (2012). Tourism in Nepal 2030. *Nepal, 2030*, 73-92.
- Shrestha, H. P. (1998). Tourism marketing in Nepal. *Unpublished Ph. D. Thesis*, TU, Kirtipur, Kathmandu.
- Shrestha, H. P., & Shrestha, P. (2012). Tourism in Nepal: A Historical Perspective and Present Trend of Development. *Himalayan Journal of Sociology & Anthropology*, 5
- Shrestha, P. (1999). Problems & prospects of tourism in Nepal. *Unpublished Ph. D. Dissertation Submitted to Banaras Hindu University, India.*
- Shrestha, P. (2011). Tourism in Nepal, problem and prospects. Banaras: Dissertation of Ph.D. Department of Economics, Banaras Hindu University, Varanasi.
- Shrestha, P. (2013). Role of tourism in economic development. Kathmandu: Unpublished Thesis of Master of Business Studies, TU, Kathmandu.
- Shrestha, P. K. (2013). *Long Term Marketing Strategy of Nepal Tourism Board* (Doctoral dissertation, Faculty of Management).
- Shrestha, P.M. (2012). Regional tourism-need to move forward. Kathmandu: *Image Nepal*, 16(1). Jan/Feb.

- Shrestha, U. D. (2013). Entrepreneurship in international hospitality and tourism industries in Nepal. Unpublished Master Degree Thesis TU, Kathmandu.
- Statistics, N. T. (2019). Ministry of Culture, Tourism, and Civil Aviation.
- Subedi, S. R. (2006). *Tourism and economics development in Nepal*. An unpublished MA thesis submitted to CEDECON, TU, Kirtipur, Nepal.
- Timsina, S. (2014). *Prospects and Challenges of Tourism in Nepal* (Doctoral dissertation, Department of Economics).
- Tiwari, P. (2010). Prospect and problems of tourism in Nepal.
- Tripathi, J. P. (2011). Impact of tourism industry in Nepal economy. An Unpublished Master Degree Dissertation, TU, Kathmandu.
- Upadhyay, R. P. (2008). A case study of rural tourism in Sirubari, Bandipur and Ghalegaon. *Readings in Rural Tourism*.
- Viśvavidyālaya, T. (2005). Dhaulagiri journal of sociology and anthropology.
- World Bank. (2020). Nepal development update: post-pandemic Nepal—charting a silent recovery and future growth directions.
- WTO. (2011). Tourism market trends. Geneva: World Tourism Organization.