

# CHAPTER I

*"EVEN HEAVEN CAN BE BORING AFTER A WHILE"*

## **1.1 Background of the study**

Tourism is the largest and fastest growing industry all over the world and it is grew as biggest and ever expanding service industry. It is a process of people's movement from one place to another place for different purpose like leisure, Recreation Holiday, study, family visit, Religion etc. Now a days, tourism has become back bone of many of the developing and developed country's economics.

The contribution of tourism industry in the global as well as individual Country perspective is really amazing. Many countries in the world depend upon tourism as a main source of foreign exchange earnings. The country is trying from the inception of this industry to attracting more tourists to its destinations and to earn more foreign currency from this sector. The statistics on this sector shows that both the arrivals and earnings from tourism in Nepal have increased over the past decades.

Tourism industry is one of the major sources of income in most of the developing countries. Obviously, it has been playing major role for generating foreign currency in Nepal. No doubt, the recent deteriorating political situation has adversely affected the foreign exchange earning for this sector.

The contribution of tourism in the overall national development has been quite significant. This sector has contributed significantly in the balance of payment situation through foreign exchange earning.

Nepal is one of the least developed country and most of the people are residing in hilly regions. But Nepal provides great opportunities for eco tourism, adventure

tourism, biological diversity, village tourism and culture tourism etc. The beautiful snow capped mountains (including highest peak on the Earth), lots of mountains, rivers, beautiful terraces fields, national parks with various wild animals and cultural heritage sites with temples and palaces are some of its major attractions.

Nepal, can be a best destination for the tourist because the highest peak of the World, Mount Everest. Tarai, Hills and Mountains filled with green forest, waterfall snowfall, large number of wild animals; flowering plants etc. have added the beauty of the country. As it had given birth of the light of ASIA, Buddha, it is famous for its cultural diversity as more than 60 ethnic groups with their own unique culture are living under an umbrella. This large number of unique feature has opened another economic door, tourism in the country since the fall of Rana Regime in 1950. Since 1960, the tourism has been taken as the major industry to import the foreign currency. In every years plan, developmental policies focusing to the tourism have been made to foster the tourism industry. As Nepal has large number of naturally beautiful areas decorated by the massive number of flora and fauna, unique culture, art and architectures, can attract to the foreigners. So tourism can be the best mechanism to import the foreign currency.

## **1.2 Statement of the Problem**

Tourism industry and its market grow phenomenally worldwide, the industry and its market may have not grown in Nepal. Marketing is one of the major reasons not for developing the industry Nepal up to the mark. Because, potential tourists need to know properly about the attractions, services, facilities, etc. at the destinations and accessibility to there through various forms of promotional measures. Besides, the expansion of tourism business and the increased competition among destination countries throughout the world have necessitated developing appropriate Marketing approaches by the tourism firms worldwide

A number of researchers have been conducted to study the problem, impact of tourism in Nepalese economy Planning tourism although it could have been done many more.

Especially research and study is not enough on marketing. Thus this study has been made to analyze the impact, Growth, tourism in Nepal with marketing Challenges...

Marketing is the prime motivator for attracting greater number of tourist. Thus study is very important. There are enormous obstacles and difficulties developing the tourism in Nepal.

We can list the problems of Tourism sector development in Nepal as below

- ) Why Nepal offers limited marketing activities in comparison to other countries in spite of its immense potentiality? And Why Nepalese tourism industry does not seem to have been developed professionally?
- ) Does City focus tourism in Nepal is the problem? Why Nepal is unable to find the niches for the tourism in village areas, which have potential tourist destination where the tourist industry can be expended?
- ) Does facilities related to tourists such as accommodation, recreational sites, security and other facilities are given enough attention?
- ) Is there Marketing strategy problems to attract tourist through good tourism product such as Cultural, Natural beauty, Ecology, Rivers and mountain, but
- ) Due to lack of provision of new transport and communication that links remote and distance places Nepal is lagging behind in Tourism. So Infrastructure Is the biggest problem in Nepali Tourism Industry?
- ) Why Policies, Rules and regulation always has been a problem for the Government policy makers?

Hence regarding to the above context many researcher have already studied about Nepalese tourism Industry and have given various recommendations for the development of these sector. Despite the vital role of this sector in the economic development of Nepal all the study related to this has focused in the development of tourism in the country showing the problems still existing in this sectors. So this study is trying to address the above mentioned problems with the help of analysis of trend of

tourist arrivals, Impact of tourism on major sectors of the economy like foreign exchange earning, revenue and employment generation and trace out the major problems being faced by this sector.

### **1.3 Objective of the study**

General objectives of this study are to know the Trend of tourism Growth, Marketing Challenges, and It's Impact or Know Tourism Industry and the role of tourism in national economy.

The specific objectives of this study are as follows:

- ) To assess the trend of tourism growth in Nepal.
- ) To analyse the development of tourism sector in Nepal.
- ) To assess tourism market in Nepal
- ) To Recommended measures and strategies to develop the tourism industry

### **1.4 Significance of the study/ Justification of the Study**

Tourism industry is one of the major sources of foreign exchange of Nepal. It could be rationalized its importance in various ways such as creating employment opportunities either directly related to tourism or indirectly related to tourism, such as small scale cottage industries, handicrafts, hotels, restaurant, etc. It also plays major role for alleviating poverty and making good relation with other nations. Considering the economy of the country, the sector has a high potential to rescue the economy of the nation. Nepal has higher potentiality to develop tourism industry, which is suitable in terms of socio economic and geographical condition of the nation. Its proper development and management is indispensable. Various efforts have been made for the development of tourism in Nepal. Visit Nepal 1998 is also such effort in order to develop and enhance the image of Nepal in the world tourism Market. In this aspect many studies on tourism have been carried out by various individuals and agencies. " The Tourism Master plan 1972, Review of Master plan 1989, Nepal Tourism Marketing Programme 1990, Second infrastructure development project 1995, And Tourism Sector

Development Project 1997 carried out by Asian Development Bank are major studies on tourism"( Tourism in Nepal Marketing Challenges By Hari Prasad Shrestha). Recently Nepal Government declared Visit year 2011 targeting to bring ...Tourist in Nepal. Although the study in this broad topics will not be enough and the above study do not seems to address marketing issues adequately. Very few studies and research work have been made in respect of my topics. Thus, this study carried out to identify and analyse the existing condition of Tourism Marketing. Apart from this fact necessary recommendation will be made which may help to formulate the policies and develop the tourism in Nepal in future.

### **1.5 Limitation of the study**

**Following are the limitation of this study:**

- ) This study will be based on secondary information, which will be collected from various sources. Although the requested data and information are not available. Even what I received either seemed to be incomplete or not reliable
- ) Primary data also collected through questioner but it depends on their interest how much they reply honestly.
- ) The area of Tourism is very wide so all the part of it not possible to cover
- ) This study covers Nepal as a whole for the study purpose, which could not apply in a specific spatial context.
- ) Being a student there was also a limitation of literature particularly about the study and issuing information in the area of tourism marketing.

# CHAPTER II

## REVIEW OF LITERATURE

### 2.1 Introduction

In the tourism history of Nepal it is very short history of modern tourism as compared to other Asian countries. Although there are different kinds of literature are available relating to tourist activities, Promotional materials, tourist Product, Travel and tourism, rafting, etc. In this chapter I will try to provide the theoretical foundation of tourism. In dealing with theoretical foundations books, magazine, newspaper, reports, some dissertation which, already published have been reviewed.

#### 2.1.1 Definition

There are numerous definition of tourist defined by many scholar, organizations, and researchers in various ways among them some are

Shrestha 2000, Tourism is one of the ancient phenomenon. Human travel has started since nomadic times when they travel and migrated for food and due to natural compulsion in ancient time pilgrims, traders, explorers, adventures and some scholars had undertaken journey in order to fulfill their requirements and needs.

Ghimire 2002, "The International Conference on leisure, recreation and tourism held by Association of International Scientific Experts in Tourism 1981(AoISEiT) define tourism as 'Tourism may be define in terms of particular activities selected by choice and undertaken outside the home environment . Tourism may or may not involve overnight stay away from home'".

Tourism Society of England (1976) In 1976 Tourism Society of England defined tourism as "Tourism is 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 destination. It includes movement for all purpose, as well as day visits or excursion'

Shrestha, Hari Prasad (1999) *Tourism in Nepal Marketing Challenges* Nirala Publication 2595 Kucha Challan, New Delhi 110002. Who defines the tourism in his book "Tourist who are temporarily visitors staying at least 24 hours in the country visited and the purpose of whose journey can be classified under one of the following head

- a. Leisure (Recreation holiday, health, study, religion and sport)
- b. Business, family, mission, meeting "

Gurung, Tek Raj 2007, *Mountain Tourism in Nepal* By Pratima Gurung. He drag out the summery definition and element of tourism in his book "Tourism involves Involvement of travel by non – residents, Stay in temporary nature in the area visited and stay not connected with any remunerated activity or an activity of earnings"

Ghimire Ananda, 2002 "Travel and Tourism An Introduction" Ekta books distributors Pvt. Ltd. "Tourism arise from a movement of people to various destination. All tourism includes an element of travel but all travel is not tourism. Routine and local travel is not included with in tourism."

The most widely used and popular definition of tourism is one prepared by the United Nations Conference on International Travel and Tourism held in Rome 1963 which was initiated by International Union of Official Organization (IUOO) proposing a uniform definition. The conference considered as overall definition of the term 'visitor', which for statistical purpose describes the tourist as any person visiting a country other than that in which he was his usual place or residence, for any person other than following on occupation remunerated from with in the country visited. This definition covered:

1. Tourist, that is, temporary visitor staying at least 24 hours in the country visited and the purpose of whose journey can be classified under one of the following headings:
  - ) Leisure (recreation, holiday, health, study, religion and sports).
  - ) Business, family, mission and meetings.
2. Excursionists, that is, temporary visitors staying less than twenty-four hour in the country visited (including travelers on cruises). The above definition

excludes travelers who, in the legal sense, don't enter the country (that is, air traveler who don't leave an airport's transit area.)

In the above definition the following persons are considered as tourist. All those people who travel for pleasure and domestic reasons, including health, international meeting, business purpose, and arrive in the course of a sea cruise, even though they may stay less than twenty-four hours. This definition has also further specified the persons as non-tourist in the following manner:

- ) Person arriving with or without a work contract, to take up an occupation or engage in any business activity in the country.
- ) Persons coming to establish a residence in the country.
- ) Residents in a frontier zone and persons domiciled in one country and working in adjoining country.
- ) Pupils, students and young persons in boarding establishments and schools.
- ) Travelers passing through a country without stopping, even if the journey takes more than 24 hours.

Similarly, World Tourism Organization (WTO) has defined tourist in precise term as "Any person who travels to a country other than that in which he/she has his/her usual residence, but is other than the exercise of an activity remunerated from within the country visited. This term includes people traveling for leisure, recreation and holidays; visiting friend and relatives; business and professional; health treatment; religion/pilgrimages and other purposes". (WTO, 1996, 24).

Finally, the generally accepted definition of tourist can be defined as; tourist are temporary visitors making at least one overnight stay in the country visited and the purpose of whose journey may relate to: leisure recreation, holiday, health, study and sports, business, family, mission, and meetings.

### **2.1.2 Category of Tourist**

Tourist can be define in different group among them major are as followings.



### **2.1.2.1 International Tourist**

An international visitor has been defined as a person holding a foreign passport, visiting the country and the main purpose of visit is to exercise an activity remunerated from and with in the country or establishment of residence in the country.

So, the above definition does not regard some persons as foreign tourists which are as follows:

- ) Person arriving with or without correct to take up in occupation or engage in activities remunerated from with in the country.
- ) Persons coming to establish residence in the country.
- ) Nationals of India entering Nepal through land routes along Nepal- India border.

### **2.1.2.2 Excursionist**

An excursionist is a visitor staying less than twenty four hours in the country. It includes cruise passengers who arrive in a country on a cruise ship and return to the ship each night to sleep on boat even though the ship remains in port for several days. Similarly, a cruise passenger is a visitor, who arrives in the country aboard cruise ship and who does not spent a night in an accommodation establishment in the country.

### **2.1.2.3 Domestic Tourist**

A domestic tourist had been defined as “A person who travels with in the country to a place other than his usual place of residence and stays at hotels or their accommodation established on commercial basis or in dhramshalas and choutaries or stays with friends and relatives and uses sightseeing facilities or pilgrims for a duration of not less than 24 hours or one night an for not more than 6 months at a time of any purpose (Gupta, 2002:17).

People find easy to travel domestically because there is no trouble of language, currency documentation barriers, and other required procedures to travel. People traveling domestically do not require visa and health documents. Their own languages serve as medium of accessible communication. The currency which is use in every day life continues to be the media of exchange. There is no need to meet particular requirements of documentation. Moreover, domestic tourist has no balance of

payments implications. It is a substitute for foreign tourist and results in the saving of foreign currency for the country of residents.

Domestic tourist travel for different purposes like:

- ) Pleasure (holiday, leisure, sports etc.)
- ) Pilgrimage, religious and social functions.
- ) Business, conference and meetings and
- ) Study and health.

**The following are not regarded as domestic tourist:**

- ) Persons arriving with or without contract, to take up an occupation or engage in activities remunerated from within the state/centre.
- ) Persons visiting their home town or native place on leave or a short visit for meeting relations and friends, attending social and religious functions and stay in their own houses or with relatives and friends and not using any sightseeing facilities.
- ) Foreigners resident in Nepal.

In conclusion, we can say a resident of a country, who does not cross the boundaries of the country, is thus describe as domestic tourist.

## **2.2. Characteristics of Tourism**

There are many characteristic of the Tourism among them some are  
According to Shrestha (2000) the main characteristics of tourism are as follows:

- ) Tourism is multidimensional phenomenon. It is fragmented product, integrated with and directly affecting many others sectors of economy. These sectors although are separate are inter-dependent which require co-operative efforts and common policies.
- ) Tourism is and invisible export industry; there is no tangible product, which is supplied from one place to another place. The consumer collect service personally from the place where it is produced, with the result the exporting

destination occur no direct freight cost outside its boundaries except in the case where the transportation used by the tourist is owned by the destination.

- ) Tourism is highly unstable export. Its demand is subject to change from unpredictable external inferences, changed in international currency exchange rates, energy crisis, storage and unfavorable/unsuitable climate events, adversely, affect the tourist traffic and divert it to new destinations with more favorable conditions.
- ) The tourist industry is more complex and sensitive to political arrangements than any other category of international trade. Human beings are the mobile elements of tourism. They need to be safe guarded from the start of their journey to their return to the home country.
- ) The industry is marked by fairly distinct seasoned rhythm.
- ) The tourist product cannot be stored. It has great up and down in level of tourism activity. Sufficient moving must be earned during the peak season to offset a decline in patronage for the remainder of the year.
- ) Tourism is highly elastic with respect to price and income. The tourist decisions are greatly influenced by fall in price and income price elasticity is more easily identified than income elasticity because of its frequent and sudden effects.
- ) Tourist destinations require ancillary goods and service i.e. transport facilities, water and electricity supply, sewerage system and retail functions, which have to be created, expanded or imported depending upon the availability of existing supplies and the nature and magnitude of the tourist demands.
- ) Motivation for tourism is more complex, incompatible and varies greatly among tourists. The tourist destination areas have access of which segments of the tourist market they are in position to satisfy due to acute dynamism in the industry, the problem of creation of product loyalty and the attractiveness of return visitors is specially are acute.
- ) Tourist demand is highly seasonal and leads to marked fluctuation in level of activity in the industry. Many hotels and accommodation units close during the

off-season, while other operate at greatly reduced revenue. Their establishments prefer to remain open all the year round to secure as much revenue as possible as the fixed costs makeup a large portion of total costs. Thus, tourism is often a less lucrative investment than other sectors of the economy, which has steady production. This leads to low return such hotel investment and shortage of hotel accommodation at peak periods. Tour operator faces the similar problem. The whole burden falls on the local investors as the outside invertors are reluctant to marketing seasonal enterprises or the public sectors have to invest in the absence of interest form private sector.

Similarly, collier (1989:3) has also identified the following characteristics of tourism:

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

### **2.3 Travel Motivation**

Travelling is a human instinct. This is why people have been travelling time and again since the nomadic life to the present time. However, their motive of travel and motivational factor were different. The industrial revolution led to development of trade and commerce, urbanization, changed the working environment, increase in their income and living standard. They realized the need for leisure and pleasure (Ghimire, 2004:17).

- |                                      |               |
|--------------------------------------|---------------|
| (i) Physical motives                 | (ii) Pleasure |
| (ii) Relaxation, rest and recreation | (iv) Health   |

- (v) Participation in sports
- (vi) Curiosity and family
- (vii) Spiritual and religious
- (viii) Status and prestige
- (ix) Profession or business
- (x) Participation in events/festivals
- (xi) Business/profession meeting or conventions.

Gurung (2007) mentioned in his book eighteen factors for motivations under four different groups and they are considered to be most important in finding why people travel. They are as follows

#### **Educational and Cultural motives**

- i. to see how people in other countries live, work and play
- ii. to see particular sights
- iii. To gain a better understanding of what goes on in the news
- iv. To attend special events

#### **Relaxation and Pleasure**

- v. to get away form everyday routine
- vi. To have good time
- vii. To achieve some sort of sexual or romantic experience

#### **Ethnic**

- viii. to visit places ones family came from
- ix. to visit places ones family or friends have gone to Other
- x. weather (for instance or avoid winter)
- xi. Health (sun, dry climate, etc.)
- xii. Economy (inexpensive living)
- xiii. Sports (to swim, ski, fishing or soil)
- xiv. Adventure (new areas, people, and experiences)
- xv. Conformity (keeping up with joneses)
- xvi. To participate in history (ancient temples and ruins, current history)
- xvii. One-up main ship

xviii. Sociological motives (get to know the world)

## 2.4. Component of Tourism

Tourism is a compound of different component. To understand tourism one should know the components of tourism. Different writer has mentioned the different components of Tourism in different way. Although, Tek Raj Gurung in his book "Mountain Tourism in Nepal" he mentioned that there are major 4 Components which are in his own language

These basic components of tourism are as follows:

- i. Transport/ Accessibility
- ii. Locale/Attraction
- iii. Food and Cuisine.

Transportation is the major components in tourism which helps to tourist to achieve his/her destination. The modes of transport are different like a motorcar, a coach, an aero plane, a ship or a train which enables a traveler to reach his predetermined destination. The other is the locale, which includes the holiday destination and what it offers to the tourist. The holiday destination may offer natural attractions like sunshine, scenic beauty or sporting facilities. Similarly, accommodation is another basic component which is essential for providing food and sleep. Besides it, different attractions and amenities are also the basic important things to tourist. It is observed that some tourist's destinations have attracted more tourist than other tourist destinations. The potentiality to attract tourist to a particular destination depends upon different factors, such as;

- ) Attractions
- ) Accessibility
- ) Amenities
- ) Tourist organization
- ) Marketing

There are two types of attraction natural and man made. Natural attractions are: flora and fauna, national parks, lakes, water falls, rivers, mountains, valleys, villages etc. A

man made attractions are: Historical sites and buildings, archeological sites, cultural attraction, festivals, zoos, museums, trade fairs exhibitions, resorts, hotels, restaurants, religious place, etc.

Similarly, peter has classified potentiality to attract tourist as follows:

**Table 2.1: Peter’s Inventory of Tourist Attraction**

1.	Cultural	Sites and areas of archaeological interest; Historical buildings and monuments; place of historical significance, museums; modern culture; political and educational institutions, religious institutions.
2.	Traditions	National festivals; arts and handicrafts; music, folklore; native; mountain resorts.
3.	Scenic	National parks; wildlife; flora and fauna; beach resorts; mountain resorts.
4.	Entertainment	Participation and viewing sports; amusement and recreation parks; zone and oceanarium, cinemas and theaters; night-life; cuisine.
5.	Other attractions	Climate; health resorts or spas, unique attraction not available elsewhere.

Source: Gurung Tek Raj (2007)

Amenities comprise superstructures and infrastructures such as accommodation, catering, and entertainment, medical and banking facilities, transport and communication facilities, safe water supply and clean environment. Accessibility refers to facilitate the link between tourist generating market and tourist destination through excellent network of high ways, railways, airports, etc.

These are different types of tourism organization in local, national and international level for the development of tourism. Every country has a government like Ministry of Culture Tourism and Civil aviation (MoCTCA). There are also many organizations in Nepal, such as Travel and Trekking Association of Nepal (TAAN) and Hotel Association of Nepal (HAN) and so on. At the regional level, many organizations have been formed to assist the development of tourism in the different regions of the world. Among them, the notable organizations are The Pacific Area Association (PATA),

The European Travel Commission, and The Caribbean Tourism Organization etc. At present, tourism development also has committee to develop tourism in South Asia, especially SAARC region. At the international level, the World Tourism Organization (WTO) based in Madrid, Spain is the official tourism voice of United Nations. It was established in 1975 with an objective of promoting and developing tourism globally. Along with it, International Civil Aviation Organization (ICAO) was also established in 1944 to assist and promote travel and tourism in the country.

Today, marketing has become one of the major as well as challenging jobs of any business organization. For the success of any business activities, proper marketing system is essential. Marketing denotes the business activities, proper marketing system is essential. Marketing denotes the business activities that direct the flow of goods and services from producers to consumers or users. In other words it is the process of exchange between seller and buyer.

#### **2.4.2 Types of Tourism**

There are different types of tourism on different base. Nepal has numerous potentialities for tourism. There is a high prospect of developing various types of tourism in Nepal. Nepal has an enormous natural beauty, country's old cultural heritage to offer to the pleasurable and cultural tourists. Similarly, Nepal is the birth place of Lord Buddha and only one Hindu Kingdom in the world which could attract large number of pilgrimage tourists.

These various types of tourism can be categorized under the various heading. (Gurung, 2007:39-40)

##### **On the basis of origin and destination**

- Incoming tourism
- Outgoing tourism
- Internal tourism

##### **On the basis of movement patterns**

- Residential tourism
- Seasonal tourism



- Roving tourism

#### **On the Basis of the seasonal characters of tourism**

Summer

Winter

#### **On the basis of the incentives**

- Recreational tourism
- Pleasure tourism or leisure tourism
- Business or technical tourism
- Sporting tourism

#### **On the basis of the socio-economic aspects of demand**

- Self-financing tourism
- Juvenile tourism
- Social tourism

#### **According to range**

- Domestic tourism or internal tourism
- International tourism

#### **On the basis of purpose of visit**

- Holiday tourism
- Business tourism
- Common interest tourism: it includes tourists with other specific purpose for their journeys and sometimes further sub-divided into.
  - Visit to friends and relatives
  - Study tourism
  - Religious tourism and
  - Miscellaneous purpose tourism

#### **On the basis of sociological aspects**

- Mass tourism
- Popular tourism
- Social tourism

**Moreover, on the basis of visit tourist are as follows:**

**Leisure and holiday tourism:** These types of tourist are concerned with leisure and rest. The tourists go on holiday for a change, to take rest, and to observe something new. In Nepal, the resources of tourist attractions are varied. So, a great number of tourists visit and want to pass their holiday in Nepal. According to the report, there are more number of tourists for leisure purpose than other purpose.

**Cultural/Pilgrimage Tourism:** The concept of cultural tourism emerged in 1970s. This form of tourism was recognized by UNESCO in 1976. Smith defines cultural tourism as “the absorption by tourists of features resembling the vanishing lifestyles of past societies observed through such phenomena as house style, craft, farming equipment and dress”

Archaeological and historical places, distinctive architectural styles, local dance, music, drama, ceremonies, art and crafts, dress, customs and values system all comprises the culture of an area. This cultural heritage offers attractions for tourists and can selectively help to conserve and enhance by tourism or degrade by it, depending on how tourism is developed and managed in a particular area. The cultural events, museums, monuments historic places, shopping, entertainment, conference and conventions facilities attract many tourists.

Nepal has different cultures and many more attractive pilgrimage places. The tri-city of Nepal; Kathmandu, Patan and Bhadgaun are very rich in religious shrines, art and architecture which are described as the open air museums. There are many other places of pilgrimage besides Kathmandu valley. Such as Lumbini; the native land of Gautam Buddha; the place of peace Janakpur the birth place of Sita; daughter of king Janak and consort of Ram; hero of great Hindu religion and many temples, stupas, monasteries and places of pilgrimage scattered all over the country. By all these unique and different cultural/heritage more numbers of tourist visit Nepal every year.

**Adventure and Sport Tourism:** Nepal is one of the most fascinating regions of the world for adventures. The towering Himalayas splendid and majestic with their snow capped

peaks pose an open challenge to adventures, mountaineers and explorers from all around the world. Nepal's Himalayas include many major peaks of the world like sagarmatha (Mt. Everest), Kanchenjunga, Lhotse, Makalu, Dhaulagiri, Mansalu, Cho-Oyu and Annapurna-I having eight thousand meters height. These Himalayas peaks and their towering miracle of nature have always become the challenge to the mountaineers of the world which has endorsed Nepal towards adventure tourism.

It is also popular for river rafting, jungle safari, and mountain bicycling, hot air ballooning, gliding, skiing and bungee jumping. Nepal's Himalayas and various natural panoramas provide an opportunity to every part of people to live in adventurous dream and feel the land of promise.

**Wildlife Tourism:** Nepal has varied vegetations with varied and rich fauna. There are number of varieties species of wildlife in the forest of Nepal. It includes the wild buffaloes, snow leopard, black bucks, wild elephants, antelopes, one-horned rhinoceros, tigers, bears, deers, blue-sheeps, stage, red panda, etc.

Nepal is also repository of many species of birds, fishes, reptiles, amphibians and insects. About eight hundred and thirty species of birds, as pheasants, snow pigeon, snow partilages, golden eagle, kalig pleasant, chak or yellow billed chough and many others are found here.

## **2.2 Theoretical Literature Reviews/ Empirical Studies**

**Department of Tourism (HMG/N, Nov 1977)** had pointed out that "A small landlocked country like Nepal with limited resources, but unique variety of tourist attractions can take advantages from integration of its own tourist promotional activities with the geographical proximate countries such as India, Pakistan, Thailand, and Afghanistan. This provides foreign currency earnings can be injected for the further development programme of the national economy.

**Nepal Rastra Bank (1990)**, had studied about income and employment generation from tourism industry in Nepal. It is reported that in FY 1987/88 tourism industry provided job to 11,176 persons among whom 61.7 per cent were basic level manpower, 29.2 per

cent middle level and the rest 9.1 per cent high level manpower. About 11 per cent of them were female. This report also highlighted that 53 per cent were directly employed in hotels and the rest in travel and trekking agencies and airlines. This suggested need for establishing academic institutions to train people in tourism related activities establishing academic institutions to train people in tourism related activities.

**Pradhananga (1993)** has studied on "Tourist Consumption Pattern and its Economic Impact", showed that the tourism sector contributed 37.99 per cent as direct expenditure. The study also found that the direct import content was 33.49 per cent in tourism sector, 17.34 per cent in tourism related sector and 8.94 per cent in non-tourism sector. It was observed that tourist expenditure at current price increased from Rs. 170.6 millions to 2128.9 millions during 1974/75 to 1987/88 which showed the increase in foreign exchange. Tourist expenditure on products using local resources at current price was estimated Rs. 51.74 millions in 1974/75 and Rs. 319.30 millions in 1987/88. The revenue at current price increased to Rs. 314.97 millions in 1987/88 from 34.92 millions in 1974/75.

**K. Baskota (ICIMOD, 1993)** said that although the number of tourist had been increasing over the years the length of the stay has changed very little over a period of roughly 20 years of tourism in Nepal. The length of tourist stay was 9.3 days in average and the average expenditure was estimated to be roughly Rs. 747 in 1987 and after that it has declined by 1.4 per cent in real terms. The paper also presented that the gross earning from tourism increased by 24.1 per cent from 1975 to 1990 and tourist share in the total foreign exchange increased from 9.0 per cent in 1974 to about 16 per cent in 1987/88. While its share in the total merchandise exports has been more than trebled to about 60 per cent in 1989 from 19 per cent in 1973/74. The average contribution of tourism earning to GDP increased from 1 per cent in 1974 to 3.4 per cent in 1990 with the average annual growth rate of about 2.3 per cent.

**S. R. Adhikari (1975)** has studied about tourism in Nepal and expressed that to promote the tourism sector, a Tourist Development Board (1957) and tourist information centre (1959) was established by HMG/N. His study also pointed out that during the period

1966 to 1968, the government policy was to increase various tourism related facilities (transportation, accommodation, recreational sites etc.). This study also suggested that tourism can be a dependable source of foreign exchange earning. This study further suggested that the need of plans, policies and programmes in future to sustainable qualitative tourism development.

**The Nepal Tourism Development Master Plan, 1972**, has summarized the potentialities of Nepalese tourism as: organized sight - seeing tourism, independent Nepal style tourism, and trekking and pilgrimage tourism. According to the Master Plan (1972), there is a high prospect of developing various types of tourism in Nepal. This plan focuses on the reality of the prospect of tourism in Nepal, as Nepal has an enormous natural beauty, country's old cultural heritage to offer to the pleasurable and cultural tourists.

**Budget Speech 2066/67:** This Physical Year Budget Presented by Finance Minister Surendra Pandey. He focused on "Tourism Development for wider Economic Growth" They had declared the Year 2011 as Tourism Year and planed to bring One Million Tourist into Nepal through the campaign of "Nepali Temperament, Welcome and Hospitality of Guest" Slogan.

**National Planning Commission The ninth Plan: (1997-2002)** the main objectives of this plan was poverty alleviation. Therefore the economic activities related to tourism the economic activates related to tourism should be targeted towards poverty alleviation. Ninth plan emphasized on social natural religious and cultural environment of the nation for tourism development this plan has focused to formulated and implementing the practical policies and measures and programmers for development.

Rising Nepal 23 April 2009 Tourism had contributed 6 to 7 percent to the Gross Domestic Product (GDP) of the country, so it was an important areas that could contribute to uplift the economic condition of the country"

**Shrestha (2000):** There was no plan and policy regarding tourism in Nepal till 1950s. For the first time the written study on tourism was made on the late 1950s. In Nepal,

"General Plan for the Organization of Tourism in Nepal" prepared by French national George Lebrec, in 1959, was the first tourism plan, which was prepared by the help of the French Government. In this plan, Lebrec has recommended to make brochures, posters, postage stamps depicting the Himalayan peaks and Flora and Fauna and to the use of films and documentaries prepared by the mountaineering expedition for promoting tourism in Nepal and the establishment of separate Nepal Tourism Offices. Later, George Lebrec visited Nepal in 1964 and 1966 and prepared two reports on tourism entitled "Report on the Development of Tourism" and "Report on Tourism in Nepal" respectively. In these reports, Lebrec had recommended that tourism in Nepal had started growing at a faster pace (Pokharel).

In 1972, with an aim to run tourism in a planned way and formulating policy. The Nepal Tourism Master Plan (1972), a detailed and comprehensive document about Nepalese tourism, was prepared with a joint co-operation of Bundesstelle Fur Entwicklungshilfe of Germany and His Majesty's Government of Nepal. This Master Plan defined the tourism development programs and projects for ten years. The plan also included marketing programs to be adopted and the market segments of Nepalese tourism were identified as organised sight seeing, independent "Nepal style" tourism, trekking and pilgrimage. The primary market for Nepal were identified as USA, France, Scandinavia and Australia as secondary target market. In the Master Plan Kathmandu was seen as continuing to be the principal centre of tourism activities in Nepal and to lengthen the average length of stay, tourists measures can be done by creating resort areas and the provision of recreational attractions suited to the needs of international tourism and opening up the country's attractions by round tours operated from Kathmandu with intermediate stops and shortly stays in selected sites. Furthermore, the plan has emphasized for development outside Kathmandu such as the development of Pokhara, Chitwan, National Park, development of national parks at Langtang, Annapurna and Dhaulagiri and Khumbu. The development of pilgrimage centers at Lumbini, Muktinath, Barachetra and Janakpur was also envisaged. The Master Plan had recommended for the establishment of a Ministry of Tourism and Culture embracing functions then found

within the Department of Tourism, the Department of Archaeology, the Department of Culture, the Department of Forestry, the Ministry of Foreign Affairs and the Immigration Office.

Nepal Tourism Marketing Strategy 1976 - 1981' prepared by Joseph-Edward Susnik started with the premises that:

- ) As the stay of tourists cannot be prolonged for now the number of international visitors should be increased substantially.
- ) Images of secondary destinations like Pokhara, Lumbini and Chitwan should be built up.
- ) Nepal should become a gateway for South and South-East Asia.
- ) Nepal should become the starting point of any Asian tour as it is the cradle of a religion and culture that influenced the history and life of the major parts of Asia.

In his report, Susnik has suggested for the formation of Nepal Tourism Marketing Committee as well as Nepal Tourism Infrastructure Committee with representation of private sector and the Department of Tourism be recognized into Nepal Tourist Office, which should concentrate on the marketing and promotional activities abroad with independent operational budget.

**'National Tourism Promotion Report 1983' was prepared** by National Tourism Promotion Committee of 1981. Suggestions also provided on marketing strategies and plans for tourism. It re emphasized the need for promoting Nepal Style Tourism a mentioned in the Nepal Tourism Master Plan which would include sightseeing, trekking and wildlife adventure and which should promote Nepal as a primary destination. The major suggestion given in this report are to develop resorts in the mid mountains to encourage tourists from India during the hot Indian summer season promotion in Europe be stepped up, special programs be designed for Buddhist pilgrims from Asian countries and that similar pilgrimage packages be designed for Hindu pilgrims from India depute a person in the Embassies of Nepal for promoting tourism participate in various important trade fairs and to promote convention tourism.

Another report entitled "Study and Recommendation for Nepal Marketing Plan. A Marketing Task Force Report"(1983 prepared by PATA, in 1983, considered to be very effective marketing plan of tourism. The main recommendation mentioned in this report are the establishment of an autonomous Nepal Tourism Promotion Board, to recognise responsibility by the private sector for all overseas sales activity, to engage overseas representation to conduct ongoing promotion and publicity for Nepal and to organise a research section to carry out market research on visitors to Nepal

**'Nepal Tourism Master Plan Review' (1984)** is a review study and it has suggested action programme for implementation for the promotion of tourism in Nepal.' This study contains three parts. In part one, a background to the 1972 Tourism Master Plan, its contents and intents, and its practical use and operation together with a comprehensive review of past developments in key areas of tourism. Part two sets forth an updated set of policy objectives and a market development concept for the five years and' part three provides action-oriented recommendations. According to this review report, there is no need for a new comprehensive master plan in tourism. The 1972 Master Plan is relevant in its long-term policy contents, and most of its basic conceptual assumptions have been fully verified. This study, focuses on a pragmatic policy framework essential to solving priority issues of tourism.

This study observed that active market promotion was the most important factor for the tourism development in Nepal.

This study, therefore, suggested to a various destination oriented marketing programmes. The major programmes include:

- ) developing a systematic concept of promotional material,
- ) determining the quality standard for each individual product,
- ) producing a Travel Agents manual containing comprehensive up to date information regarding tourism in Nepal,
- ) establishing representative offices in Western Europe, USA and Japan,
- ) participating in selected tourism trade fairs,



- ) offering familiarization tours to agents and journalists,
- ) establishing a Nepali-style tour package,
- ) directing sales to tour operators from the country of origin without middleman from India,
- ) expanding the trekking possibilities.

All the above studies recognized that the tourism industry is the major source of income for Nepal and it could be helpful for alleviating poverty from the nation. It also recognized for generating income, employment and other small scale industries, which are directly or indirectly related to tourism. These studies also discuss about the growth, impact, government revenue, prospects and problems and development of tourism in Nepal.

## **2.3 Historical Perspective of Tourism in Nepal**

### **2.3.1 Introduction**

From the ancient time Nepal was very popular land for various Gods and Goddesses. Many literature shows that different famous travellers were travelled thorough Nepal in the historic past. Development of tourism in Nepal can be categorized in following sub topics;

### **2.3.2 Tourism in the Ancient Time:**

In the history of tourism There are some record that tourism existed in the ancient time too. Although the number of tourists coming to Nepal was very little, it might be because of the limited transportation facilities,. History shows that, at that time people travel to Nepal only for religious and cultural purposes. Hindus and Buddhist traveled to Nepal to visit the birth place of Buddha and Sita as the holy place. *Brikuti*, the daughter of *King Amshu Barma*, married with Tibetan King. She popularized Buddhism all over the China. *Shankaracharya* visited Nepal after Lord Buddha. Nepal's famous artist of ancient time, *Arniko* visited China with his friend artists and developed Pagoda style architecture in the 13th century. *Huen Sang* had visited Nepal during *Lichchhabi* rulers, who praised

Nepalese art and culture very much. Because of Nepal's land-locked position, and the cultural attachment between Nepal and India, the number of Indian travelers was excessively larger although travelers from other countries were very low. During ancient period, famous traveler was emperor *Ashok* who traveled to Nepal with his daughter *Charumati* during the rule of *Jitadasti*, the 14th *Kirati* ruler who traveled mainly to *Lumbini*, the Birth place of *Lord Buddha*, and constructed many (*Vihars*) on many places, emperor *Ashok* popularized Buddhism all over the world. So, it is said that *Ashok* started religious tourism all over the world from Nepal.

### **2.3.3 Tourism During RANA Regime**

During their *Rana's* regime only few of people get the chance to visit Nepal. It seems the *Rana*, with their autocrat rule, feared that tourism may bring consciousness among the people. So, their policy was unfavourable to develop tourism. And they maintained a hard secular policy in regard to tourists. The Indians were not allowed to visit Nepal. Indians who visited Nepal during *Shivaratri* were given permission to live only for three days. But *Rana* maintained good relation with British people. At that period some British and King George V. of England visited Nepal only for hunting purposes. There was no any economic gain from such tourist trade. There were limited facilities of transportation, accommodation and communication in the country.

### **2.3.4 Tourism after RANA Regime**

*Rana's* autocracy ended after the revolution of 1950-51 (B S 2007) and established democratic government, that helped the development of tourism. Conquest of Mt. Everest by *Tenjing Norge Sherpa* (Nepal) and *Edmond Hillary* (Newzealand) in the year 1953 brought the name of Nepal on the picture around the globe. After Conquest of Mt. Everest Western and European people wanted to travel to Nepal as the land of Himalayas and land of Mt. Everest. Nepal became the member of United Nation in 1955 and introduced itself as independent sovereign country in the world. Another event which encouraged tourist from the different parts of the world is the coronation of late

King Mahendra in the year 1956. This was even more advantageous to Nepal from the view point of tourism development. Many renowned guests and diplomats from the various countries of the world were invited at that time, which brought stimulating impact on tourism. The diplomatic relation with various countries proved to be the best for Nepal's tourism development. In the year 2014 B.S. a tourism development board was established. And in the year 1959 (2016 B.S.) Directorate of Tourism was opened. Nepal became the member of "International Union of Official Travel Organization" (IUOTO) since 1959 and "Pacific Area Travel Association (PATA) since 1953. The membership of these organizations is of great significance for the development of Tourism in Nepal.

### **2.3.5 Tourism in Recent period**

Department of Tourism was established in 1962. From the view point of earner of foreign exchange and employment provider, it was considered as an industry. As tourism became the financial supporter for economic development, government took increasing participation on tourist trade in Nepal. During the period 1962/68 because of increasing demand, accommodation facilities were greatly increased by the increasing establishment of hotels with modern facilities. Realizing its important role for national economic development, government has given proper place for it on national plans.

As the agricultural sector and industrial sector are weak in our country, tourism could be one of the alternatives for the economic development of our country. On the other hand, 'Tourism' also helps to develop both those sectors. As the development of tourism sector hotels, restaurants were established on different parts of the country which increased demand for various agricultural products. As a result supply of agricultural products also increased. Therefore, development of tourism sector also developed agricultural sector as well. As development of tourism, subsidiary industries related to tourism established. All these show importance of tourism on national context.

In the year 1972 HMG/N with the government of Federal Republic of Germany, jointly prepared a Master Plan which is the plan for the development of tourism sector in

Nepal. Similarly, Nepal Tourism Board has celebrated "Visit Nepal 1998" in 1998 which was one of the great promotional efforts for the development of tourism in Nepal where 4.64 lakhs tourists visited in the country. Likewise, Nepal Tourism Board also celebrated "Destination Nepal Campaign 2002-2003" with the slogans of – Creating tourism awareness within the country, Establishing Nepal as safe, reliable and attractive destination in international tourism. Reform of various policies relating to tourism, should be considered as the great achievement for developing tourism. Similarly, celebrations of International Year of Ecotourism as well as Mount Everest Golden jubilee were additional publicity campaigns of the same year. At present the number of visitors' arrivals started to swing up. There by, foreign exchange earnings are also increasing. Thus, tourism is the main sources of foreign exchange which is expanding every year. So, it is least handicapped by limited domestic market and less threatened by competition on external markets.

In the recent time socio-economic and political conditions cause to decrease in the volume of tourist arrival in Nepal. But the experts and scholars says that, this is not the sole reason for decreasing tourists, but lack of advertisement in the international market, lack of airlines and lack of modern sophisticated medium of communication are also playing vital role for decreasing tourist arrival in Nepal.

But we have to accept that tourist arrival had decreased after Maoist insurgency in the country. At present tourism sector could be considered as one of the hard hit sectors due to political instability in Nepal. Different Institutional infrastructure were established for the development and promotion of Tourism in Nepal eg Department of tourism (1959) Hotel Association of Nepal (1966) Trekking Association of Nepal (1978), Nepal Association of Rafting (1988), Nepal Mountaineering association of Nepal (1973) Ministry of Culture Tourism and Civil Aviation (2000), Nepal Tourism Board etc.

#### **2.4 Tourism Development different Plan Periods**

The highly reached cultural heritage, enchanting diversity of tribes and communities, and heart rendering parade of scenic beauty goes to prove that there is more than enough justification for developing tourism in Nepal. Government of Nepal has realized

this fact and giving its importance for the boosting up national economy it started to develop in a plan way from First Plan Period (1956-61).

### **The First Plan (1956 – 1961)**

The Government of Nepal realized the important of tourism so they focused on the different tourism development. For this consideration and administrative machinery was set up as early as 1956 (National Planning Council: 1956. A Tourist Office was set up in the Department of Industry in 1957 following the establishment of a Tourist Development Board under the same Department in 1956. In 1959 the office was upgraded to department level. The Department of Tourism moved through a number of ministries until it was accommodated in the Ministry of Industry and Commerce in 1966. After the establishment of the department, Nepal could able to obtain the membership in different International Tourist Organizations. During this plan period, tourist information centres were established, survey of hotels was conducted, and some training was provided to tourist guides. This plan has focused for the infrastructure development like Road, Airport, electricity etc,

### **The Second Plan (1962 – 1965)**

The second plan also focused to develop the travel agencies, Hotels and the development of realized the need for the development of sight seeing services, trained guides, and increasing in publicity. Emphasis was given to add more facilities in Tribhuvan International Airport at Kathmandu. As a result of earlier efforts, the number of hotel beds reached 270 at the end of this plan period. The enactment of the Tourism Act 1964 (2021) is a notable achievement. This, helped to regulate and develop the tourism sector.

### **The Third Plan (1965 – 1970)**

The Third Plan programmes included completion of the Tribhuban International Airport runway, establishment of one hotels in Pokhara and Biratnagar, production of promotional Materials to boost tourism, repair, maintenance and reconstruction of

temples in Kathmandu Valley, These temples provide the main attraction to the tourists and hence a plan for their conservation was proposed. In this Third Plan programmes aimed to increased tourist inflow to 20,000 persons per annum (National Planning Commission: 1965, 68-75). Conservation of historical places, particularly, the Lumbini Kapilvastu area was also planned. The advisory Committee was set up in 1968 but later it is replaced by Nepal Tourism Development Committee.

### **The Fourth Plan (1970 – 1975)**

Nepal Tourism Master plan 1972 was formed in Fourth Plan period, for the development of tourism in Nepal and the implementation of development projects in accordance with this plan had begun after a systematic detailed study to tourism development (National Planning Commission: 1971, 73-78). This plan pointed out the potentiality of sightseeing and trekking tourism of Nepalese style. This Master plan also aimed to increase the foreign exchange in the Nepalese economy. Apart form the tourism master plan, the Fourth Plan emphasized the development of tourism in a planned way. Sites of tourists' attraction were improved and developed, and facilities for tourists in different parts of the country were provided with an effective measure. The private sector was encouraged to develop attractive parks, lakes, hunting sites, and playgrounds, and to make accommodation and travel facilities available to Tourists on whole. The plan envisaged increasing the number of tourists by 40 per cent annually. Hotels of different standards were planned to be established in Kathmandu Valley so that a total of 2600 hotels beds would be available. The Fourth Plan programmes allocated a budget of Rs. 5 million for the master plan of tourism development, publicity and advertisement, development of tourist centres outside Kathmandu Valley, extension of information centres, training and entertainment.

### **The Fifth Plan (1975 – 1980)**

It was during the Fifth Plan period that Tourism Department became a full-fledged Ministry in 1977. The Fifth Plan objectives of tourism included increasing foreign

exchange earnings and thereby improving the balance of payment situation, increasing employment opportunities, and achieving regional development by establishing tourist centres (National Planning Commission: 1975, 415-420). The Fifth Plan policies were to retain a 'Nepalese style' while promoting tourism to divert tourist who were largely confined to Kathmandu valley only to other areas as well; to increase the length of stay of tourists; to develop facilities for tourism in major cities such as Pokhara, Chitwan, Lumbini, Khumbu etc.; to develop remote areas for tourism either by air or on foot; to coordinate tourism with agriculture, transportation, and industries; to publicize Nepal in tourism source countries; and provide training on different areas of tourism. The Fifth Plan programme included providing training to 500 persons on different aspects of tourism, the rebus establishing tourist information centres in hard and fast. 20 million rupees were allocated for its development and aimed to distribute 35,00,000 booklets as promotional materials.

### **The Sixth Plan (1980 – 1985)**

The Sixth Plan objectives of tourism were to increase foreign exchange earnings, and to create employment opportunities by developing tourism related industries and increase the number of tourist with extending their stay. This plan also focused making the tourist centres more attractive, identifying new tourist centres, finding out ways and means of attracting tourists in off seasons, and conserving the natural, cultural, and artistic beauty of Nepal.

The number of tourists during the Fifth Plan grew at the rate of 15 per cent (National Planning Commission: 1981, 531-543). Foreign exchange earning increased to US \$ 104 million. Within a short span of time tourism became one of the important sources of foreign exchange. Hotel beds were also increased from 1663 in 1975 to 5018 in 1979. During the plan period, altogether 1095 persons were trained in various fields of tourism. Moreover, Nepal Industrial Development Corporation invested US \$ 23 million in tourism industry related companies. Clearly, the planners have emphasized the development of tourism in Nepal.

### **The Seventh Plan (1985 – 1990)**

The Seventh Plan aimed at increasing the inflow of upper class tourists so as to enable the country to earn foreign currency and also to create new employment opportunities by utilizing the tourism industry to the fullest possible capacity (National Planning Commission: 1986, 623 – 640). The Seventh Plan policies included launching of effective tourism promotion, and simplifying or reviewing the different types of taxes, fees, and other charges and regulations that are currently hindering the growth of tourism in Nepal. Other policies of the plan were to attract the investment of government and private sectors in tourism, to place more emphasis on trekking and Himalayan expeditions, to attract more tourists from Asian regions, to make necessary infrastructure like hotels and airports more efficient, to encourage tourism related industries, or tourist – trade and to conserve all religious, cultural, and historical places. It has also some other tourism development packages such as development of Pokhara tourism and tourism training through the Hotel Management and Tourism Training Centre.

### **The Eighth Plan (1992 – 1997)**

The Eighth Plan also recognized tourism as a major foreign currency earning industry (National Planning Commission: 1992, 436 - 461). And 3719 million budget were allocated for the development of tourism. The Eighth Plan focused on development employment Tourism promotion and publicity, Adventure tourism development, Private sector mobilization and facilities, New infrastructure development, Administrative reform, Extension of services of the Royal Nepal Airlines Corporation, Developing Tribhuvan International Airport as a focal point, Standard domestic and international air services, Private sector encouragement in domestic air services, Manpower for standard civil aviation services

Various targets and policies were formulated in Eighth Plan period but problem of implementation also apparent in this plan period. The Plan set out various targets such as Development of mountain tourism, International contact and market management,



Tourism research and survey, Production and distribution of publicity materials, development of cultural and religious tourism, Extension of tourism services and facilities, Implementation of Tourism Promotion Development Project, Extension of physical facilities of different airports .

### **The Ninth Plan (1997 – 2002)**

During the Ninth Plan period, the government has emphasized to social, natural, religious and cultural environment of the nation for tourism development. This plan also focused on construction and improvement of physical infrastructure as well as institutional policy adjustment. Government has also emphasized marketing the tourism industry through private sector. This plan has focused to formulate and implementing the practical policies and measures and programmes for tourism development.

Following objectives have been adopted in Ninth Plan:

- ) To establish backward and forward linkage of the tourism sector with the national economy so as to develop it as an important sector for the overall economic development.
- ) To establish Nepal as a premium destination in the world tourism market through effective publicity and promotion.
- ) To enhance employment opportunities, income generation and foreign currency earning from the tourism sector and expand these benefits down to the village level.

### **Target**

Tourist arrival is expected increase by 20 percent during the Ninth Plan Period. The total number is expected to reach 676,441 by the final year of the plan period. Similarly, US \$ 527.6 million is expected from tourism in the final year of this plan.

## **The Tenth Plan (2002 – 2007)**

The activities of tourism and cultural sectors, when implemented effectively with prioritization not only contributes to national economy but also provides benefits to foreign tourists as well as increase the opportunities for income generation and employment. With a view to developing this following objectives have been set forth in the tenth plan:

### **Objectives**

Effective promotion of tourism sector achieving sustainable development by enhancing public participation thus contributing to poverty alleviation.

To increase people participation in conservation of historical, cultural, religious and archaeological heritage and enhance their practical utilization.

To establish ha standard airport and aviation service with adequate infrastructure development for domestic and international flight.

### ***Strategies of the Tenth Plan***

- Ñ In an effort to generate massive participation, organize and operate public awareness programs are to be regularly arranged to notify the benefits of tourism sector.
- Ñ To increase tourism activities in recently opened (previously banned) and other possible sectors by maximum utilization of tourism resources and unifying the programs by establishing regional tourism hubs.
- Ñ To expand mountaineering, trekking, rafting and other adventurous activities to other sectors through participation of local bodies and NGO's.
- Ñ To integrate eco-tourism concept while implementing programs in such a way that environmental conservation and social values are not to be bypassed.
- Ñ To re-establish Nepal as a beautiful and peaceful destination through clean environment, pollution control, polite behaviour, security and safety guarantees.

- Ñ To change peoples concept towards their culture and tourism by enhancing positive attitude and guarantee multiplicative advantage up to the lowest level with adequate return from tourism.
- Ñ To help the tourism sector by preserving cultural richness and religious tradition.
- Ñ To encourage involvement of non-governmental sectors in management, preservation and utilization of cultural, religious, archaeological and natural heritage in accordance to decentralization policy.
- Ñ Make air travel easily accessible, safe, standard and reliable.

### **Policy and Working Policy**

The main policies are promoting quality tourism; enhancing internal tourism strengthening economy; generating more employment opportunities specially to the rural women and deprived communities through cottage and handicrafts industries development, and implementing Destination Nepal Campaign 2002/2003. The Eco-Tourism Projects, Tourism Infrastructure Development Programme, World Heritage Site Conservation Projects, Second International Air-port Project are the main programmes

- ) To explore new possibilities new tourist promising site in view to diversify tourism market and make mountaineering tourism more attractive by allowing to summit new or low usage mountains through the adoption of promotional subsidy, low price or free of cost.
- ) To increase employment opportunities, occupational use, and to conserve local skills and encourage the tourists to use locally produced goods and services so that large amount of revenues generated by tourism be spent on those areas. To prioritize the involvement of local women and backward communities.
- ) To establish pollution control and waste management works as an income generation alternative and implement it through the co-ordination with local bodies, private sector and non-governmental organizations.

- ) To form and implement code of conduct concerning parties which provide services in entry points, lodging, travel, entertainment. Improve standards and easy accessibility of service sectors.
- ) To implement sub-regional standard projects and programs in accordance with South Asian countries, to develop and promote tourism infrastructure.
- ) To promote cultural and religious tourism through conservation, maintenance and self sustained management of world heritage and other cultural, religious, and historical places. And to conserve world heritage and protected sites by implementing specific standards.
- ) To survey, research and excavate archaeological sites of national importance. Improve and develop infrastructure of culturally related institutions.
- ) To ensure the development of necessary infrastructure (road, communication, water supply, health services etc) in coordination with concerned ministries and organizations.
- ) To make the flights for remote areas regular and trustworthy by involving private airlines and implementing accordingly. And conduct flights to neighbouring countries from domestic airports.

In most of the plans, importance has been given to productive development, preservation and diversification of tourism potentialities. Thus, the different economic plans of Nepal has put emphasis in tourism development, however, the results are not satisfactory. The plan and policies have not been able to address the marketing issues adequately and conductivity to develop tourism as a vital aspect of the economy.

# CHAPTER III

## Research Methodology

### **3.1 Introduction:**

Research methodology is systematic way to solve the research problem. In other words research methodology describes the method and process applied in the entire aspect of the study. Research methodology refers to various sequential steps (along with a rationale of each step) to be adopted by a researcher in studying a problem with certain objectives in view (Kothari 1994:9) Thus overall approach to the researcher is presented in this chapter. This chapter consists of research design sample size and selection process. Data collection procedure and data processing techniques and tools.

Research methodology is the main body of the study, it is very way to solve about research problem systematically. Therefore, research methodology is the research method on techniques to use through the entire study. In other words research methodology is the process of arriving at the solution of problem through planned and systematic dealing with collection, analysis and interpretation of the fact and figures.

### **3.2 Research Design:**

A research design refers to the conceptual structure within which research is conducted. The research design is the arrangement of condition for collection and analysis of data in a manner that aims to combine relevance the research purpose within the economy and easy to procedure. This study/research is basically Historical, analytical, descriptive and evaluation. The survey research design is adopted for the study. The data and information collected from the different sources are arranged, tabulated, analyzed and interpreted according to the need of the study for attaining the stated objectives.

### **3.3 Population:**

Population is the entire universe of the study or total. If the total population is study this is census. Total visitors and total tourism related organizations are the population for this study. As we know the population in research is the census or Universe. Without population it is impossible to research.

### **3.4 Sample size:**

As we know sample is a collection of items or element from the population. A sample is a portion of the population. Sampling is an essential part of any research which plays an important role in research. This study will try to cover the tourist (Internal and external) and tourism related Organization (within Nepal and Outside Nepal) as much as possible.

### **3.5 Sampling Method:**

There are many sampling method In spite of this the study Simple Random Sampling method will be used during study

### **3.6 Data Collection/Nature/Source/Procedure:**

In this study secondary source of data will be used. For the study, secondary data will be collected from Budget Speech of Many fiscal Year, Nepal Tourism Board, National Planning Commission Various Plan, Different Tourism Sector Organization' Report and Publication (HAN, TAAN, NMA, NATHAM MoCATN etc), Annual Report of Ministry of Culture, Tourism and Civil Aviation Nepal, Different Publication, Magazine, Related Dissertation, Articles, Research reports, Websites Books about of Tourism written by different Author. Especially the date will be collected, presented and analysis from last 10-15 years. Most of the numerical , data were used published by Ministry of Culture, Tourism and Civil Aviation and Tourism, Tourism statistic year Book.

### **3.7 Data analysis Procedure:**

To conduct the study statistical tools such as ratio analysis, Trend analysis, diagram, Graph, tables, Pi Chart, Bar graph etc were used as required by the study.

The data were presented on suitable tables, diagram, graph, and format with the help of different suitable computer software on the basis of which necessary interpretation and explanation will be drawn.

### **3.8 Plan of Work/Organization of the study**

The study were carried out on sequential order, which were five chapters. The first chapter was begin with the introduction of the study and followed by Review of Literature, Research Methodology, Presentation and analysis of data and Conclusion and Recommendation in second, Third, Fourth and Fifth chapters respectively.

# CHAPTER IV

## Data presentation and Analysis

Tourism Marketing and Trend of Tourist Arrival with Contribution in Nepalese Economy

### 4.1 Introduction:

As one of the fastest growing industries, tourism has gained one of the top economy contribution Industry. From the employment point of view, this is the biggest industry. As per World Tourism Organization, out of 10% of the active labor force of the world is directly related to travel trade. This fastest growing and most popular industry should be marketed properly. Tourism needs to be marketed, systematically and rapidly according to the pace of time, because it is an industry in which the customer still has an immense variety of choice. There are numbers of competitors with each other to get bigger hold share in the market. Despite that to the tourism central point of marketing should enhance the whole tourism activities and industries. Today, all the direct and indirect promotional activities are related to tourism marketing to sell destinations and which effects all the operation of tourism.

Nowadays, a number of countries, destinations, companies, organizations are competing with each other to get a bigger and bigger share of the market. They are producing, developing and modifying products to compete with others. For this, they need to do promotional campaign to introduce new products or to maintain their market share and to attract the customers. The same way tourism needs to be marketed, just as any other product, because it is an industry in which the customer has an immense variety of choices.

### 4.2 Definition:



Some people think that marketing is selling; others think that marketing is advertising. The word marketing means different things to different people. Others think that marketing has something to do with making products available in store, arranging display and maintaining inventories of products for future sales. Actually marketing includes all these activities from production to sale and after sales process. Different scholars define the marketing in different ways

Philip Kotler says that marketing deals with indentifying and meeting human and social needs. He says that marketing is meeting needs profitably.

American Management Association has defined marketing as “the identification or creating of customer’s needs and thereafter the motivation and coordinated use of all functions within a business that can fill those needs and benefit both the buyer and seller”.

The British institute of Marketing has formulated the following definition: “Marketing as the management function which organizes and directs all those business activities involved in accessing and converting customers purchasing power into effective demand for a special product or service and moving the product or service to the final customer or user so as to achieve the profit target or other objectives set by the company”.

From the above definitions, we may conclude that marketing is a customer oriented management process. It identifies the potential customer, creates demand and satisfies the demand, the important points involved in marketing are:

- ) Finding out or creating market and identifying the customers
- ) Identification and prediction of customers behavior and their needs
- ) Converting customers needs into effective demand
- ) Develop or produce product to meet the demand
- ) Use different techniques of publicity and advertising
- ) Determine the price
- ) Moving the product to the customer for sale
- ) Achieve the objectives set by the company

### **4.3 Concept of tourism Marketing**

It is all well-known fact that travelling is a human phenomenon since the beginning of human civilization. As long as the inherent sense of curiosity and adventure dwells in the hearts of human beings; as long as the desire to travel to see new sights and experience new things and to live under different environment continues tourism will grow automatically. If such is the case, the tourism marketing has completed and simplified the process. Then question may arise, if the desire is ever present in people to travel and experience new things, why would, then, tourism industry need marketing efforts at all?

The answer to the above question lies in the fact that tourism is a very complex industry because of its multi-faced activities, which together produce the "tourist product". It is also complex because various sub-sectors of the tourism product are in themselves a complete industry. Each of the tourism components is organizing marketing campaign independently. Government or Governmental agencies are promoting their products. Every component is the subordinate and competitor at the same time.

Tourism marketing is defined in a number of ways. "Systematic and co-ordinated efforts exerted by the National Tourist Organization and/or the tourist enterprises at international, national and local levels to optimize the satisfaction of tourists, groups and individuals, in view of the sustained tourism growth". So tourism marketing is the joint effort of the components involved in it. No tourism planning or programmes will be successful without joint effort.

Tourism market is where the tourism products are sold. As tourism product is intangible and there is no transfer of ownership, it only promises to provide service. Tourism product does not move, so, in tourism market, only buyer and seller are possible to meet and transaction is completed as and where they meet. So selling and buying is done where the buyers are. In other words, market in tourism is described as the buyers and potential buyers. The market in tourism is described as the place where customers both potential and actual are located, as USA market, European market.

#### 4.4 Features of Tourism Market

There are different features can be mentioned in different ways but according to Mr Anand Ghimire in his book "*Travel and Tourism An Introduction*" He point out the some of the special characters of tourist products are discussed below:

**1. Tourism is an intangible, Non-material product:** Tourism is related to services, facility, pleasure, leisure, etc. which is not possible to visualize. And it is intangible.

**2. Ownership of the Tourism product is Not Transferable:** Tourism Product is buying or selling the service. In the process of buying and selling of the tourism product no transfer of ownership of goods is involved as compared to tangible product. In tourism certain facilities, installations, items or equipment are made available or a specific time and specific purpose. He cannot re-sail it. There is no transfer of ownership. For instance, products in tourism is a seat in an airplane or in a train for a journey form one point to another, hotel room or services such as information and advice provided by a travel agent.

**3. Production and Consumption Closely Interrelated:** Production of the tourism product is not to create a new item. It is related with idea. Tourism product is the combination of attraction, facilities and accessibility. The travel agents who sell the product neither produce them nor won them. The travel agents who sell the product cannot store it. Production can only take place and can only be completed it the customer is actually present. There is a close link between production and consumption of tourist services. Most of the tourist services cannot be consumed in a time difference. Once consumption starts it cannot be stopped, interrupted or modified. The customer cannot inspect, compare or try before deciding to buy the tourism product.

**4. Tourism is an Assembled Product:** The tourist product cannot be provided by a single enterprise. Each of the components of a tourism product is highly specialized and all these combined together makes the final product. The tourist product is not an airline or a rail seat or a visit to the historical sites but rather an union of many components which together make a complete product. In tourism each of the components of the tourist product is sold as an individual product.

**5. Tourism Product does not Move:** the tourist product cannot be transported. It does not move to the customers but customer needs to move to the product. As attraction, hotels do not move. Transport moves but it moves to its destination only. The customer must get in to enjoy it.

**6. The Demand of the Tourism Product is very unstable:** The demand of the tourism product is very unstable. Its demand is influenced by different factors such as season, economy/politics religion and other special events, etc. The seasonal change greatly affects the demand. The tourism plant is used for a limited time of the year. Many tourist areas have a short season. The seasonal business create seasonal unemployment, develop idle investment of staff, transport, office rent, etc. and increase the cost of production.

**7. Diverse Motivation:** The travelling motives are composed of diverse elements. Only one factor does not motivate man to travel. It is comparatively simple to determine why people buy a certain brand of product like a car and a bicycle. In tourism two people buy the same tour for entirely different reason. Different age group, different, sex, different economically standard people travel together. The subjective and objective reasons, expectation and desires, which determine the choice of tour or selection of destination are entirely different and sometimes even mutually exclusive.

**8. Dominant Role of Middlemen:** In most of the industries manufactures have predominant control over the product, product design, promotion and pricing, on the other and in tourism, sales intermediaries like tour operators, travel agents, reservation services and hotel brokers play a very dominant role and enjoy superior role. Travel trade these middlemen act as the producers of the tourism product. They determine to a large extent, which service to be offered as well as the pricing policies and promotion strategies to be adopted by tourism enterprises. Many times the demand or need or preferences of the customers are the determining factors but are dependent on expression and on willingness of the intermediaries to sell the particular item.

**9. Wild coverage:** Marketing of general product may be limited or producers can limit their sales campaign and marketing to the local area but in tourism it must be done

outside or in different location where tourism is produced, because tourist are the outsiders.

**10. A Luxurious Concept:** Tourism product being leisure, pleasure and comfort, is the most luxurious concept, so, it must be marketed. In the modern world of mass tourism it has become more important to be marketed then before.

**11. Concept of Competition:** The tourism product is the assembled product but at the same time each elements of the tourism products are the competitors or each other. Each component is the supplement and competitors at the same time. Trekking and a hotel must support each other but if the guest goes for trekking he will not stay in the hotel and vice versa. Pokhara and trekking are supplement to each other but are the competitors at the same time. The same way India and Nepal must work together although they compete against each other.

The normal consumer product or service, to tourism marketing is needed to be organized at different levels:

1. The individual level
2. National level or regional level to promote domestic and regional tourism
3. International level to promote international tourism.

#### **4.5 Tourism Marketing Mix**

Marketing mix is the most fundamental concept in marketing management. It is based around 4Ps; Product, Price, Promotion and Place. These are the elements that can be influenced and manipulated by the marketing manger to attain the organizational goal. For the purpose of tourism marketing management 4Ps need to be understood form different perspective.

#### **4.6 Segmentation of Market**

Segmentation of the market is greatest importance. Segmentation of the market is made In order to achieve the most efficient use of the marketing resource.

Segmentation means the identification of a section of the total market. The segment will be identified by socio-economic or behavioral or similar characteristics. Further segmentation will be needed for practical purpose depending upon the type of business: Within the major segments, further segmentation is necessary using different criteria. The division of the tourist market should be based on the type of business. In the same way, different travel agents, country, airline, hotels have divided their clients into different groups as per their objective, which is already discussed in the second chapter. Mr Ananda Ghimire In his book “ *Travel and Tourism An Introduction*” He considered for the segmented the Tourist on the following base.

**1. The Holiday Tourist:** The holiday tourist are the most sensitive to the change of price, peace, climate, purchasing capacity, accessibility, etc. s their objective of travel is to get pleasure. The holiday tourist market is the most seasonal one.

**2. The Business Tourist:** The business tourist’s choice of destination will be determined by the nature of his/her business. It will not be readily susceptible to influencing by marketing efforts. Business visits will be relatively frequent, but of short stay. On the other hand, this kind of tourism will be attracted by event attractions in the shape of exhibitions, trade fairs and conferences.

**3. Adventure Tourist:** These groups of tourists are less sensitive to peace, political stability, accessibility, etc. as compared to holiday tourists. Their stay would be longer. They are mostly young people. So they prefer budget and standard but never deluxe accommodation. These groups of people are will aware of the attraction and are already motivated. In this case marketing effort should be focused to develop the image and good-will and trust of the company.

**4. The Common Interest Tourist:** This segment comprises visits to friends and relatives, visitors for educational purpose, for pilgrimages and the like. Demand for this type of tourism will be relatively price-elastic, and also sensitive to the absolute level of price. The tourists will not be very readily influenced by promotion, their stay will be relatively long, they will not be a significant user of hotel accommodation, and will travel infrequently, spending relatively little on their stay,

**5. Age Group:** According to the age group tourist are categorized as students, youth and adult. Their choices of interest and purchasing capacity are different. In context of Nepal Tourist are recorded base on 0-15 Years, 16-39 Years, 31-45 Years, 46-60 Years and 61 and above.

**6. Tour Type:** Tourist who travel as part of group tour are known as GIT (Group Inclusive Tour) which is also known as package tour. They are mostly economy or standard tourists. These tours are mostly made for short period. FIT – Free Individual Tourist, is either young tourist travelling for long time or rich tourist who can afford to travel individually. In context of Nepal all types of tourist are recorded.

**7. Economy:** In certain tourism industry the tourists are categorized as per their desire to pay such as Deluxe, Standard and Budget. Airlines industry may further categorize them into different headings.

**8. Nationality:** Tourists are divided into domestic and international for marketing purpose. The international tourists are also further divided as per their nationality. Every national has his/her own culture, interest, likings, disliking and their purchasing capacity is also different.

**9. Type of Tour:** The buyers for different types of tours are different types of people. So the marketing approach to each type of tours should be different. The buyers of the cultural tour are different from adventure tourist and so is the market.

Tourism marketing approach is the most complicated approach as it has so many different factors to be considered. The buyers and potential buyer's willingness to buy a tourism depends upon so many different factors.

#### **4.7 TREND OF TOURIST ARRIVAL IN NEPAL**

Tourist are growing in Nepal every year. In this chapter we will see the tourist trend in Nepal by number and figure from different sources. We will analyze the tourism Market, Arrival, Their contribution in Nepalese economies and we will see the reality of Tourism development in Nepal.

Firstly lets' see the Tourist arrival by Fiscal Year

**Table 4.1**

Tourist Arrival by Fiscal Year 2039/40 (1965/66) – 2063/64 (2001/2002)

<b>Fiscal Year</b>	<b>Excluding Indian</b>	<b>Indian</b>	<b>Total</b>	<b>%Change</b>
2039/40	126,448	49,655	176,103	6.1
2040/41	132,936	53,586	186,522	5.9
2041/42	107,647	56,899	164,546	-11.8
2042/43	148,144	56,250	204,394	24.2
2043/44	181,131	57,225	238,361	16.6
2044/45	191,587	67,416	259,003	8.7
2045/46	194,979	53,474	248,453	-4.1
2046/47	198,128	48,233	246,361	-0.8
2047/48	187,821	82,686	270,507	9.8
2048/49	217,313	107,053	324,366	19.9
2049/50	219,337	86,949	306,286	-5.6
2050/51	222,375	94,597	316,972	3.5
2051/52	230,158	116,022	346,180	9.2
2052/53	262,448	117,853	380,301	9.9
2053/54	273,477	128,809	402,286	5.8
2054/55	301,636	138,647	440,283	9.4
2055/56	336,713	141,061	477,774	8.5
2056/57	359,043	100,307	459,350	-3.9
2057/58	362,330	86,401	448,731	-2.3
2058/59	229,873	59,127	289,000	-35.6
2059/60	218,972	76,707	295,679	2.3
2060/61	291,627	96,414	388,043	31.2
2061/62	262,461	78,640	341,101	12.1
2062/63	288,087	103,085	391,172	14.7
2063/64	361,382	101,198	462,580	18.3
<b>Total</b>	<b>5,906,053</b>	<b>2,158,294</b>	<b>8,064,354</b>	152
	<b>73.24</b>	<b>26.76</b>	<b>100</b>	

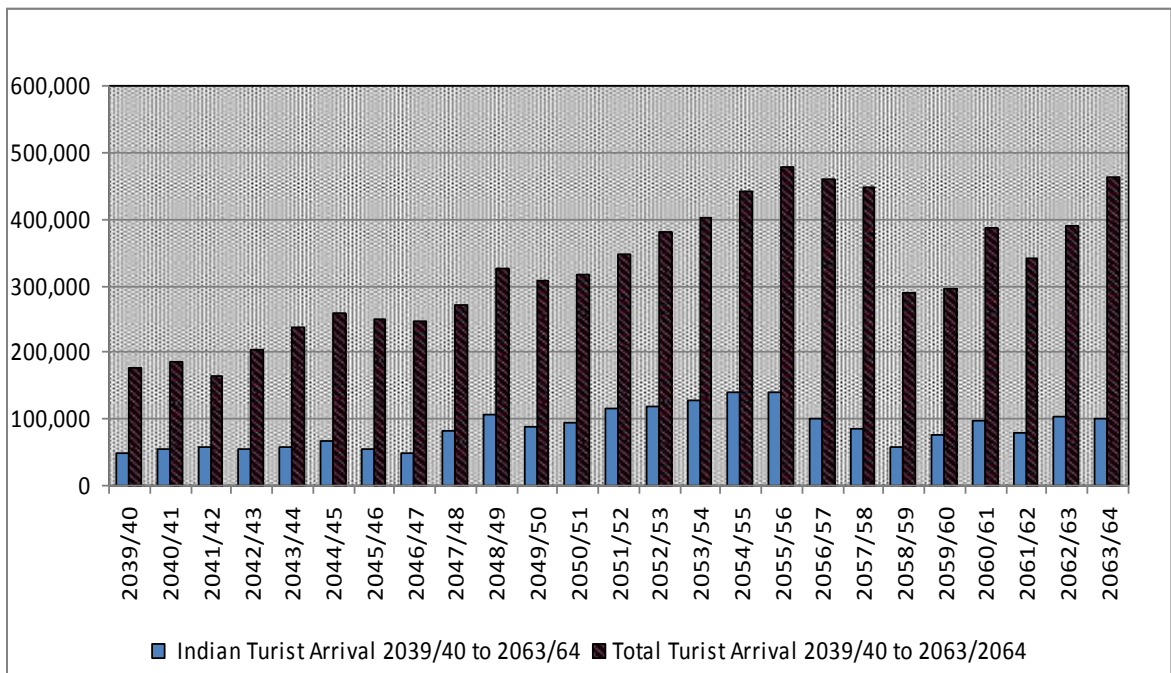
*Source: MoCTCA, Nepal Tourism Statistic 2008*

Regarding the fiscal year 2058/59 the tourist arrival decreases by -35.6 percent which are figured out by Table 4.1 Although decline in tourists arrival started from the fiscal year 2056/57 where decrease of -3.9 percent was observed. Indian Plane high jacking, political disestablishment, Maoist insurgency is the major causes for decreasing tourist arrival in Nepal from 1999 onwards.



Up to the 1969 Indian Tourist were not recorded in a perfect way but Now after 1970 when Indian Tourist were begun to recorded it has been holding the first position till now The ratio of Indian tourist with in these 35 years hovered around 20-30 % of total tourist arrival. The highest number of Indian Tourist arrival recorded in 1995 is 32.3%. After the hijacking of Indian Airlines flight from Kathamndu to Delhi. The number of Tourist arrival is reduced to the ever low 17.8% in 2001.

Figure No 1: Total Tourist arrival 2039/40 – 2063/64 with Indian and without Indian



**Table No 4.2: Tourist Arrival by Purpose of Visit (1992-2007)**

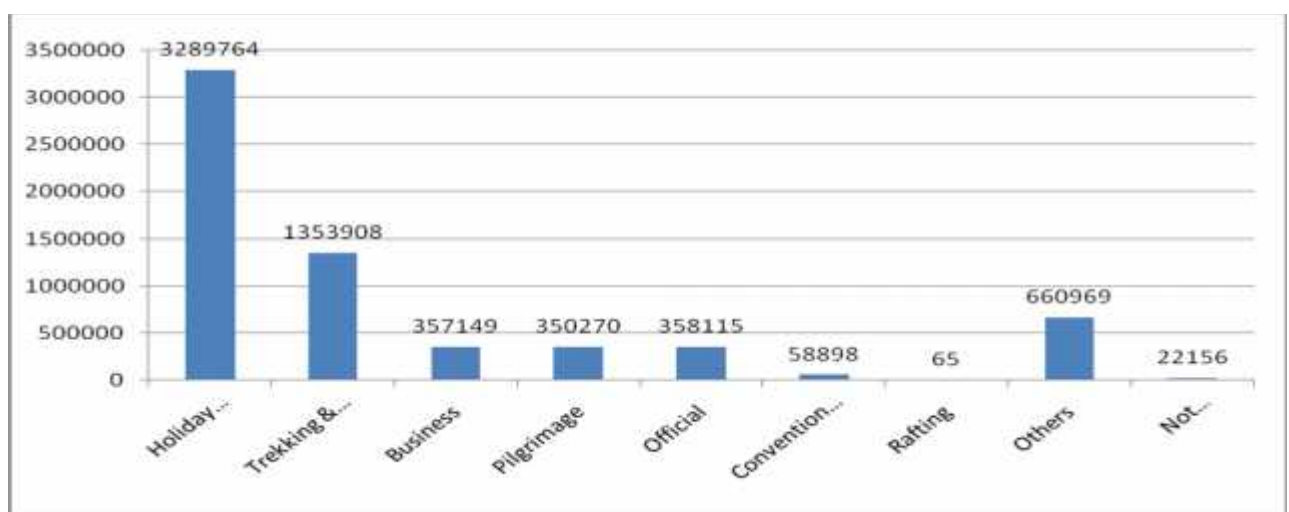
Year	Holiday Pleasure	Trekking & Mountaineering	Business	Pilgrimage	Official	Convention Conference	Rafting	Others	Not specified	Total
1991	177370 (60.5)	42308 (14.4)	14601 (5.0)	9103 (3.1)	37274 (12.7)	5441 (1.9)		6898 (2.4)		292885 (100.0)
1992	237711 (71.1)	35166 (10.5)	31765 (9.5)	7219 (2.2)	20967 (6.3)	815 (0.2)		710 (0.2)		334353 (100.0)
1993	170279 (58.0)	69619 (23.7)	19495 (6.6)	10429 (3.6)	15812 (5.4)	5367 (1.8)		2566 (0.9)		293567 (100.0)
1994	168155 (51.5)	76865 (23.5)	23522 (7.2)	5475 (1.7)	20431 (6.3)	5361 (1.6)		26722 (8.2)		326531 (100.0)
1995	183207 (50.4)	84787 (23.3)	21829 (6.0)	5257 (1.4)	20090 (5.5)	5272 (1.5)		42953 (11.8)		363395 (100.0)
1996	209377 (53.2)	88945 (22.6)	25079 (6.4)	4802 (1.2)	20191 (5.1)	6054 (1.5)		39165 (10.0)		393613 (100.0)
1997	249360 (59.1)	91525 (21.7)	27409 (6.5)	4068 (1.0)	24106 (5.7)	5824 (1.4)		19565 (4.6)		421857 (100.0)
1998	261347 (56.4)	112944 (24.3)	24954 (5.4)	16164 (3.5)	22123 (4.8)	5181 (1.1)		21271 (4.6)		463684 (100.0)
1999	290862 (59.2)	107960 (22.0)	23813 (4.8)	19198 (3.9)	24132 (4.9)	5965 (1.2)		19574 (4.0)		491504 (100.0)
2000	255889 (55.2)	118780 (25.6)	29454 (6.4)	15801 (3.4)	20832 (4.5)	5599 (1.2)		17291 (3.7)		463646 (100.0)
2001	187022 (51.8)	100828 (27.9)	18528 (5.1)	13816 (3.8)	18727 (5.2)	0 (0.0)		22316 (6.2)		361237 (100.0)
2002	110143 (40.0)	59279 (21.5)	16990 (6.2)	12366 (4.5)	17783 (6.5)	0 (0.0)		58907 (21.4)		275468 (100.0)
2003	97904 (29.0)	65721 (19.4)	19387 (5.7)	21395 (6.3)	21967 (6.5)	0 (0.0)		111758 (33.1)		338132 (100.0)
2004	167262 (43.4)	69442 (18.0)	13948 (3.6)	45664 (11.9)	17088 (4.4)	0 (0.0)		71893 (18.7)		385297 (100.0)
2005	160259 (42.7)	61488 (16.4)	21992 (5.9)	47621 (12.7)	16859 (4.5)	0 (0.0)		67179 (17.9)		375398 (100.0)
2006	145802 (27.7)	66931 (12.7)	21066 (4.0)	59298 (11.3)	18063 (3.4)	0 (0.0)		72766 (13.8)		383926 (100.0)
2007	217815 (41.4)	101320 (19.2)	24487 (4.6)	52594 (10.0)	21670 (4.1)	8019 (1.5)	65 (0.0)	78579 (14.9)	22156 (4.2)	526705 (100.0)
Total	3289764	1353908	357149	350270	358115	58898	65	660969	22156	6027514
%	54.58	22.46	5.93	5.81	5.94	0.98	0.00	10.97	0.37	100.00

Source: Source: MoCTCA, Nepal Tourism Statistic 2008 (Figures in parenthesis represent percentage of the total)

According to the Nepal Tourism statistic published by MoCTCA has categorized mainly 7 purposes. They are Holiday pleasure, Trekking and Mountaineering, Business, Pilgrimage, Official, Convention and conference and Rafting. The general overview of Table 3.2 shows the dominance of Holiday-Pleasure towards over other purposes. The data figured out that in the years 1991 to 2007 are 60.5%, 71.1%, 58.0%, 51.5%, 50.4%, 53.2%, 59.1%, 56.4%, 59.2%, 55.2%, 51.8%, 40.0%, 29.0%, 43.4%, 42.7%, 27.7% and 41.4% respectively. Percentage of Rafting is not recorded 1991 – 2006 but in 2007 it is very low percentage. Tourist visiting for business purpose occupies the third position in 1996 (6.4% out of 100%). Statistics shows that there is no significance change of arrival of tourist for their purposes during recent year. The trend of tourist inflow for business purpose is increasing by the year; it is because of liberal trade policy of HMG/Nepal. Tourist arrival with the purpose of pilgrimage also increasing over the year which was 3.1 per cent in 1991 became 10 percent in 2007. A very nominal proportion of tourist visits Nepal for convention and conference. It was less than 2 per cent before 2000 but it has nil representation in 2001 to 2006 and 1.5% in 2007. Huge percentage occupied by others purpose in 2002 (21.4%), 2003 (33.1%) 2004 (18.7%), 2004 (18.7%) and 2005(17.9%) could be poor mechanism of registration or tourist they do not like to show their purposes due political insecurity.

Trekking and Mountaineering is also another main category for which tourist visit Nepal. Tourist in this category is significantly recorded from 1993 to 2007.

**Figure No.2 : Tourist Arrival by Purpose of Visit (1992-2007)**



**Table 4.3: Tourist Arrival by Age and Sex (1992-2007)**

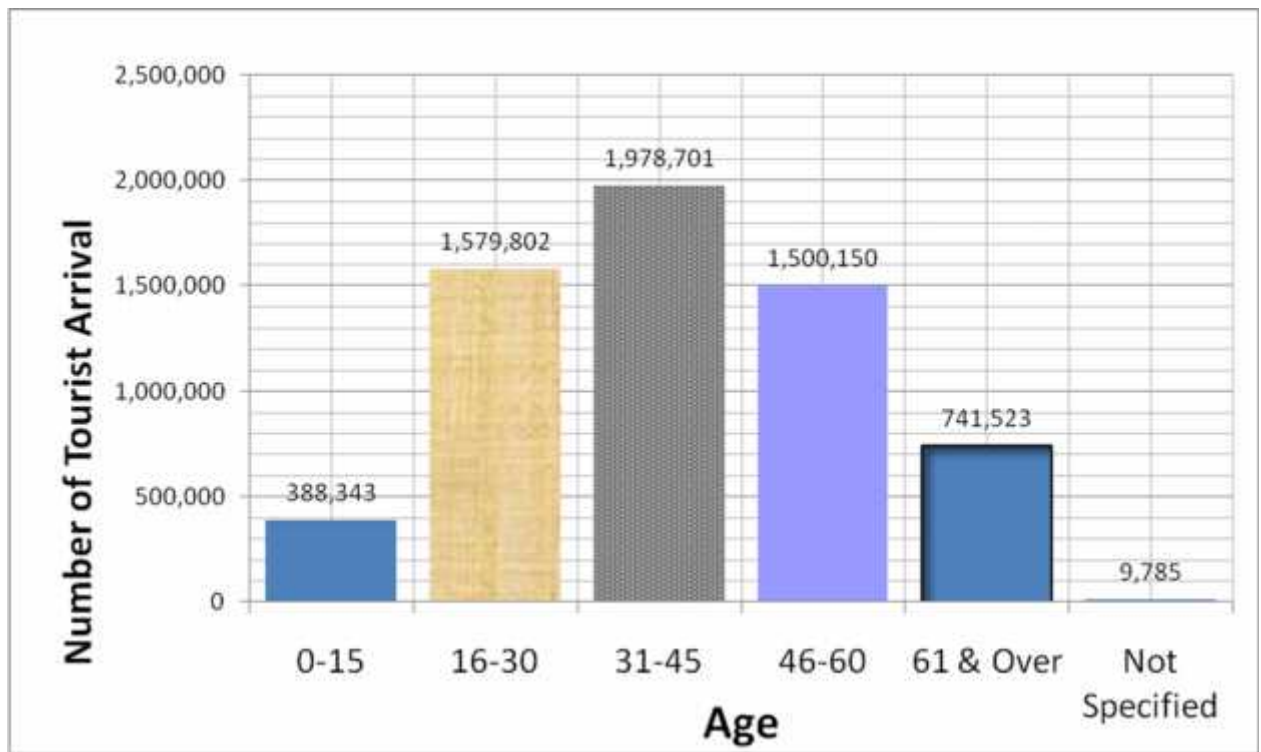
Year	Male	Female	Total	0-15 Years	16-30 Years	31-45 Years	46-60Years	61 & Over	Not Specify
1992	197,051 (58.9)	137,302 (41.1)	334,353 (100)	18,624 (5.6)	10,5123 (31.4)	111,096 (33.2)	65,651 (19.6)	33,859 (10.1)	
1993	179,178 (61.0)	114,389 (39.0)	293,567 (100)	15,289 (5.2)	91,947 (31.3)	96,665 (32.9)	59,768 (20.4)	29,898 (10.2)	
1994	205,389 (62.9)	121,142 (37.1)	326,531 (100)	20,097 (6.2)	96,016 (29.4)	106,260 (32.5)	66,174 (20.3)	37,984 (11.6)	
1995	224,769 (61.9)	138,626 (38.1)	363,395 (100)	22878 (6.3)	106,603 (29.3)	120,212 (33.1)	76,647 (21.1)	37,055 (10.2)	
1996	233,055 (59.2)	160,558 (40.8)	396,631 (100)	22,185 (5.6)	94,924 (24.1)	116,307 (29.5)	89,751 (22.8)	70,446 (17.9)	
1997	251,358 (59.6)	170,499 (40.4)	421,857 (100)	23,840 (5.7)	121,286 (28.8)	126,828 (30.1)	107,111 (25.4)	42,792 (10.1)	
1998	267,871 (57.8)	195,813 (42.2)	463,684 (100)	26,763 (5.8)	122,103 (26.3)	151,846 (32.7)	121,190 (26.1)	41,782 (9.0)	
1999	286,161 (58.2)	205,343 (41.8)	491,504 (100)	30,967 (6.3)	150,307 (30.6)	155,985 (31.7)	113,314 (23.1)	40,913 (8.3)	
2000	266,937 (57.6)	196,709 (42.4)	463,646 (100)	19,136 (4.1)	119,816 (25.8)	148,063 (31.9)	125,140 (27.0)	51,491 (11.1)	
2001	213,465 (59.1)	147,772 (40.9)	361,237 (100)	14,608 (4.0)	95,801 (26.5)	115,678 (32.0)	93,621 (25.9)	41,529 (11.5)	
2002	174,710 (63.4)	100,758 (36.6)	275,438 (100)	12,425 (4.5)	67,774 (24.6)	99,622 (36.2)	67,017 (24.3)	28,630 (10.4)	
2003	204,732 (60.5)	133,400 (39.5)	338,132 (100)	16,065 (4.7)	78,357 (23.2)	99,740 (29.5)	85,753 (25.4)	58,226 (17.2)	
2004	255,303 (66.3)	129,994 (33.7)	385,297 (100)	38,734 (10.1)	84,125 (21.8)	12,8267 (33.3)	96,920 (25.1)	37,251 (9.7)	
2005	257,972 (68.7)	117,426 (31.3)	375,398 (100)	30,429 (8.1)	57,115 (15.2)	114,103 (30.4)	106,077 (28.3)	67,674 (18.0)	
2006	218,818 (57.0)	165,108 (43.0)	383,926 (100)	37,433 (9.8)	75,626 (19.7)	123,541 (32.2)	95,260 (24.8)	52,066 (13.6)	
2007	290,688 (55.2)	236,017 (44.8)	526,705 (100)	38,870 (7.4)	112,879 (21.4)	164,488 (31.2)	130,756 (24.8)	69,927 (13.3)	9,785 (1.9)
Total	3727457	2470856	6201301	388343	1579802	1978701	1500150	741523	

Source: MoCTCA, Nepal Tourism Statistic 2008

Table 4.3 revealed the male out numbering female over the year. In the year 1992, among the total visitors 58.9 percentages was male and 41.1percentage were female which 55.2 percentage and 44.8 percentages was in 2007. In all the year Male percentage is more than female percentage it might be the security or facilities.

Regarding the age groups 31-45 is found dominant age group than others, which is followed by 16-30, 46-60, 60 & over and 0-15 respectively in almost all (1992-2007) the year. Demographically it is found that age group between 31-45 is highly mobile, energetic and active, that's why it is observed their dominancy in tourism market, which is also similar pattern in Nepal. Not specified also seems in the year 2007.

**Figure No 3: Tourist Arrival by Age and Sex (1992-2007)**



**Table 4.4**

## Tourist Arrival by Continents/Regions

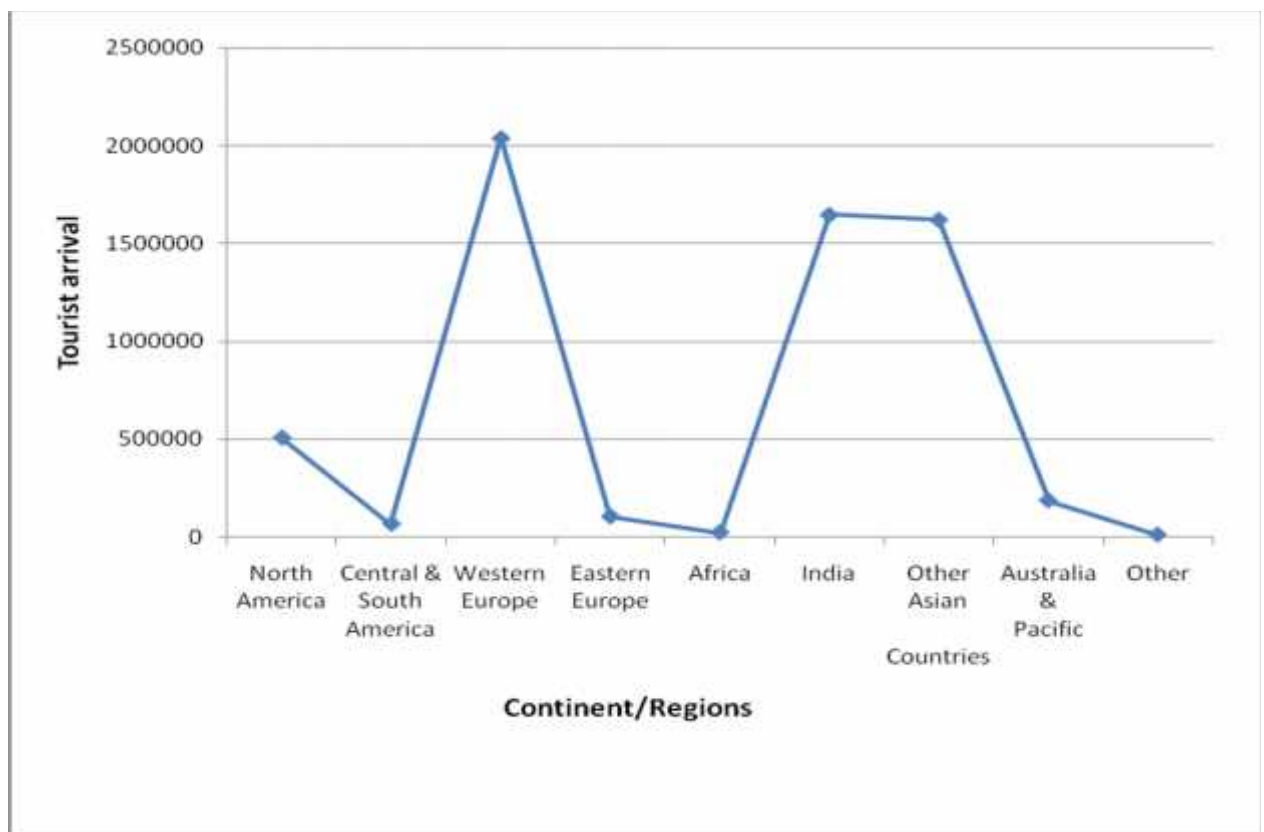
Year	North America	Central & South America	Western Europe	Eastern Europe	Africa	India	Other Asian Countries	Australia & Pacific	Other	Total
1992	27356	2727	132555	2553	1263	106574	49738	10893	694	334353
1993	25283	2612	122064	3016	985	83362	45450	9806	989	293567
1994	26078	3083	132518	2664	915	102540	48442	9905	386	326531
1995	29702	3049	133809	3860	1073	117260	63117	11499	26	363395
1996	30635	4230	132787	6114	1775	122512	83297	12233	30	393613
1997	36301	4554	137028	6416	1645	133438	89411	13047	17	421857
1998	43038	5937	151070	6741	1795	143229	97231	14635	8	463684
1999	46910	6096	164913	6723	1857	140667	109132	15207	5	491510
2000	49032	6076	159325	6992	2040	95915	128617	15641	8	463646
2001	39120	4634	131661	6201	1596	64320	100669	13036	0	361237
2002	21265	2791	87912	5276	1132	66777	81893	8420	0	275466
2003	22992	2262	95162	6451	1612	86363	113682	9608	0	338132
2004	25505	4373	116505	7661	1161	90222	128165	10947	758	385297
2005	22853	3559	98046	8263	1302	96434	133848	8317	2776	375398
2006	23982	3735	102891	8671	1366	101199	140462	8728	2913	393947
2007	37182	6486	140630	16634	1350	96010	208215	14506	2177	523190
TOTAL	507234	66204	2038876	104236	22867	1646822	1621369	186428	10787	6204823

Source: MoCTCA, Nepal Tourism Statistic 2008

Table 4.4 shows that about the tourist arrival from various continents is differing by the year and continents. But the dominance of tourist arrival from Asia is in the range of 46.8 percent to 61.3 percent and the second dominance is Western Europe is in the range of 18.5 percent to 41.6 percent form 1992 to 2002. North American tourist arrival in Nepal is in third position. Lacking airlines and advertisement is the main problems in decreasing tourist arrival in Nepal. Representation from Central & S. America, Eastern Europe and Africa is very nominal in Nepalese tourism.

Because of dominance of Indian tourist arrival percent from Asia is more than other continents which is 57.8 per cent among total arrival in 2007. This shows the importance of regional tourism in Nepal.

Figure No 4: Tourist Arrival by Continents/Regions



**Table 4.5****Tourist arrival by months 1992-2007**

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
1992	17,451	27,489	31,505	30,682	29,089	22,469	20,942	27,338	24,839	42,647	27,561	27,561	334,353
1993	19,238	23,931	30,818	20,121	20,585	19,602	13,588	21,583	23,939	42,242	27,542	27,542	293,567
1994	21,735	24,872	31,586	27,292	26,232	22,907	19,739	27,610	27,959	39,393	29,198	29,198	326,531
1995	22,207	28,240	34,219	33,994	27,843	25,650	23,980	27,686	30,569	46,845	26,380	26,380	363,395
1996	27,886	29,676	39,336	36,331	29,728	26,749	22,684	29,080	32,181	47,314	34,998	34,998	393,613
1997	25,585	32,861	42,177	35,229	33,456	26,367	26,091	35,549	31,981	56,272	35,116	35,116	421,857
1998	28,822	37,956	41,338	41,087	35,814	29,181	27,895	36,174	39,664	62,487	35,863	35,863	643,684
1999	29,752	28,134	46,218	40,774	42,712	31,049	27,193	38,449	44,117	66,543	37,698	37,698	491,504
2000	25,307	38,959	44,944	43,635	28,363	26,933	24,480	34,670	43,532	59,195	40,644	40,644	463,646
2001	30,454	38,680	46,709	39,083	28,345	13,030	18,329	25,322	31,170	41,245	18,588	18,588	361,237
2002	17,176	20,668	28,815	21,253	19,887	17,218	16,621	21,093	23,752	35,272	24,990	24,990	257,468
2003	21,215	24,349	27,737	25,851	22,704	20,351	22,661	27,568	28,724	45,459	33,115	33,115	338,132
2004	30,988	35,631	44,290	33,514	26,802	19,793	24,860	33,162	25,496	43,373	31,007	31,007	385,297
2005	25,477	20,338	29,875	23,414	25,541	22,608	23,996	36,910	36,066	51,498	38,170	38,170	375,398
2006	28,769	25,728	36,873	21,983	22,870	26,210	25,183	33,150	33,362	49,670	36,009	36,009	383,926
2007	33,192 (15.4)	39,934 (55.2)	54,722 (48.4)	40,942 (86.2)	35,854 (56.8)	31,316 (19.5)	35,437 (40.7)	44,683 (34.8)	45,552 (36.5)	70,644 (42.2)	42,156 (18.5)	42,156 (17.1)	52,6705 (37.2)

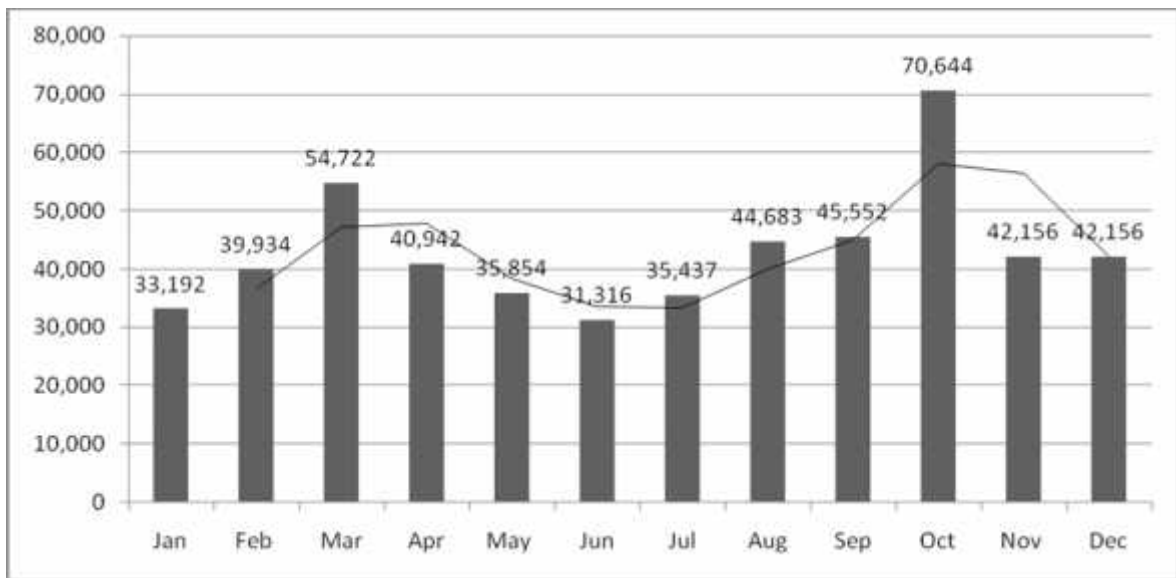
Source: MoCTCA, Nepal Tourism Statistic 2008. (Figure inside parenthesis percentage of the total)



Table 4.5 represent the total tourist arrival since 1992 to 2007 in months including Indians. The trend of tourist arrival in different months is not uniform. According the table 4.5 March, October and November are the most favourable month for tourists. Similarly, other months such as, January, February, September and December are also the optimum months for tourist arrival.

It can be concluded that October followed by November and September is the most favourable months for tourists. This is because of during these months the climate is pleasant in Nepal. The other influencing factor for larger tourist groups arrival is because of their holiday during these months. On the other hand May, June and July are the hot and rainy months. In these months tourist arrival declines over the year.

**Figure No. 5 Tourist arrival by months 1992-2007**



**Table 4.6**

Tourist Arrival by Months (Excluding Indian) (1992-2007)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1992	12,560	20,331	24,792	20,295	11,380	7,264	12,708	20,198	18,442	33,834	25,862	20,113	227,779
1993	14,147	18,164	25,200	14,594	9,355	8,536	9,076	16,671	18,293	34,415	23,715	18,039	210,205
1994	14,795	19,794	24,856	19,778	12,244	8,561	13,352	20,524	21,289	30,063	20,556	18,179	223,991
1995	15,758	19,482	25,381	23,419	12,491	9,270	14,141	20,211	22,344	38,398	28,177	17,063	246,135
1996	17,678	23,629	31,738	25,458	14,042	9,777	13,724	21,833	23,201	38,139	29,221	22,661	271,101
1997	16,856	24,151	33,389	24,343	14,836	9,973	16,024	24,772	24,344	46,110	30,712	22,909	288,419
1998	20,124	27,855	33,097	28,997	15,647	11,195	15,724	26,387	29,241	49,787	38,587	23,814	320,455
1999	20,554	29,259	38,158	29,637	22,305	12,731	16,782	29,402	33,650	54,099	38,835	25,431	350,843
2000	21,092	33,939	38,959	36,430	18,658	12,036	16,842	27,205	34,643	51,100	45,318	31,509	367,731
2001	25,158	32,763	40,684	32,211	17,406	8,929	13,965	21,658	26,132	37,198	25,795	15,018	296,917
2002	13,180	16,960	25,102	16,877	11,751	8,338	9,962	15,515	18,768	30,251	24,044	17,943	208,691
2003	15,659	19,321	22,260	20,303	15,288	7,835	13,607	19,149	22,577	38,040	31,750	25,980	251,769
2004	22,947	28,743	35,468	26,279	15,581	9,776	17,070	27,657	21,829	38,104	29,330	22,187	294,971
2005	19,531	17,061	25,847	18,311	15,438	11,170	14,921	26,119	27,413	40,553	34,778	27,822	278,964
2006	21,126	21,320	30,169	18,435	13,517	11,841	15,066	24,966	26,327	43,062	37,402	27,009	290,204
2007	25,857	33,133	48,022	32,794	23,296	18,937	26,160	37,658	38,813	65,745	46,822	33,458	430,695
Total	297,022	385,905	503,122	388,161	243,235	166,169	239,124	379,925	407,306	668,898	510,904	369,135	4,558,870

Source: Source: MoCTCA, Nepal Tourism Statistic 2008.

Table 4.6 represent the total tourist arrival since 1992 to 2007 in months excluding Indians. The trend of tourist arrival in different months is not uniform. It fluctuates over months to month. According the table 3.6, March, October and November are the most favourable month for tourists and March seems to be the best month. Similarly, other months such as, January, February, September and December are also the optimum months for tourist arrival.

It can be concluded that October followed by November and September is the most favourable months for tourists. This is because of during these months the climate is pleasant in Nepal. The other influencing factor for larger tourist groups arrival is because of their holiday during these months. On the other hand May, June and July are the hot and rainy months. In these months tourist arrival declines over the year.

Similarly in table 4.7 (see below) shows the arrival of Indian tourist also fluctuating over the year and months. But ay June and July is seem to more favorable months. Comparatively with other countries May and June are the most favorable Months it may be very hot in the India and Boarder to Nepal so many Indian Tourist come to Nepal but for the other country April, October and November are the most favorable months. Although there is big fluctuating in some of the year and months. Share of Indian tourist arrivals also ranges from 20 percent to 32 per cent. It shows one third of the total tourist arriving Nepal are Indians. But in 2001, only 64320 Indians

Till 1970 Indian tourist were not used to record properly but Now after 1970 when Indian Tourist were begun to recorded it has been holding the first position till now The ratio of Indian tourist with in these 35 years hovered around 20-30 % of total tourist arrivals. The highest number of Indian Tourist arrival recorded in 1995 is 32.3%. After the hijacking of Indian Airlines flight from Kathamndu to Delhi. The number of Tourist arrival is reduced to the ever low 17.8% in 2001

**Table 4.7**

Indian Tourist Arrival by Months (1991-2007)

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
1992	4,891	7,158	6,713	10,387	17,709	15,205	8,234	7,140	6,397	8,813	6,479	7,448	106,574
1993	5,091	5,767	5,618	5,527	11,230	11,066	4,512	4,912	5,646	7,827	6,663	9,503	83,362
1994	6,940	5,078	6,730	7,514	13,988	14,346	6,387	7,086	6,670	9,330	7,452	11,019	102,540
1995	6,449	8,758	8,838	10,575	15,352	16,380	9,839	7,475	8,225	8,447	7,605	9,317	117,260
1996	10,208	6,047	7,598	10,873	15,686	16,972	8,960	7,247	8,980	9,175	8,429	12,337	122,512
1997	8,729	8,710	9,788	10,886	18,620	16,394	10,067	10,777	7,637	10,162	9,461	12,207	133,438
1998	8,698	10,101	8,241	12,090	20,167	17,986	12,171	9,787	10,423	12,700	88,816	12,049	223,229
1999	9,198	8,875	8,060	11,137	20,407	18,318	10,411	9,047	10,467	12,444	10,030	12,267	140,661
2000	4,215	5,020	5,985	7,205	9,705	14,897	7,638	7,465	8,880	8,095	7,675	9,135	95,915
2001	5,296	5,917	6,025	6,872	10,939	4,101	4,364	3,664	5,038	4,047	4,487	3,570	64,320
2002	3,996	3,708	3,713	4,376	8,136	8,880	6,659	5,578	4,984	5,021	4,679	7,047	66,777
2003	5,556	5,028	5,477	5,548	7,416	12,516	9,054	8,419	6,147	7,419	6,648	7,135	86,363
2004	8,041	6,888	8,822	7,235	11,221	10,017	7,790	5,505	3,667	5,269	7,051	8,820	90,326
2005	5,946	3,277	4,028	5,103	10,103	11,438	9,075	10,791	8,653	10,945	6,727	10,348	96,434
2006	7,643	4,408	6,704	3,548	9,353	14,369	10,117	8,184	7,035	6,644	6,717	9,000	93,722
2007	7,335	6,801	6,700	8,148	12,558	12,379	9,277	7,025	6,739	4,899	5,451	8,698	96,010
	108,232	101,541	109,040	127,024	212,590	215,264	134,555	120,102	115,588	131,237	194,370	149,900	1,719,443

Source: MoCTCA, Nepal Tourism Statistic 2008.

Table 4.8 Tourist Arrival by Major Nationalities 1991-2007

Nationality	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total	%
Australia	8871 (2.7)	7974 (2.7)	7947 (2.4)	9201 (2.5)	9720 (2.5)	10227 (2.4)	11132 (2.4)	11873 (2.4)	12189 (2.6)	10455 (2.9)	7159 (2.6)	7916 (2.3)	9671 (2.5)	7093 (1.9)	8231 (2.1)	12369 (2.3)	152,028	2.45
Austria	3119 (0.9)	3186 (1.1)	2927 (0.9)	3852 (1.1)	4163 (1.1)	3986 (1.0)	4603 (1.0)	6377 (1.3)	5221 (1.)	4164 (1.2)	3140 (1.1)	3025 (0.9)	4341 (1.1)	3007 (0.8)	3474 (0.9)	4473 0.8	63,058	1.02
Canada	5167 (1.5)	4909 (1.7)	4432 (1.4)	5047 (1.4)	5480 (1.4)	6445 (1.5)	7136 (1.5)	7578 (1.5)	8590 (1.9)	65,7068 (2.0)	3747 (1.4)	4154 (1.2)	4825 (1.3)	4168 (1.1)	4733 (1.2)	7399 (1.4)	740,878	11.9 5
Denmark	3265 (1.0)	3597 (1.2)	3332 (1.0)	4629 (1.3)	4454 (1.1)	4322 (1.0)	4781 (1.0)	4577 (0.9)	4847 (1.0)	3854 (1.1)	2040 (0.7)	2178 (0.6)	2633 (0.7)	1770 (0.5)	1956 (0.5)	3157 (0.6)	55,392	0.89
France	22669 (6.8)	16975 (5.8)	18638 (5.7)	19208 (5.3)	19913 (5.1)	21573 (5.1)	21996 (4.7)	24490 (5.0)	24506 (5.3)	21187 (5.9)	13376 (4.9)	15865 4.7	18938 (4.9)	14108 (3.8)	14835 (3.9)	20250 (3.8)	308,527	4.98
Germany	23887 (7.1)	32006 (10.9)	44530 (13.6)	33971 (9.3)	24963 (6.3)	22374 (5.3)	23862 (5.1)	26378 (5.4)	26263 (5.7)	21577 (6.0)	15774 (5.7)	14866 (4.4)	90326 (23.4)	95685 (25.5)	93722 (24.4)	21323 (4.0)	611,507	9.87
India	106574 (31.9)	83362 (28.4)	102540 (31.4)	117260 (32.3)	122512 (31.1)	133438 (31.6)	143229 (30.9)	140661 (28.6)	95915 (20.7)	64320 (17.8)	66777 (24.2)	86363 (25.5)	90326 (23.4)	95685 (25.5)	93722 (24.4)	96010 (18.2)	1,638,694	26.4 4
Italy	13427 (4.0)	9372 (3.2)	9715 (3.0)	10267 (2.8)	10258 (2.6)	11034 (2.6)	12864 (2.8)	12870 (2.6)	11491 (2.5)	8745 (2.4)	8057 (2.9)	8243 (2.4)	12376 (3.2)	8785 (2.3)	7736 (2.0)	11243 (2.1)	166,483	2.69
Japan	19533 (5.8)	17804 (6.1)	19569 (6.0)	25360 (7.0)	28923 (7.3)	35038 (8.3)	37886 (8.1)	38893 (7.9)	41070 (8.9)	28830 (8.0)	23223 (8.4)	27412 (8.1)	24231 (6.3)	18339 (4.9)	22242 (5.8)	27058 (5.1)	435,411	7.02
Netherlands	9478 (2.8)	9202 (3.1)	8669 (2.7)	8681 (2.4)	8718 (2.2)	9214 (2.2)	14403 (3.1)	17198 (3.5)	16211 (3.5)	13662 (3.8)	8306 (3.0)	8443 (2.5)	11160 (2.9)	8947 (2.4)	7207 (1.9)	10589 (2.0)	170,088	2.74
Spain	11272 (3.4)	6706 (2.3)	6228 (1.9)	7129 (2.0)	8658 (2.2)	8621 (2.0)	8832 (1.9)	9370 (1.9)	8874 (1.9)	5897 (1.6)	5267 (1.9)	8265 (2.4)	11767 (3.1)	8891 (2.4)	10377 (2.7)	15672 (3.0)	133,839	2.16
Switzerland	5914 (1.8)	5820 (2.0)	4921 (1.5)	5981 (1.6)	6961 (1.8)	10630 (2.5)	6644 (1.4)	8431 (1.7)	6230 (1.3)	5649 (1.6)	3352 (1.2)	3246 (1.0)	3788 (1.0)	3163 (0.8)	3559 (0.9)	5238 (1.0)	89,527	1.44
Sri Lanka	858 (0.3)	804 (0.3)	888 (0.3)	1172 (0.3)	5758 (1.5)	4021 (1.0)	11031 (2.4)	12432 (2.5)	16649 (3.6)	9844 (2.7)	9805 (3.6)	13930 (4.1)	16124 (4.2)	18770 (5.0)	27413 (7.1)	49947 (9.5)	199,446	3.22
U.S.A.	22189 (6.6)	20374 (6.9)	21646 (6.6)	24655 (6.8)	25155 (6.4)	30056 (7.0)	35902 (7.7)	39332 (8.0)	40442 (8.7)	32052 (8.9)	17518 (6.4)	18838 (5.6)	20680 (5.4)	18539 (4.9)	19833 (5.2)	29783 (5.7)	416,994	6.73
U.K.	26492 (7.9)	23479 (8.0)	22504 (6.9)	26768 (7.4)	29466 (7.5)	29998 (7.1)	35499 (7.7)	36852 (7.5)	37765 (8.1)	33533 (9.3)	21007 (7.6)	22101 (6.5)	24667 (6.4)	25151 (6.7)	22708 (5.9)	32367 (6.1)	450,357	7.27
Others	51638 (15.4)	48015 (16.4)	48045 (14.7)	60214 (16.6)	78511 (19.9)	81080 (19.2)	84388 (18.2)	94192 (19.2)	107383 23.2	90400 (25.0)	66920 (24.3)	93287 (27.6)	113745 (29.5)	12737 (33.2)	120732 (31.4)	176312 (33.5)	1,327,599	21.4 2
Not Specified	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	4005 (1.0)	3515 (0.7)	7,520	0.12
Total	334353 (100)	293567 (100)	326531 (100)	363395 (100)	393613 (100)	421857 (100)	463684 (100)	491504 (100)	463646 (100)	361237 (100)	275468 (100)	338132 (100)	385297 (100)	375398 (100)	383926 (100)	526705 (100)	6,198,313	100. 00

Source: MoCTCA, Nepal Tourism Statistic 2008. (Figure inside parenthesis percentage of the total)

The Table 4.8 shows the tourist arrivals by Major Nationalities during the period of 1992-2007. During this period the number of tourist arrival shows that India is the leading among these countries. Indian tourist were not recorded up to the year 2007. Except India it is very difficult to specify the country which is in what rank in accumulated year. In the different year there are different figure. But if we see the latest years Srilanka and UK are following the India. But if we see in total 1992 to 2007 India is 26.44 Percent holding the first position and Canada 11.95 percent, Germany 9.87 percent, UK 7.27 percent and Japan is 7.02 percent.

**Figure No 6:** Tourist Arrival by Major Nationalities 1991-2007

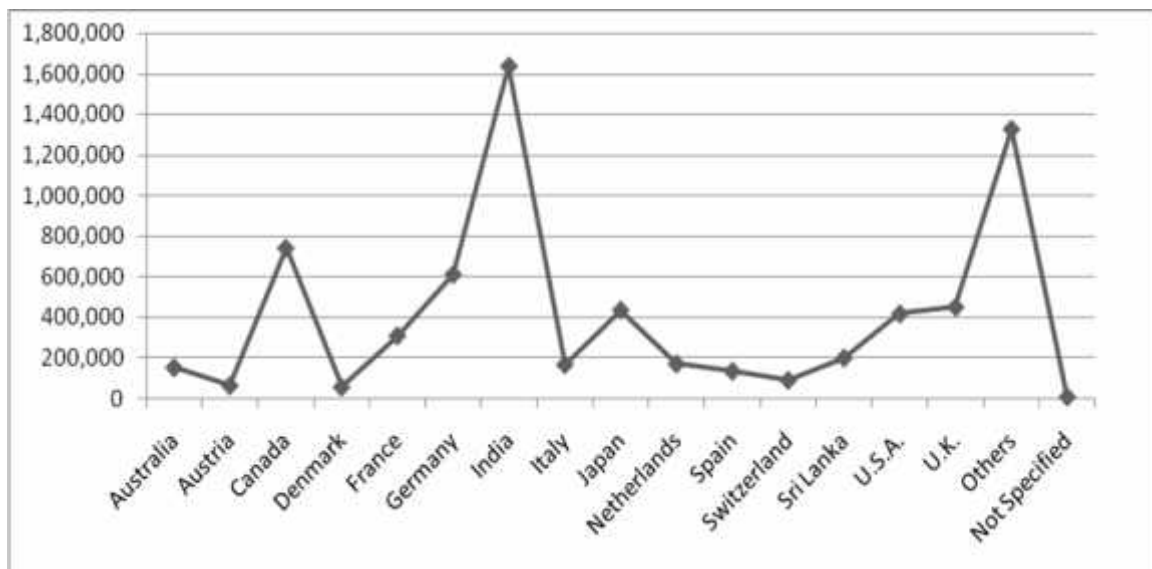


Table 4.9 reveals that from 1991 to 2002 tourists' arrival in Nepal has increased gradually except in 1993 (decrease by -12.2%). Highest number of tourists arrived in 2007 (total tourists 526,705) because it could be positive impact of effort made by Government of Nepal and different organization and especially political stability and peace established. Although from in the year 2000, 2001 and 2003 is decreased lot which is -5.7%, -22.1% and -23.7% respectively because it might be the political instability in the country Nepal. And Indian Airline hijack from Nepal, attack on Twin Tower of USA on September 11, 2001 and war in Afghanistan and Iraq etc are the international cause.

It shows that average length of stay is also fluctuating within these years. It is ranges from 7.92 days in (2002) to 13.51 days in (2004). There is close relationship between the

stay of tourist and economic benefit to the country. The earning of foreign exchange depends on how long tourists stay in Nepal. The length of stay depends on the attraction of our diversified cultural, natural heritages and the facilities provided to them during their stay. For this there should be an improvement on the facilities such as transportation, visa regulation, and diversified tourists packages should be explored and developed. Figures presentation could be more effective for the understanding of tourist arrival trend in Nepal.

**Table 4. 9** Trend of Arrival of Tourist and average length of stay

Year	Total			Average Length of Stay
	Number	Growth %	Index	
1991	292,995	15.0	4742	9.25
1992	334,353	14.1	5411	10.14
1993	293,567	-12.2	4751	11.94
1994	326,531	11.2	5285	10.00
1995	363,395	11.3	5881	11.27
1996	393,613	8.3	6370	13.50
1997	421,857	7.2	6827	10.49
1998	463,684	9.9	7504	10.76
1999	491,504	6.0	7954	12.28
2000	463,646	-5.7	7504	11.88
2001	361,237	-22.1	5846	11.93
2002	275,468	-23.7	4458	7.92
2003	338,132	22.7	5472	9.60
2004	385,297	13.9	6236	13.51
2005	375,398	-2.6	6075	9.09
2006	383,926	2.3	6213	10.20
2007	526,705	37.2	8524	11.96
	6,491,308	0	0	0

Source: MoCTCA, Nepal Tourism Statistic 2008.

## 4.8 The product in Tourism

A product may be defined as “the sum of the physical and psychological satisfactions it provides to the buyer”. Product is the object or item for sale. It is produced, modified or processed. This is the thing to customer buys.

Tourism product includes tangibles and intangibles. For example hotel, rooms, beds, linen are tangible, while room cleaning, security, privacy are services. In the same way mountain, people, heritage sites are tangible while security, safety, trusts pleasures are intangible.

A tourism product is anything that can be offered to a tourist for attention, acquisition or consumption. It includes physical objects, services, personalities, place, organization and ideas. Generally a tourism product is designed as a augmented product, which is the totality of benefits that the tourist receives or experience. Thus, a tourism product is an amalgam of what a tourist does and experiences. It includes the services he uses and products he purchases during his trip. So the products we deal in tourism are attraction, accommodation, transport and services.

According to Anand Ghimire in his book “Travel and Tourism An Introduction” The tourist product are categorized and analyzed in terms of:

1. Attraction
2. Accessibility
3. Accommodation
4. Amenities (Facilities/Services)

**4.8.1. Attractions:** Attractions are the most important product of tourism industry. Attractions are those elements, which determine the choice of the tourist to visit destination. Among the four basic components of tourism, attraction is very important. This element will create the desire to travel, motivate to travel and attract the tourist towards it. The attraction may be cultural sites like archaeological interest, historical buildings and monuments or scenic beauty like flora and fauna, beach resorts mountains, national parks or events like trade fairs, exhibitions, sports events, art and music, festivals, games, etc. These are the factors, which generate flow of tourist to a particular location.



The attractions can be categorized into two parts: Man made attraction and Natural attraction.

Man made attractions are the sites developed or modified by the people. It is the rich past of the human civilization. Some examples of the man-made attractions are historical and archeological sites and buildings, cultural attraction, zoos and museums, events and sports or different contests, trade fairs, exhibitions, resorts, hotels, restaurants, religious places, entertainment centers, shopping etc. And Natural attraction are Mountain, Lakes, Animals, Rivers etc

### **Major Attraction of Nepal**

**Mountains/ Himalayas:** The Mountain peak and Glaciers are the main focal point for the foreign visitors. Nepal is famous as a country of Himalayas in the world has many beautiful and attractive mountains. The mountain region lies at an altitude varying from 5877 meters to 8848 meters above sea Level. Out of 31 mountains peaks over 7600 meters twenty two lie in Nepal. And among the 14 snow topped mountain over 8000 meters in height in the world, eight are lie in Nepal (HP Shrestha 2000:67). Apart from the height viz Machhapuchhere, AmaDablam, Ganesh the glaciers, falls and Topography make the natural scenario exotic gorgeous and enchanting. Nepal Himalayan has become a great theatre of mountaineering activity and the drama of success and failure have provided impetus to thousands of men and women to meet the ultimate challenge. The Nepal Himalayan has been an attraction to many people, be they saints, philosophers, researchers or adventures. Rock Climbing for all those cliffhangers out there, Kathmandu offers a roster of stone walls that make for an experience of a lifetime. Now of late, Rock climbing has become a popular sport in Kathmandu, which offers some really terrific places for rock climbing. Nagarjun, Balaju, Shivapuri and Budhanil Kantha are some of the places where you can try this sport.

**Rivers and Lacks of Nepal:** Nepal has numerous rivers and lakes of different flow and nature. The Rivers of Nepal run in north – south direction. So rafting is one of the best ways to explore the typical cross section of natural as well as ethno-cultural heritage of

the country. There are numerous rivers in Nepal which offer excellent rafting or canoeing experience. You can glide on calm jade waters with munificent scenery all about or rush through roaring white rapids, in the care of expert river-men employed by government authorized agencies. One can opt for day of river running or more. So far, the government has opened sections of 10 rivers for commercial rafting. The Trisuli river is one of the most popular of Nepal's raftable rivers. The Kali Gandaki The Bhote Koshi, The Marshyanghi, The Karnali, The Sun Koshi rivers are the most popular river in different ways. Similarly Nepal has many majestic lakes which are highly important. Rara Tal in Mugu, Phoksundo Tal in dolpa, Tilicho Tal in Manang, Gosai Kunda in Rasuwa, Phewa, Rupa and Begnas Tal in Pokhara Khaptad Tal in Doyi are the most important from Tourism prospective.

**Flora and Fauna (National Parks and Wildlife Reserves):** \_Nepal has the vast collection of flora and fauna of this rich country to the lover of wild animal and bird life. Flora and fauna of Nepal comprise an important part of heritage of Nepal.some of the National park are listed in World heritage site by UNESCO. The geographic , climet and vegetationdiversity of Nepal has made it the home of many species of mammals and birds. There are many beautiful birds and animals are available in different places of Nepal. So Jungle Safari is the best way to attraction for the tourist. National Parks located specially in the Terai region in Nepal attract visitors from all over the world. A visit to these parks involves game- stalking by a variety of means-foot, dugout canoe, jeep, and elephant back. One is bound to sight a one – horned rhino or two at every elephant safari. Besides the rhinos, wild boars, samburs, spotted deer, sloth bear, four-horned antelope are also usually seen. A Royal Bengal tiger may surprise you by his majestic appearance. Nepal is a sanctuary of numerous species of Birds, insects, fishes, reptiles and amphibians. Nepal is a paradise for bird lovers with over 646 species (almost 8% of the world total) of birds, and among them almost 500 hundred species are found in Kathmandu Valley alone. And Trekking is another best way to experience Nepal's unbeatable combination of natural beauty and culture riches is to walk through them. One can walk along the beaten trails or virgin tracks. Either way you are in for an

experience for a lifetime. Along with forests of rhododendron, isolated hamlets, and small mountain villages, birds, animals, temple, monasteries and breathtaking landscapes, you will also encounter friendly people of different cultures offering a fascinating glimpse of traditional rural life.

**Social and Cultural Attraction:** The Nepalese culture is remarkably rich and fascinating. One of the specific features of Nepalese Culture is religious harmony (yet) There is a diversity of religion, language, customs. Lifestyle, traditions of peoples,

**Fairs and Festival:** The Fairs and Festivals are another important heritage of Tourism attraction. In Nepal different types of festivals are observed throughout the year. Most of the festivals of Nepal are associated with religious as well as social values. All are celebrated commonly. Some of the Major Festivals are celebrated commonly are Navabarsha, Dashain, Dipawali, Baisakh Purnima, Krishna Janma-Astami, Maghe Sankranti, Fagu Purnima, Shree Panchami, Gai-Jatra. Some are celebrated by Ethnic group like Lochhar, Chhat, Ramjaan, Christmas etc. Similarly different fairs and festivals are observed locally like Machhindra Nath Jatra- Lalitpur, Bisket Jatra – Bhaktapur, Vibahapanchami – Janakpur.

**The People and Languages:** Nepal is a multiracial, multi-lingual country where various linguistic and Ethnic group are knit together. They have their own culture, practices. There are 103 Cast/ Ethnic group (Statistical Pocket Book 2008) Among them Chettri 15.80%, Brahman 12.74%, Magar 7.14%, Tharu 6.74%, Tamang 5.64%, Newar 5.48%, Muslim 4.27%, Kami 3.94%, Yadav 3.93%, Rai 2.74% are top 10 in descending order and Kusunda is the Lowest one with 0.0007%. Similarly about 93 Spoken language (mother tongue) (Statistical Pocket Book 2008). Among this Nepali is the widely spoken language.

**Religions and Architectural:** Nepal also possesses religious and architectural concern which number of tourist get attracted every year. Shrines. There are many religion

group but noted are Hindu, Buddhist, Islam, Kirat, Jain, Christian, Sikh, Bahai are the main religion. All the religious group's Temples and shrines are the unique attraction. Because they are inspired by Hindu and Buddhist religion.

More over there are some other attraction like: Mountain Flight, Hot Air Ballooning, Paragliding, Ultra light Aircraft: Mountain Biking: Bungy Jumping:

**4.8.2. Accessibility:** Accessibility is another important factor of tourism. It is the means by which a tourist can reach the place of attraction. The main feature of the tourism industry customer is required to be personally and physically present. So transport is one of the most important products of tourism industry. Transport is the main component to reach the place of tourist destination. It is important in different ways it provides the means of travel to the destination, means of travelling around the destination. Transport can be the main feature of tourist trip when the form of transport itself is one of the main reasons for taking the trip.

**The different modes of transport are:**

**Road transport- (private and public):** Probably this is the most important form of Movement for both short and medium range journey and transportation of goods. Due to the topographical structure of Nepal the internal transportation and communication system are very different. Nepal has accorded high priority for the development of road transport in the different plan and periods. Prior to 1956 the beginning of first five year plan the country had only a total of 624 km of roads latter it was gradually increased in different plans periods. In 1991 in the beginning of Eight Five year Plan the total length of road had significantly increased to 8328km and it reached 11867km in 1998 (economic survey 1998:69) Nepal is linked to North –South and East-West by a system of roads and the total length of Roads is 11867 km. Among the total length of road 3660km is black topped, 3098km gravelled and the rest 5109 km are Fair-weathered road.( shrestha2000:83).

**Air transport:** In Nepal History of Air transport can be traced to the early 1950s. For the first time a signal engine aircraft had landed on a trial basis in Kathmandu in 1949. Later in 1951 Indian National Airways operated service between Kathmandu and Patna. The Royal Nepal Airlines Corporation (RNAC) at present Nepal Airlines was established on 1<sup>st</sup> July 1958 as a joint venture corporation with the Indian Company. Presently Nepal has airlink with different country through different Airlines (Shrestha 2000: 87-88). Nepal Airlines is the national flag carrier of Nepal with flights to/from different destination. Other international airlines operating from/ to Kathmandu are Air Arabia (Sharjah), Air China (Lhasa, Chengdu), ArkeFly (Amsterdam), Bahrain Air (Bahrain), Biman Bangladesh (Dhaka), China Southern Airlines (Guangzhou), China Eastern (Kunming), Dragon Air (Hong Kong), Druk Air (Delhi, Paro), Etihad Airways (Abu Dhabi), GMG Airlines (Dhaka), Gulf Air (Bahrain, Muscat), Indian Airlines (Delhi, Kolkata, Varanasi), Jet Airways (Delhi), Jet Lite (Delhi), Korean Air (Seoul), Pakistan International Airlines (Karachi), Qatar Airways (Doha), Silk Air (Singapore) and Thai Airways (Bangkok) are operating to bring people from International.

Similarly, Nepal Airlines and other Private Airlines also providing the facilities in the different places of the Country. And more than a dozen Private and Nepal airlines are flying for domestic flight Yeti Airlines, Buddha Air, Guna Airlines, Gorkha Airlines, Mountain Airlines, Tara Airlines, Sita Airlines, Agni Airlines and some private Helicopter like Dynasty Helicopter, Himalayan Helicopter flight etc.

**Rail transport:** Rail transport also and means of transport which links to the different destination from different places. Rail transport plays important role in the development of Travel. However Janakpur – Jayanagar is the only railway services available in Nepal. Although, Nepal Government is planning to develop the rail transport in the country.

**River, Sea and Ocean transport:** This also and important for the development of Travel, This is the oldest forms of transport. However Nepal does not have and Sea and ocean Transport. Which needs to be used through neighboring Countries. The probability of

water transport is only the River this also has not been used yet. Although tourism prospective water transport has hardly any role.

**Table 4.10:** Arrival of Tourist by Air and by Road

Year	By Air		By Land	
	Number	%	Number	%
1991	267,932	91	25,063	9
1992	300,496	90	33,857	10
1993	254,140	87	39,427	13
1994	289,381	89	37,150	11
1995	325,035	89	38,360	11
1996	343,246	87	50,367	13
1997	371,145	88	50,712	12
1998	398,008	86	65,676	14
1999	421,243	86	70,261	14
2000	376,914	81	86,732	19
2001	299,514	83	61,723	17
2002	218,660	79	56,808	21
2003	275,438	81	62,694	19
2004	297,335	77	87,962	23
2005	277,346	74	98,052	26
2006	283,819	74	100,107	26
2007	360,713	68	165,992	32
	<b>5,360,365</b>		<b>1,130,943</b>	

*Source: MoCTCA Nepal Tourism Statistics, 2007*

Table 4.10 shows that among the total tourist arrival in Nepal most of them arrived by the air, percentages range from 74 per cent to 91 per cent. Likewise, 9% to 26% of total tourist arrived by land. Table above shows that development in the airlines could be positive impact for the arrival of tourists in Nepal. From the figure in the year

**Figure No 7**

Arrival of Tourist by Air and by Road in graph

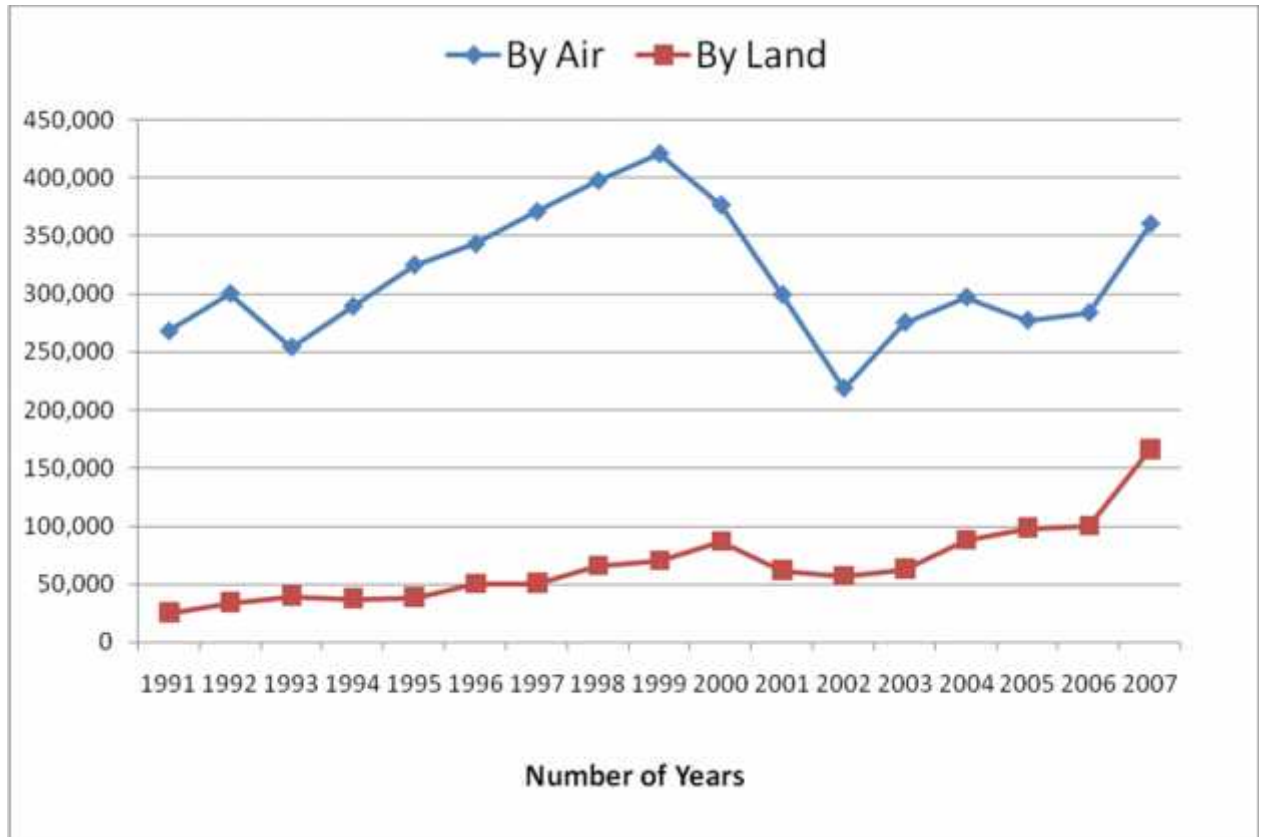


Table 4.11 Tourist arrival by different Airlines

Year	NA	IC	TG	QR	GF	BG	OS	KB	PK	9W	CA	F5	SZ	SQ	SU	HV	3Z	S2	KA	Others
1992	126,522 (42.1)	90,196 (30.0)	28,581 (9.5)	-	-	11,513 (3.8)	-	1,472 (0.5)	6,655 (2.2)	-	-	-	3,493 (1.2)	7,925 (2.6)	1,809 (0.6)	-	-	-	-	22330 (7.9)
1993	102,337 (40.3)	69,642 (27.4)	29,060 (11.4)	-	-	11,825 (4.7)	-	2,666 (1.0)	6,876 (2.7)	-	-	-	5,405 (2.1)	5,133 (2.0)	4,630 (1.8)	-	-	-	-	16566 (6.5)
1994	122,880 (42.5)	82,750 (28.6)	30,032 (10.4)	-	-	11,278 (3.9)	-	2,271 (0.8)	7,218 (2.5)	-	-	-	5,330 (1.8)	7,098 (2.5)	2,458 (0.8)	-	-	-	-	18066 (6.2)
1995	140,966 (43.4)	93,229 (28.7)	33,369 (10.3)	-	-	12,660 (3.9)	-	2,314 (0.7)	5,947 (1.8)	-	-	-	6,114 (1.9)	7,981 (2.5)	2,838 (0.9)	-	-	-	-	19617 (6.0)
1996	136,576 (39.8)	114,760 (33.4)	32,544 (9.5)	1,497 (0.4)	-	12,275 (3.0)	-	2,856 (0.8)	8,011 (2.3)	-	-	-	7,354 (2.1)	8,910 (2.6)	3,123 (0.9)	-	-	-	-	17340 (5.1)
1997	147723 (39.8)	122401 (33.0)	39619 (10.7)	3809 (1.0)	-	11864 (3.2)	-	3015 (0.8)	11273 (3.0)	-	-	-	6757 (1.8)	11073 (3.0)	3280 (0.9)	-	-	-	-	10331 (2.8)
1998	143433 (36.0)	121189 (30.4)	53208 (13.4)	12669 (3.2)	3546 (0.9)	14150 (3.6)	3486 (0.9)	3005 (0.8)	11201 (2.8)	-	-	-	9147 (2.3)	10945 (2.7)	3667 (0.9)	2559 (0.6)	559 (0.1)	-	-	5244 (1.3)
1999	123485 (29.3)	133840 (31.8)	59120 (14.0)	17789 (4.2)	10725 (2.5)	15043 (3.6)	11164 (2.7)	3826 (0.9)	9382 (2.2)	-	-	-	9823 (2.3)	12459 (3.0)	4035 (1.0)	4712 (1.1)	3712 (0.9)	-	-	2155 (0.5)
2000	149749 (39.7)	64062 (17.0)	60965 (16.2)	18803 (5.0)	10923 (2.9)	13915 (3.7)	10481 (2.8)	3600 (1.0)	8505 (2.3)	-	-	-	7651 (2.0)	12714 (3.4)	4129 (1.1)	4057 (1.1)	4077 (1.1)	-	-	3283 (0.9)
2001	83760 (28.0)	78024 (26.1)	49810 (16.6)	21526 (7.2)	10146 (3.4)	11877 (4.0)	7957 (2.7)	2589 (0.9)	6194 (2.1)	-	-	-	7862 (2.6)	10553 (3.5)	3961 (1.3)	2233 (0.7)	-	-	1481 (0.5)	1541 (0.5)
2002	65550 (30.0)	47543 (21.7)	39825 (18.2)	21003 (9.6)	9733 (4.5)	9524 (4.4)	6825 (3.1)	2681 (1.2)	-	-	-	-	5312 (2.4)	3544 (1.6)	72 (0.0)	-	-	-	-	7048 (3.2)
2003	70779 (25.7)	78461 (28.5)	55102 (20.0)	26320 (9.6)	18532 (6.7)	10882 (4.0)	6228 (2.3)	3343 (1.2)	-	-	-	-	3300 (1.2)	-	-	2001 (0.7)	-	-	-	490 (0.2)
2004	56678 (19.4)	78959 (26.6)	58197 (19.6)	32866 (11.1)	16986 (5.7)	9432 (3.2)	6697 (2.3)	4373 (1.5)	1910 (0.6)	15101 (5.1)	-	-	5841 (2.0)	-	-	-	-	-	-	9295 (3.1)
2005	42069 (15.2)	36982 (13.3)	44956 (16.2)	30526 (11.0)	19015 (6.9)	4714 (1.7)	4865 (1.8)	7282 (2.6)	1855 (0.7)	20077 (7.2)	6295 (2.3)	45809 (16.5)	-	-	-	-	-	-	-	12901 (4.7)
2006	38612 (10.7)	36311 (10.1)	48203 (13.4)	34091 (9.5)	19361 (9.5)	6221 (1.7)	4810 (1.3)	6257 (1.7)	1997 (0.6)	25086 (7.0)	6298 (1.7)	28369 (7.9)	-	-	-	-	-	-	-	28213 (7.8)
2007	29943 (8.3)	65571 (18.2)	54667 (15.2)	48349 (13.4)	46349 (13.4)	7755 (2.1)	2895 (0.8)	10584 (2.9)	2265 (0.6)	39385 (10.9)	18120 (5.0)	3747 (1.0)	-	-	-	-	-	36,266	7606 (2.1)	12513 (3.5)



From the Table no 4.11 in the above table shows that specifically there are more than 17 International Airlines are regularly giving their services. Although we can say that Nepal Airlines, Indian Airlines, Thai Airways and Quarter Airways are the major airlines in Nepal which are capable to bring the tourist in maximum number.

Some of the airlines are very new so there is hope these other Airlines also will be operated regularly and helps to bring the International Tourist in Nepal.

**4.8.3 Accommodation and Catering:** accommodation is also another important product of tourism is. It plays vital role in the tourist's movement. Tourism arise form the movement of people and their stay. Journey and stay at the destination is very important. The journey is related to transport and stay is related to accommodation.

The travelers who leave their houses require accommodation at there destination and during their journey. For this they, need overnight accommodation. As we know that tourism is the sum of total phenomena related with movement and stay, and stay is related with accommodation so accommodation is one of the most important components of tourism. Without the facilities of accommodation no tourism is possible. Nepal has every category of accommodation facilities that range from international standard star hotels to budget hotels and lodges. To ensure quality service, it is advisable to use the facilities and services of government registered hotels, lodges, travel agencies, licensed tour guides only and engage an authorized trekking guide or porter only through a registered travel and trekking agency. In the last few decades, Kathmandu and Pokhara with the rest of Nepal has seen the growing of world class hotels. During spring and fall, the better hotels work at near full capacity and are booked well in advance. There are, however, plenty of less glamorous but decent hotels to suit everyone's fancies and finances. Most hotels offer a choice: bed and breakfast; bed, breakfast and one other meal; or room and full board. Rates listed however, are for room only, unless otherwise indicated. With the boom of tourism in Nepal since the early 1970s, even Nepalese living in remote parts of the country have improved the standard of local tourist facilities. Hence accommodation and meals for tourists are more easily available than ever before.

**Table 4.12**

## Hotel Accommodation in 2007

Category	No of Hotels	No of Rooms	No of Beds
<b>Kathmandu</b>			
Five Star	8	1539	2897
Four Star	2	190	362
Three Star	12	455	940
Two Star	30	1223	2391
One Star	29	725	1495
Non Star	264	3436	6848
Sub Total	345	7568	14933
<b>Out Station</b>			
Five Star	1	200	400
Four Star	0	0	
Three Star	5	231	460
Two Star	6	205	392
One Star	12	194	426
Non Star	250	4084	8070
Sub Total	274	4914	9748
<b>Grand Total</b>	<b>619</b>	<b>12482</b>	<b>24681</b>

Source: Source: MoCTCA Nepal Tourism Statistics, 2007

Total capacity of all hotels together is 24,681. But at the time of normal situation the flow of tourist all over Nepal is expected to increase and existing accommodation facilities will fall in shortage. The trend of tourist flow in the recent days shows that it will definitely increase in coming days they stay in Nepal will increase. It demands more bearing capacity in future

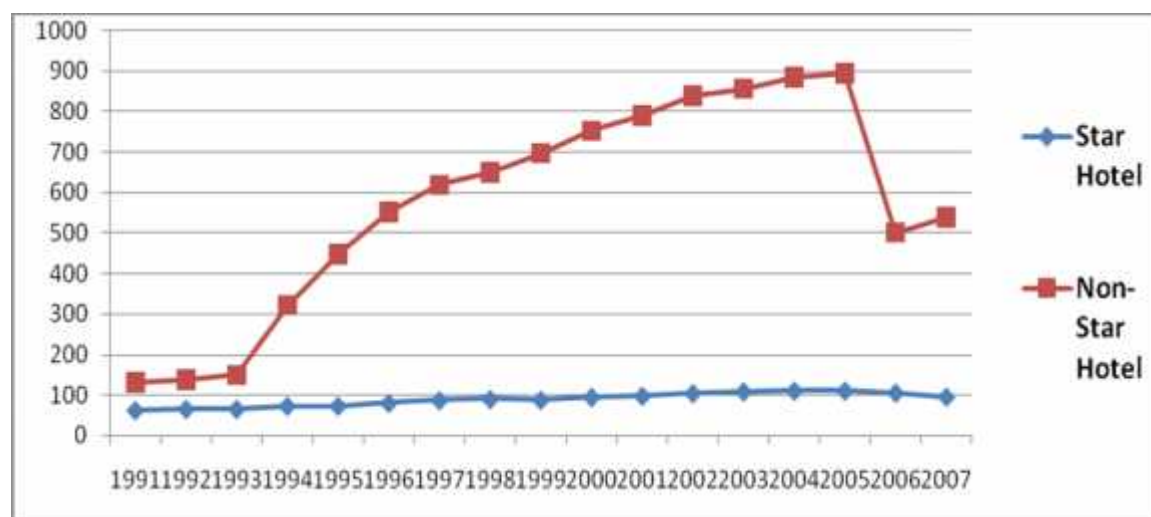
**Table 4.13**  
Number of Hotels and Hotel Beds 1991- 2007

Year	Star Hotel		Non- Star Hotel		Total	
	Number	Bed	Number	Bed	Number	Bed
1991	61	5809	131	5398	192	11207
1992	64	5969	139	5803	203	11772
1993	64	5969	150	6578	214	12547
1994	72	6502	322	11228	394	17730
1995	72	6502	448	15305	520	21807
1996	79	7050	553	18588	632	25638
1997	86	7779	620	19833	706	27612
1998	89	7842	650	21036	739	28878
1999	87	8656	698	23558	785	32214
2000	94	9320	754	25638	848	34958
2001	97	9430	791	26733	888	36163
2002	104	10289	839	27327	943	37616
2003	108	10535	858	27735	966	38270
2004	110	10715	886	28392	996	39107
2005	110	10715	896	28669	1006	39384
2006	105	9763	502	14497	607	24260
2007	95	8774	539	18091	634	26865

Source: Economic Survey, Fiscal Year 2007/2008

Both Star and Non stars Hotels and bed are increasing gradually. The number of star and Non stars hotels in 1991 was 61 with 5809 beds and 95 with 8774 beds in 2007. However the number in 2007 it seems lower than previous year. But if we calculate the flow of tourist and number of hotels it is not enough.

**Figure No 8:** Number of Hotels and Hotel Beds 1991- 2007 in Figure



**4.8.4. Amenities/Comforts/Facilities:** amenities are the basic element of tourism and important product. It is the central part of tourism especially for holiday's tourist. Amenities are the facilities added to attractions, accommodation, and transportation. These elements themselves do not generate tourist flow but their absence might cause the problem. The facilities complement the attractions. These include different facilities and services provided by the government, travel agencies or middlemen or commission agents, hotels, airlines and transport financial institutes, insurance agents, etc. Amenity is one of the basic elements which must be combined with other element to be called tourism.

Now a days different accommodation centers are adding different attraction to their property to attract more and more tourists like swimming pool, recreation center, health club, and sauna. They are also adding conference facilities, secretarial service, gift shops, bakery shop, travel counter, information center, etc. National and international airlines are offering different attractions like: rate attraction, service attraction, city transfer, airport hotel, check-in, lay-over, insurance of the passenger and their luggage, demand and loss, etc.

The financial institutions are also providing different facilities to tourist which helps to develop tourism industry such as travelers cheque, credit card, money transfer, etc. communication system is also playing a vital role in tourism. It is facilitating the booking, confirmation, payment, transfer of the payment, etc.

**Table 4.14:** Manpower Production (NATHM) 1972-73 to December 2002

S.N	Types of causes	F	M	Total	Remark
1	<b>Three Years Bachelor in Hotel Management (BHM)</b>	46	90	136	0.78%
	<b>Sub Total</b>	46	90	136	
2	<b>Hotel Sector</b>				
	a) Food Preparation and Control	19	909	928	
	b) Food and Beverage Service	44	1271	1315	
	c) Housekeeping	629	343	972	
	d) Front Office	132	965	1097	

	E) Pastry/ Bakery/ Sweets	0	82	82	
	f) One Year diploma in accommodation operation and maintenance training	3	30	33	
	g) Hotel Maintenance Training	1	242	243	
	h) Seminar on Hotel Accounts	0	42	42	
	i) Kitchen Management Training	10	46	56	
	<b>Sub Total</b>	838	3930	4768	27.47%
	<b>Travel &amp;Tour Sector</b>				
3	a) Tourist Guide	166	1685	1851	
	b) Pashupati Area Local Guide	0	87	87	
	c) Lumbiti Area Local Guide	1	13	14	
	d) Pokhara Area Local Guide	0	37	37	
	e) Changu Narayan Area Local Guide	7	49	56	
	f) Kirtipur Area Local Guide	0	29	29	
	g) Travel Agency & Ticketing	257	447	704	
	h) Tourist Guide Refresher Course	5	71	76	
	i) International Freight Forwarding (Cargo)	5	88	93	
	j) Lekhnath Nagarpalika Local Guide	0	33	33	
	k) Bhaktapur Area Local Guide	29	8	37	
	l) Janakpur Area Local Guide	25	9	34	
		<b>Sub Total</b>	495	2556	3051
	<b>Trekking Sector</b>				
4	a) Trekking Guide	22	3005	3027	
	b) Trekking Cook & Waiter	3	459	462	
	c) Trek Tour Leader	0	30	30	
	d) River Guide (Rafting)	3	261	264	
		<b>Sub Total</b>	28	3755	3783
5	<b>Other Courses/Workshops etc.</b>				

	a) Train the Trainer/Higher level/HRD Training	24	127	115	
	b) Public Relation/Tourism Hospitality	68	71	139	
	c) Tourism In service Training	211	550	761	
	d) Skill Test Program	52	306	358	
	<b>Sub Total</b>	355	1045	1409	8.12%
	<b>Mobile Out Reach Training</b>				
6	a) On the Spot Training in different Touristic Area	1023	3186	4209	
	<b>Sub Total</b>	1023	3186	4209	24.25%
	<b>Grand Total</b>	2785	14571	17356	100%

Source: Nepal Tourism Statistic, 2002

Table 4.14 Shows that the aggregate information on manpower production from the institution for quality manpower development in Nepal. The top level manpower from Bachelor Degree in Hotel Management occupies very nominal fraction i.e. 0.78 percent. Similarly, manpower production on Hotel Sector, Travel and Tour Sector, Trekking Sector, Other Courses/Workshops etc. and Mobile out Reach Training occupies 27.47, 17.58, 21.80, 8.12 and 24.25 percentages respectively.

*Table 4.15 Manpower Production for Tourism Sector (Hotel Management & Tourism Related Course Conducted by NATHAM)*

Particulars	25 Years*	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009*	Total
Bachelor's in Hotel Management	0	0	0	30	35	35	35	40	39	80	80	80	80	534
Bachelor's in Travel and Tourism Management	0	0	0	0	0	0	0	25	35	33	30	35	79	237
Food Preparation and Control Training	680	74	94	48	32	0	89	44	73	66	163	80	108	1551
Food and Beverage Services Training	1061	102	71	49	32	0	32	19	60	27	32	34	66	1585
House Keeping Training	806	48	39	30	31	28	44	99	18	23	29	25	28	1248
Front Office Training	952	57	31	33	31	24	0	31	35	18	25	32	30	1299
Bakery/Indian Sweet Training	48	0	17	17	0	0	0	0	0	0	0	0	0	82
Hotel Maintenance Training	205	13	12	13	0	0	0	0	0	0	0	0	0	243
Hotel Accounting Training	42	0	0	0	0	0	0	0	0	0	0	0	0	42
Tourist Guide Training	1102	371	67	106	76	70	69	66	74	54	72	80	136	2343
Local Guide Training	119	29	0	0	75	0	0	62	0	0	30	0	0	315
Accommodation Opertaion Training	0	18	15	0	0	0	0	0	0	0	0	0	0	33
Travel Agency and Ticketing Training	529	50	35	33	22	34	0	0	0	0	72	0	0	775
Trekking cook and Waiter Training	372	44	16	0	0	30	0	0	0	0	0	0	0	462
Trekking Guide Training	1581	210	219	239	370	390	297	405	592	332	362	420	515	5932
Trek Tour Leader Training	30	0	0	0	0	0	0	0	0	0	0	0	0	30
River Guiding Training	172	34	37	0	21	0	51	0	0	0	0	0	68	383
Tourism Related Services/ seminar/ Liasion Officer Public Relation and Hospitality Training	594	23	126	93	0	194	21	217	229	229	376	411	0	2513
Mobile Outrich Training	2891	258	183	476	401	198	149	467	231	98	59	317	225	5953
International Freight Forwarding Cargo Training	36	0	27	30	0	0	0	0	0	0	0	0	0	93
Tourist Guide Refresher Course	76	0	0	0	0	0	0	0	0	0	0	0	0	76
Skill Test Program	0	274	84	0	0	0	0	0	0	0	0	0	0	358
<b>TOTAL</b>	<b>11296</b>	<b>1605</b>	<b>1073</b>	<b>1197</b>	<b>1126</b>	<b>1003</b>	<b>787</b>	<b>1475</b>	<b>1386</b>	<b>960</b>	<b>1330</b>	<b>1514</b>	<b>1335</b>	<b>26087</b>

*\*\* Total from fiscal year 2029 to 2053/54 \* Progress report of the first eight months of Current Fiscal Year*

*Source: Souvenir 2009, Ministry of Tourism and Civil Aviation, Nepal Academy of Tourism and Hotel Management*

It has already been recognized that tourism plays a vital role for employment generation. Tourism is known as a labour-intensive service and provides direct and indirect employment to a large segment of the population. Direct jobs are generated in hotels, motels, resorts, travel and tour business, gift shops, airlines transport services and other services directly and indirectly. For these purpose we need skill and knowledge also. So to full fill these purpose the NATHAM is offering the different types of courses and producing the manpower for the tourism development.

Available data from 1998 to 2007 is given specifically and accumulated for 25 years before 1998 in Table 3.15 The data relates only to the manpower production from NATHAM. At present several private institutions are providing different level of manpower for tourism industry. Moreover, the bachelors and masters degree tourism personnel are being produced in Nepal it self, whereas previously, the people had to rely on foreign countries for advanced tourism studies.

#### **4.9 Channel of Distribution**

The channel of distribution is the system developed by the producer to sell the product. This facilitates the exchange process. Through this system the products move form producers/ sellers to consumers. A marketing channel can be viewed as a large canal or pipeline with products, their titles or ownership, communications, financing and payment and risk flowing through, it is a system or a set of interdependent organization that facilitate the transfer of ownership as products move form producers to buyers. Many different types of organizations participate in marketing and distribution channels. Advertising agencies, transport firms, Brokers, travel agents commission agents are example of distribution Channel.

The channel members cannot hold/store the product. They only are the facilitators of the sales process.

As in the other product different National Government and privet Organizations, International Organizations, Individuals, are distributing the Product as Producer, Hole



seller, Dealer, Retailer id different ways using different methods. Among them some of them are :

Travel Agents, Individual, Privet Companies, Organization are working as distribution Channel and promotional work. Among them some are by Name Nepal Mountaineering Association (NMA), Hotel Association of Nepal (HAN), Nepal Association of Rafting Agents (NARA), Nepal Association of Tour and Travel Agents (NATTA), Trekking Agents Association of Nepal (TAAN) Airlines Operators Association of Nepal, Association of Helicopter Operators Nepal, Pacific Asia Travel Association (PATA) Nepal Chapter, Thamel Tourism Development Board, Cargo Agents Association of Nepal, Himalayan Rescue Association, Restaurant and Bar Association of Nepal (Reban), Tourist Guide Association of Nepal, Board of Airline Representatives in Nepal (BARN), Trekking Agents Association of Nepal (TAAN), Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Freight Forwarders Association of Nepal (FFAN), Handicraft Association of Nepal, Nepal Association of Tour Operators (NATO) Nepal Entrepreneurs Association of Tourism (NEAT),Nepal Incentive and Convention Association ( NICA), Non-Star Hotel Association of Nepal Chapter, Everest Submitters Association

**Table 4:16**

Total Number of Travel, Trekking, Rafting Agencies 1999-2007

YEAR==>	1999	2000	2001	2002	2003	2004	2005	2006	2007
Agency:									
Travel Agency	563	637	691	738	788	877	948	1026	1078
Trekking Agency	475	537	580	611	645	705	740	793	872
Rafting Agency	87	87	87	87	90	91	92	92	94

*Source: MoCTCA, Nepal Tourism Statistics, 2007, Nepal Rastra Bank.*

This table shows the number of travel agencies, Trekking Agencies, Rafting agencies opened in Nepal . The number of travel agencies has been continuously increasing since 1999. In 1999 the number of travel agency were 563 which reached to 1078 in 2007. Similarly number of Trekking agencies also increased from 475 in 199 to 872 in 2007. Here we can see the number of Rafting agencies were 87 in 1999 and it reached to 94 in 2007.

Rafting agencies are not increasing satisfactory. This agencies are playing the vital role as seller.

#### **4.10 Promotion**

Promotion is one of the important elements of the marketing. Only the good product or price and effective distribution work alone is not enough for marketing. Systematic and effective communication is also essential. To organize the meaningful communication is promotion. The most important and primary function of promotion is to inform about product to the existing as well as to the prospective consumers.

This awareness is brought through a medium and message. There are several channels or media through with the message is communicated. These include print as well as electronic media, direct mail and persuasion, sales support and public relations, all these activities form promotion are dealing with and the special features of the tourism market. According to the Field survey of Tak Raj Gurung as he mentioned in his book "Mountain Tourism in Nepal" Regarding the Tourism publicity Materials Published by Government of Nepal , Nepal Embassies and Travel/Trekking Agencies he asked the question to 153 people and 50 (32.6%) trekkers and mountaineers read the publicity materials relating to tourism, published by Government of Nepal, Nepal Embassies and Travel/ Trekking Agencies. The remaining 103 (67.3%) response no.

An attempt was made to enquire about what factors influenced visitors to come to Nepal . In this respect the highest number 67.8% of visitors viewed that their friends/relatives were the main sources of information to come to Nepal followed by Guide book 28.9% prior visit 22.8% travel magazine 20.1% and so on (Shrestha 200:191)

#### **4.11 Promotional Effort and Activities made by Individual, Institutional and Government**

There are different Promotional Effort and Activities were made by Individual, Institutional and Government but among them few are

**4.11.1 Nepal Tourism Board:** Nepal Tourism Board is a national organization established in 1998 by an act of parliament in the form of partnership between Government of Nepal, and private sector tourism industries of Nepal to develop and market Nepal as an

attractive tourist destination. The Board provides platform for vision-drawn leadership for Nepal's tourism section by integrating government commitment with the dynamism of private sector tourism industries.

NTB is promoting Nepal in the domestic and international market and is working toward repositioning the image of the country. It aims to regulate product development activities in future. Fund for NTB is collected in the form of Tourist Service Fee from departing foreigner passengers at the Tribhuvan International Airport, Kathmandu thus keeping it financially independent. The Board chaired by a Secretary at Ministry of Culture, Tourism and Civil Aviation constitutes of 11 board members with Five government representatives, Five private sector representatives and the chief executive officer.

**4.11.2 Took part in different campaign:** from the Government side also took part in different fairs and programmes in different country in for promotion of tourism in nepal. Nepal participated in Tourism fairs and exhibition held in India, Bangladesh, China, UK, USA, Canada, Germany, japan, Benelux, Thailand, spain, finland, France, Italy, Indonesia, and the UAE. Among the joint tourism promotional programmes Nepal participated in Sakaal Reflection, NATTA promotional Tour 2008, Introductory Programmes, and Sales Mission in India, Dhaka Travel Mart in Bangladesh, Nepal Academy Tour, Business to Business Session and GIT 2008 China, "send Home A Friend" and "Nepal For All season" as well as Farm trip in the UK, TITV Everest Exhibition and Multimedia presentation in Thailand, Golden Jubilee Festival in Egypt and Nepal trade and Tourism promotional Fair in the UAE. (Economic survey 2007/08)

#### **4.11.3 Planned on effort on tourism Development**

Different plan and effort made by government and privet sector for the tourism development in different time as promotional work

**4.11.3.1 Tourism Master Plan 1972:** Nepal tourism master plan was prepared in 1972 with a join. This plan had important features with two \ phases: phase one (1972-75) and phase two (1976-1980). The Nepal Tourism Development Master Plan, 1972, has summarized the potentialities of Nepalese tourism as: organized sight-seeing tourism,

independent Nepal style tourism, and trekking and pilgrimage tourism. According to the Master Plan (1972), there is a high prospect of developing various types of tourism in Nepal. The main features of this plan were given below:

The plan proposed five different types of tourism in Nepal which are as follows:

- ) Sight seeing tourism
- ) trekking tourism
- ) Recreational tourism
- ) Pilgrimage tourism and
- ) Nepal style tourism

From the Marketing point of view The USA, France and UK were identified as the primary market and West Germany, Japan, Scandinavia and Australia had been the target as secondary markets. And Kathmandu was seen as the centre of tourism activities.

**4.11.3.2 The Nepal Tourism Development Program (1998):** The Nepal Tourism Development Program (NTDP) (1998) was prepared by Touche Ross Management Consultants and funded by Asian Development Bank (ADB). It consisted of four reports which had recommended the overall development of tourism sector. NTDP made a study where included past studies, master plan 1972 and its 1984 review. NTDP had analyzed various aspects of tourism and Nepalese economy product development program, marketing strategy, environmental impact, importance of education and training, institutional framework for the development of tourism, incentives to be given to the Tourism Industry. The major output of the study was a set of action plan recommended for the growth and promotion of this sector in long and short term. The action plan was expected to:

- Release bottlenecks in Nepal's tourism industry
- Increase Nepal as a premium tourist product

The action plan covered over 50 projects that can broadly be categorized in to the Infrastructure, tourist attractions, accommodations, technical assistance and economic linkage

**4.11.3.3 Visit Nepal Year-1998:** The Visit Nepal-1998 was a broad Nepalese campaign announced in the year 1996. It aimed to attract at least five hundred thousands tourists during the visit year. The Ministry of Tourism aimed to identify 109 new spots for the purpose of tourism during the year. The marketing slogan was Visit Nepal-1998: A World of its Own.

The major objectives of The Visit Nepal-1998 were to:

- Increase the number of visitor arrival and elongate the duration of stay.
- Enhance the image of Nepal by repositioning it as a unique visitor destination,
- Improve and develop friendly and value based tourism product.
- Create intense awareness of the benefits of tourism.
- Provide an impetus to improve and develop infrastructure and effectively deal with environmental issues.

**Major strategies as given below:**

- Program and activities would be designed to make infrastructure to handle the expected number of visitors.
- To provide facilities to the tourists coming to Nepal and the visa process would be simplified and add more airlines would be setup

A work plan would be made in collaboration with semi government agencies and private entrepreneurs involved the tourism to promote cultural tourism. Internal tourist would be launched to develop these sectors. Programs would be made to reduce the gradual impact of seasonal tourism by introducing tour package prepared by the private sector.

- Comfortable transportation facilities to travel in and around Kathmandu and in other places availing transport infrastructure would be managed.
- Different types of publicity material giving detail information about Nepal's cultural, historical,

natural and religious features would be published and distributed in and out of the country.

- Nepalese diplomatic missions would be mobilized and tourism promotion would also be setup in the prominent tourism worker

The result of the Visit Nepal- 1998 was very positive and productive. The total tourist arrival thus in the year was 463,684 which was 99 percent higher than the previous year. The tourist arrival by air and land were 398,008 and 65,678 respectively. The foreign currency exchange earned was US\$ 12,152,500 during the year. Male and female tourists were 268,871 and 195,813 respectively.

**4.11.3.4 Destination Nepal Campaign, 2002-2003:** The Government of Nepal officially announced Destination Nepal Campaign (DNC), 200 - 2003 on 9 January 2002. Destination Nepal Campaign, 2002-2003 can play a vital role to the industry towards the path of sustainable development.

**The objectives of DNC were:**

To enhance and re-establish the image of Nepal as reliable and attractive travel destination by efficient international marketing and promotion.

To create massive awareness about tourism and tourist related activities.

To make necessary improvements in policies and structure levels in the tourism sector.

Some of the major programs incorporated with the DNC are the International Year of Mountain-2002, International Year of Ecotourism-2002, Mt. Everest Golden Jubilee Celebrations- 2002-2003. Commemorating the first conquest of Mt. Everest in 1953 by Sir Edmund Hillary and Late Tenzing Norgay Sherpa. Various festivals, events religious and other celebrations also featured during the DNC.

The activities held for one year as a part of Mt. Everest Golden Jubilee Celebration- 2002-2003 began in June 2002 and ended in May 2003. Various activities were lined up for the period included international rock climbing competition, golf tournament, cricket tournament, Everest marathon, white water rafting and elephant polo tournament etc.

Nepal is said to be the meeting point of famous Everest climbers from all over the world who were honored in the country.

**4.11.5 Visit Nepal 2011:** Government of Nepal decided on October 25, 2008 to launch a national tourism campaign "**Nepal Tourism Year 2011**". This announcement reflects the government's anticipation to bring into Nepal at least one million international tourists by the year 2011.

The campaign is focus on mobilizing the networks of the Non-Resident Nepalis (NRN) communities, Nepalese diplomatic missions abroad, INGOs and NGOs, airlines and national and international media.

Different committees are formed in different level such as main Organizing committee under the convener-ship of Hon'ble MoTCA. The Committee has Hon'ble Vice Chairman of NPC as the Joint Convener and Secretaries of various line Ministries; Chief of Metropolitan, Sub-Metropolitan cities and Municipalities; presidents of trade, travel trade and other related associations and institutions are nominated as Members. CEO of NTB has been designated as the Member-Secretary of the Committee. And Secretariat is NTB has been entrusted to function as a secretariat of the NTY 2011. In order to achieve the objectives of the campaign, various Sub-committees are to be formed to prepare specific strategies, programs, activities and budget.

Major Objectives visit Nepal 2011 are

1. Establish Nepal as a choice of premier holiday destination with a definite brand image.
2. Improve and extend tourism related infrastructures in existing and new tourism sites.
3. Enhance the capacity of service providers.
4. Build community capacity in the new areas to cater the need of the tourists.
5. Promote domestic tourism for sustainability of industry.

Targets of visit Nepal 2011 are

1. Achieve one million international arrivals
2. Encourage additional investment on tourism infrastructures by 50%.
3. Maintain the record of domestic tourism.

#### **Strategies**

1. Focusing marketing and promotion activities on regional and emerging markets
2. Exploration of new tourism potential market segments
3. Enhancement of air connectivity with the regional, emerging and potential markets
4. Lobbying with the government for sufficient budget allocation to improve and expand tourism related activities infrastructures in existing and new tourism areas.
5. Attract and encourage private sector for investment in tourism sector
6. Capacity building of human resources involved in tourism
7. Lobbying with the government for effective intervention in domestic tourism development eg. Amendment in the Transportation Act.
8. Promotion of Domestic Tourism by endorsing Leave Travel Concession ( LTC) by the government.

Organize major sports/events in association with tourism associations and stakeholders through out the NTY 2011.

#### **4.12 General overview of Tourist Arrival in 2007**

**Tourist Arrivals:** A total of 526705 tourist visited Nepal during 2007 representing an increase of 37.2% over the last years.

**Arrival By continent and Nationalities:** Tourist arrivals to Nepal for the year 2007 were recorded as follows: 3,04225(57.8% from Asia 1,40360(26.7%) from Western Europe 37,182 (7.1%) from North America, 16634 (3.2%) from Eastern Europe, 14506 (2.8%) from



Australia and Pacific, 6486 (1.2%) from South and Central America and 1350 (0.3%) from Africa. The highest number of arrival was from India comprising 96010 (18.2%) of the Total. This percentage however represents Indian tourist arriving in Nepal by Air only.

The majority of tourist from overseas visiting Nepal were from UK, 32367 (6.1%) USA 29783 (5.7%) PR of China 27339 (5.2%) Japan 27058 (5.1%), Germany 21323 (4.0%) and France 20250 (3.8%) respectively. The arrival of overseas tourist recorded an increase of 48.4% in 2007 comparison to 2006.

**Purpose of Visit:** Although the largest number of tourist visited Nepal for recreational purpose 217815 (41.1%) adventure tourist posted the highest average length of stay in the country. The average length of stay was recorded as 11.96 days.

Visitors entering by Air is constituted 3 60713 (68.0%) of total arrivals whereas 165992 (32.0%) entered Nepal by Land.

**Arrival by Sex and Age:** Male visitors comprised 290688 (55.2%) of the total arrivals while female visitors accounted for 236017 (44.8%). Age group recorded the highest share by the 31-45 years (31.2%) followed by the 46-60 Years (24.8%)

**Mountaineering:** A total of 162 expedition team were granted permission to scale different Himalayan Peaks in the year 2007 out of which only 86 teams were successful in their attempt. The number of Mountaineers was 1128 while the expedition teams employed 4823 persons.

**Visitors to Pokhara and the National Parks:** A total of 123944 non –Indian tourist visited Pokhara, which comprised 28.8% of the total non –Indian travellers. Similarly 203275 tourists visited different National Park in 2007.

**Revenue from Tourism:** The gross foreign exchange earnings in convertible currency from tourism stood at US\$ 230.6 million, which represented an increase of 41.7% over the previous year 2006.

**Hotels and Hotel Rooms:** The total number of tourist hotels recorded in 2007 was 619 which 345 were based in Kathmandu valley and the rest in out of Station like Pokhara, Chitawan, Nepal Gunja, Birgunj, Dang, Bhairahawa and Palpa. The total numbers of rooms and beds available in these hotels were 12482 and 24681 respectively. Kathmandy accounted for 7568 rooms with 14933 beds where hotels outside the valley accounted for 4914 rooms with 9748 beds.

**Travel Trekking and Rafting Agencies:** The number of Travel Trekking and Rafting Agencies registered in 2007 were 1078872 and 94 respectively.

**Trekkers:** A total of 101320 trekkers were registered in 2007 Out of total 60237 (59.4%) visited Annapurna area while those visiting the Everest and Langtang regions accounted for 26511 (26.5%) and 8165 (8.1%) respectively.

## **4.13 Contribution of Tourism in Nepalese Economy**

### **4.13.1 Introduction**

Tourism sector is one of the main foundations of the national economy of Nepal. This sector not only accounts for substantial amount of foreign exchange, but also contributes to the resolution of unemployment problem. To meet the gap of foreign exchange (excess of expenditure over income), Nepal is continuously trying for diverse sources of foreign exchange earning "Tourism Industry" is one of them.

Tourism industry plays a very significant role for boosting up Nepal's economy but variation of its volume is fluctuating over the year. The average income per visitors per day has increased from US\$ 38.0 in 1980 to US\$ 45.0 in 2007. This has been recorded highest in 2003 as US\$ 79.1. In the same way average income per capital I US\$ has also hit the highest of 765.9 in 2003. This was US\$ 422.5 in 1980 at US\$ 535 in 2007

Table 4.17 Gross Foreign Exchange Earning in Convertible Currency by Fiscal year (1990-2007)

Year	TOTAL EARNING		% Change in US\$	Average Income in per capital in US%	Average Income in per visitor in US\$%
	US\$(000)	Rs. (000)			
1990	63701	1868873	-6.8	326.5	27.2
1991	58589	2260808	-8.0	292.2	31.0
1992	61090	2838100	4.3	268.2	26.4
1993	66337	3225464	8.6	315.6	26.4
1994	88195	4341700	32.9	393.7	39.4
1995	116784	6059300	32.4	474.5	42.1
1996	116644	6599700	-0.1	430.3	31.9
1997	115904	6698700	-0.6	401.9	38.3
1998	152500	10024482	31.6	475.8	44.2
1999	168100	11421084	10.2	479.1	39.0
2000	166847	11827403	-0.7	453.7	38.2
2001	140276	10468205	-15.9	472.4	39.6
2002	106822	8300553	-23.8	512.0	64.8
2003	192832	14508396	80.5	765.9	79.1
2004	179941	13146534	-6.7	609.8	45.1
2005	148441	10600345	-17.5	532.0	58.5
2006	162790	11784644	9.7	561.0	55.0
2007	230617	15185071	41.7	535.0	45.0

*Source: MoCTCA, Nepal Tourism Statistics, 2007 Nepal Rastra Bank.*

The above table 4.17 shows the annual gross foreign exchange earning from Tourism. Here data has been taken for last 17 years where we can see the total foreign exchange in convertible currency has increased from US\$ 63,701,000 to US\$ 230,617,000 in 2007. In comparison with 2006 the figure is increased by 41.7%. The highest earning from tourism sector has recorded in 2007. But the highest rate of earning has recorded in 2003 as compared to previous year 2002 by 80.5%. Which, means the earning in 2003 has US\$ 192,832,000 compared to 2002 as 106,822,000.

In the same way the average income per visitors per day has also increased from US\$ 27.2 in 1990 to US\$ 45.0 in 2007. This has been recorded highest in 2003 as US\$ 79.1. In the

same way average income per capital I US\$ has also hit the highest of 765.9 in 2003. This was US\$ 326.5 in 1990 at US\$ 535 in 2007

Earning from tourism industries in Nepal is varies year to year. Although that foreign exchange earning from Tourism in Nepal has playing vital role in the Gross Domestic Product of the Country. The importance of Tourism in Nepal can be felt by understanding by its contribution in GDP that is generating from 1.4 to 4% of total Contribution in these years.

Total earning form tourism in the year 2000, 2001, 2002 and 2005 significantly shows the negative impact these are due to the Decade long Maoist insurgency and political instability.

**Figure No 9:Gross Foreign Exchange Earning in Convertible Currency by Fiscal year (1990-2007)**

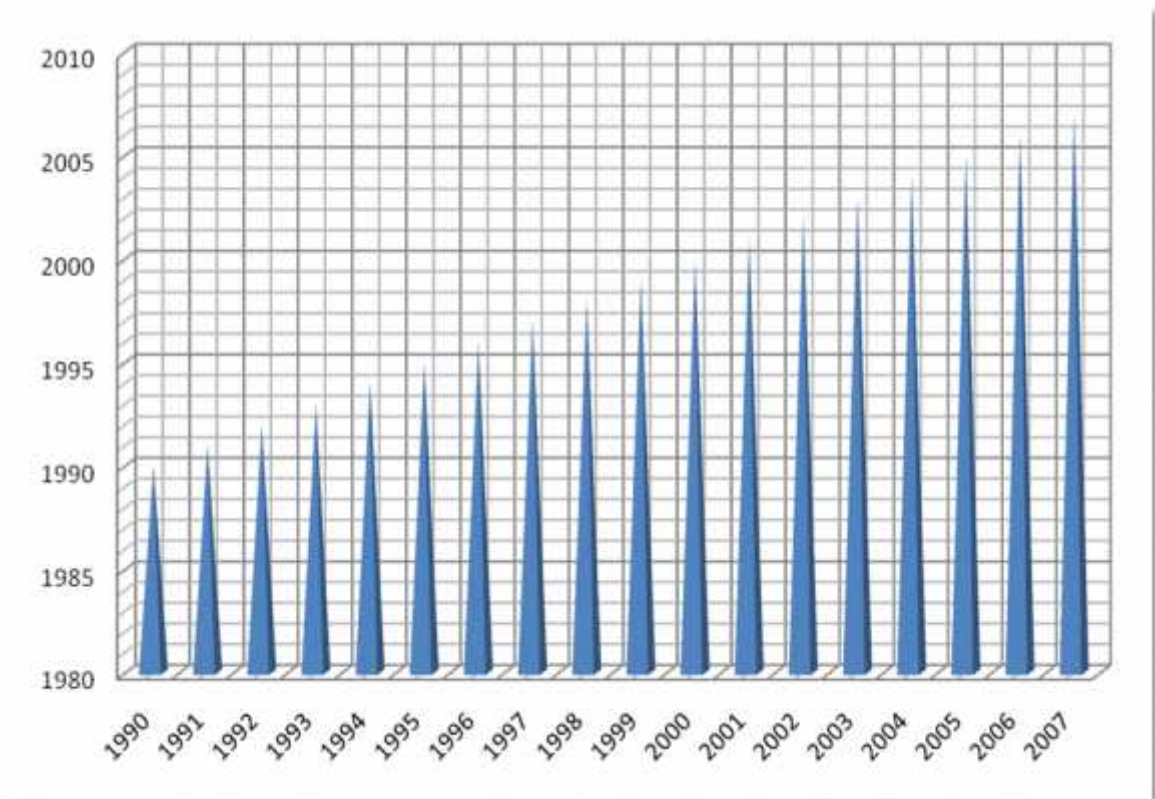


Table 4.18  
Tourism Income in Convertible Currency by Sector (FY 2063/64)

Sectors	Shaun	Bhadra	Asoj	Kartik	Marga	Poush	Magh	Falgun	Chaitra	Baisakh	Jestha	Asadh	Total
Hotels	34,333	49,029	80,320	98,597	58,653	60,236	71,134	66,908	68,028	57,858	55,352	43,378	<b>743,736</b>
Travel Agencies	304,722	347,166	260,851	273,549	303,478	290,217	281,788	240,985	377,790	381,239	339,802	345,056	<b>3,746,643</b>
Airlines	36,800	169,675	169,264	126,145	124,164	145,028	159,790	158,912	163,614	132,553	136,594	170,852	<b>1,693,391</b>
Trekking & Rafting	50,827	69,223	108,804	85,897	50,514	69,955	59,017	119,047	111,804	101,840	79,421	55,129	<b>961,478</b>
Tourists	247,932	272,604	399,613	454,744	367,090	331,028	314,068	347,156	375,856	390,289	302,401	290,372	<b>4,093,153</b>
Others	70,134	129,370	128,548	91,448	109,846	136,035	117,470	121,400	125,494	126,836	127,590	123,189	<b>1,407,360</b>
<b>Total Tourism Income (Rs. '000)</b>	<b>744,748</b>	<b>1,037,067</b>	<b>1,147,310</b>	<b>1,130,380</b>	<b>1,013,745</b>	<b>1,032,499</b>	<b>1,003,267</b>	<b>1,054,408</b>	<b>1,222,586</b>	<b>1,190,615</b>	<b>1,041,160</b>	<b>1,027,976</b>	<b>12,645,761</b>
INR/USD rate(month) end	74.35	72.6	72.59	72.3	71.45	71	70.35	70.5	68.4	65.7	65.4	64.85	
<b>Equivalent US Dollar ('000)</b>	<b>10,017</b>	<b>14,091</b>	<b>15,805</b>	<b>15,635</b>	<b>14,188</b>	<b>14,522</b>	<b>14,261</b>	14,956	<b>17,874</b>	<b>18,122</b>	<b>15,920</b>	<b>15,852</b>	<b>181,242</b>

Source: Nepal Tourism Statistics, 2007 (Figure inside parenthesis percentage of the total)

From the Table 4.18 we can see that among the different sector Tourist sector is the major source of Income in Convertible Currency among the Hotels, Travel Agencies, Airlines, Trekking and Rafting. Similarly Chaitra ( march-april) is the leading month to make income source

**Figure No: 10** Tourism Income in Convertible Currency by Sector (FY 2063/64)

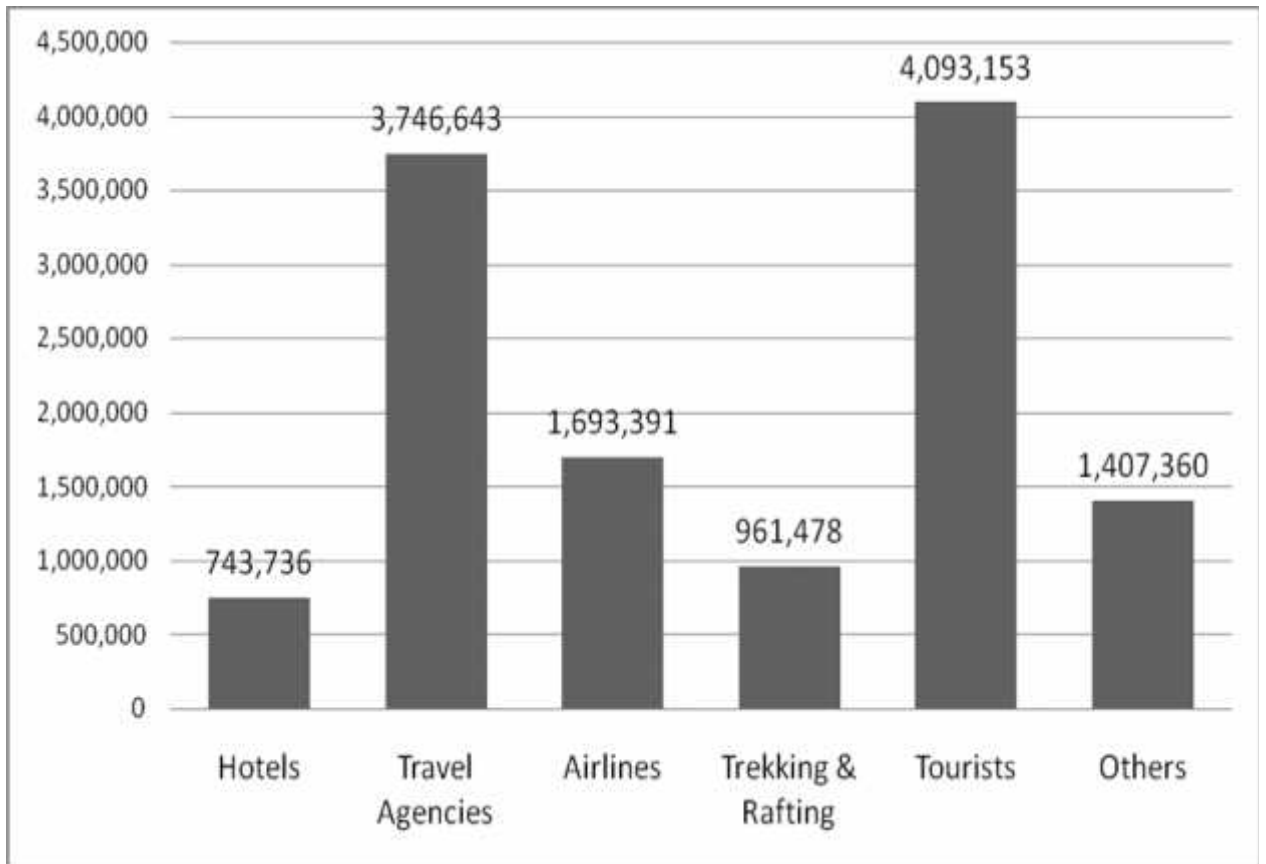


Table 4.19

## Gross Foreign Exchange Earning from Tourism (1988/89-2003/04)

Year	Total Foreign Exchange Earning From Tourism (Rs. in million)	As %of Total Value of Merchandise Exports	As % of Total Value of Exports of Goods & Non Factor Services	As %of Total Foreign Exchange Earnings	As %of GDP
1991/92	5016.9	35.9	19.5	20	3.6
1992/93	5,966	31.5	26.7	17.6	3.7
1993/94	8,251.70	42.7	22.4	18.9	4.1
1994/95	8,973.20	50.0	21.6	17.3	4.1
1995/96	9,521.20	47.9	23.3	21.4	3.8
1996/97	8,523	37.6	13.7	17.6	3
1997/98	9,881.60	35.9	17.4	15.2	3.3
1998/99	12,167.80	34.1	18.5	15.9	3.6
1999/00	12,073.90	24.2	13.0	8.8	3.2
2000/01	11,717.00	21.0	12.0	7.4	2.9
2001/02	8,654.30	14.9	10.6	6.1	2.1
2002/03	11,747.70	23.1	15.2	8.2	2.6
2003/04	18,147.40	32.9	20.3	11.4	3.7
2004/05	10,464.00	17.5	12.2	6.1	1.8
2005/06	9,556.00	15.5	10.9	4.6	1.5
2006/07	10125.0	16.1	10.7	4.5	1.4
2007/08*	10891.0	26.7	16.6	6.6	1.3

\* First Eight Month

Source: Nepal Tourism Statistic 2007 and Economic Survey Fiscal year 2007/08

Foreign exchange earning in FY 2006/07 had increased by 6.0 percent totaling Rs.10.12 Billion. During the first eight months of FY 2007/08, foreign exchange earning reached 10.89 billion which is 7.6 percent more than the earning the same period in the preceding year. The foreign exchange earned in the first eight months of FY 2007/08 was equivalent to 26.7 percent of total exchange earned from the export of goods, 16.6 percent of total foreign exchange earned from total export of goods and services, and 6.6 percent of the total foreign exchange earning during the period. All the three ratio have increased in comparison to the ratio during FY 2006/07.

But table indicates the decreasing trend of foreign exchange earning and its role on national GDP. Although, it indicates the earning from tourism in 2003/04 satisfactory (18147.4 million in Rs.) rather than that were in other years. But we can hope increase in the foreign exchange earning in 2003/04, as compared to the previous year.

#### 4.13.2 Contribution of Tourism Industry to Government Revenue

Tourism sector generates government revenue from various sources and various ways.

Table 4.20

Contribution to Government Revenue

(in million rupees)

S.N.	Description	1990/91	1991/92	1992/1993
1	Visa	88.3	148.2	164.8
2	Hotel Tax	115.6	191.3	223.4
3	Airport Tax	173.4	177.9	295.7
4	Trekking Permit Fee	11.4	25.9	46.7
5	Mountaineering Permit Fee	7.3	8.9	30.3
6	Rafting Fee	0.4	0.5	0.4
<b>Total</b>		<b>396.4</b>	<b>552.7</b>	<b>761.3</b>

*Source: Economic Survey 1995, Ministry of Tourism and Civil Aviation & Ministry of Finance*

Table 4.4 shows that the revenue collected from Hotel Tax and Airport Tax is high over the year. Total revenue collected from Hotel Tax was 115.6 million rupees in 1990/1991 which is followed by 191.3 million rupees in 1991/92 and 223.4 million rupees in 1992/93. Likewise total revenue collected from Airport Tax was 173.4 million rupees in 1990/91 which increased 177.9 million rupees in 1991/92 and 295.7 million rupees in 1992/93. Similarly, revenue collected from Visa and Trekking Permit is little bit



low than Hotel Tax and Airport Tax but higher than Mountaineering Permit Fee and Rafting Fee that could be clearer from above table 14.

**Table 4.21**  
VISA and Trekking fees received from Tourism 2001/02-2004/05

Year	Tourism and Trekking Fees (Rs. In Million)	As % of Revenue	As % of Non - Tax Revenue
2001/02	183.11	0.36	1.65
2002/03	139.71	0.25	1.02
2003/04	135.06	0.22	0.95
2004/05	135.1	0.19	0.84

*Source: Department of immigration*

Visa and trekking fee received from tourist has also been decreasing from 2001/02. In the year 2001/02 was Rs 183.11 million in 2001/02 with the share of 0.36% in revenue and 1.65% in Non Tax revenue. It has reached to 135.10million in 2004/05 with the share of 0.19% in revenue and 0.84% in non-tax revenue.

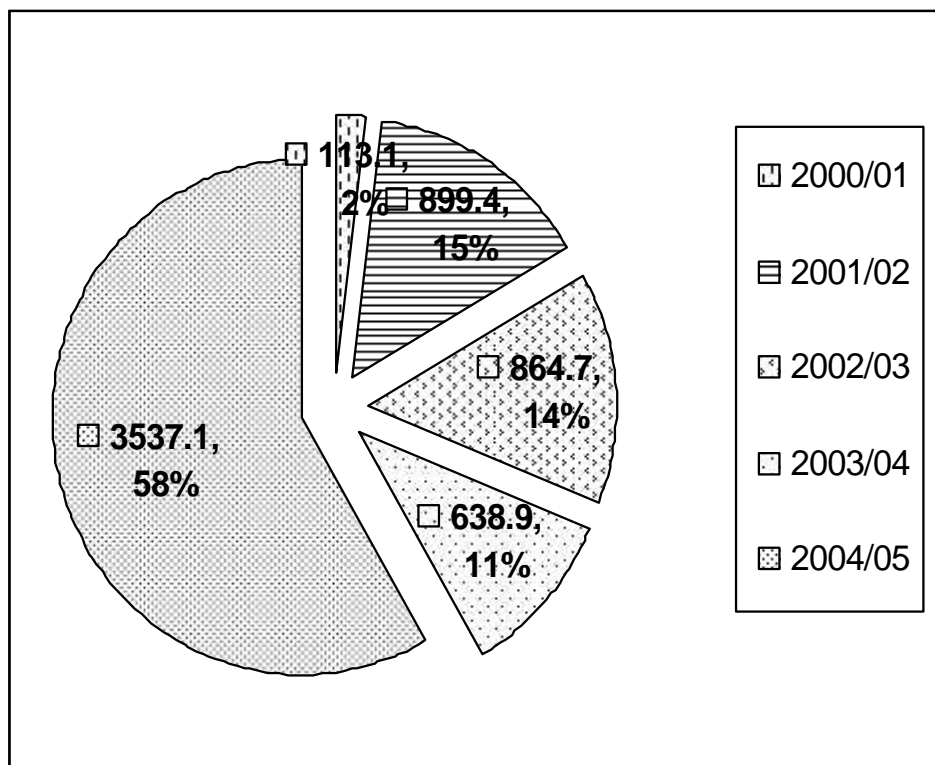
**Table 4.22**  
Tourism Fees Received from Tourism Sector 2000/01-004/05

Year	Tourism Fees (Rs. In million)	As % of Revenue	As % of Non - ax revenue
2000/01	113.1	2.32	11.31
2001/02	899.4	1.79	8.09
2002/03	864.7	1.54	6.34
2003/04	638.9	1.03	4.51
2004/05	3537.1	5.04	7.23

*Source: Quarterly Economic Bulletin, Mid October 2005, Nepal Rastra Bank*

Total tourism fee received from tourism was Rs 1134.1 million in 2000/01 which shared 2.32 million of total revenue and 11.31% of non-tax revenue. After 2000/01 it started to decline and reached to Rs 638.9 million in 2003/04. It again increased and reached to 3537.1 million in 2004/05 sharing 5.04% of total revenue and 7.23% in non-tax revenue

Figure No 11 Tourism Fees Received from Tourism Sector 2000/01-004/05



**Table 4.23** Revenue Received from Mountaineering 1996-2007

Year	Revenue from Mountaineering (Rs. In million)	% Change
1996	101.88	
1997	108.23	6.23
1998	95.47	-11.78
1999	84.99	-10.97
2000	119.89	41.06
2001	127.4	6.26
2002	128.03	0.49
2003	181.36	41.65
2004	127.07	-29.93
2005	156.24	22.95
2006	145.61	-6.8
2007	169.83	16.63

Source: MoCTCA, Nepal Tourism Statistic 2007.

The earning from mountaineering in 1996 according to the above table is Rs. 101.88 million which decline in 1999 to 84.99 million. It again started to increase till 2003 and reached to 181.36 Million. in 2004, 122.07 was collected from this sector which is low than in 2003 showing the decrease by –29.93%. Again it increased by 22.95% in 2005 reaching 156.24 million which again decrease by –6.80% in 2006 showing 145.61 million. In 2007 it is 169.83% The highest value recorded was in 2003 as 181.36 million with the increase of 41.65 %. where as the lowest one was in 1999 as 84.99 with the –10.97 % decrease. Revenue from Mountaineering is shows that fluctuating over the year

#### **4.13.3 Employment Generation from Tourism Industry**

Tourism is highly potential industry for employment generation in Nepalese scenario. Tourism industry could play positive role for uplifting people's income. To flourish tourism industry it requires a large number of specialized personnel as well as semi-skilled labour in different tourism sector such as airlines, hotels, travel & trekking agencies. The construction of basic infrastructure for the development of tourism such as roads, airports, hotels, resort and other public utilities creates jobs for thousands of workers in the developing countries, where the problem of unemployment and underemployment is acute. The promotion of tourism could be a great source of employment generation.

It is very much difficult to estimate the actual number of persons engaged in tourism industry because it provides not only direct jobs but creates situation for indirect jobs too. Moreover, its seasonal nature job makes it difficult to find the actual number of those who are engaging in this industry.

Nepal Travel and Tourism Economy employment is estimated at 743,945 jobs in 2004, 7.0% of total employment, or 1 in every 14.3 jobs. By 2014, this should total 1,019,350 jobs, 7.4% of employment or 1 in every 13.4 jobs. The 328,386 Travel and Tourism Industry jobs account for 3.1% of total employment in 2004 and are forecast at 450,048 jobs or 3.3% of the total by 2014.

According to the study made by Nepal Rastra Bank in 1989 employment generation from tourism in Nepal is altogether 14,416 people were directly employed in the tourism sector, which were hotels, travel and trekking agencies, airlines and carpet industry that is shown in the following table;

**Table 4.24**

**Direct Employment Generation from Tourism**

Sector	Total Employment		Level of Employment		
	Number	Percent (%)	Top (%)	Middle (%)	Basic (%)
Hotel	5912	41.0	8.5	30.0	61.5
Restaurants	693	4.8	12.0	38.0	50.0
Travel Agencies	1544	10.7	17.6	43.0	39.4
Airlines	2738	19.1	4.4	22.0	74.0
Carpets	2551	17.7	1.5	5.0	94.0
Trekking	978	6.7	12.5	26.0	61.0
<b>Total</b>	<b>14416</b>	<b>100.00</b>			

*Source: Nepal Rastra Bank, 1990.*

The study conducted by Nepal Rastra Bank shows that 61.5 percent worked as under basic level manpower, 30 percent as middle level manpower and 8.5 percent as top-level manpower in tourism industry. This reveals the domination of basic level manpower in the tourism industry in Nepal. Therefore, tourism industry has great potentiality to absorb the unskilled manpower of the country thereby partially solving the problem of unemployment and underemployment to a greater extent. The study

also reveals that hotel and lodges are the main employment generator a in tourism sector. But recently the scenario has changed to some extent due to the increasing number of tourist who comes for trekking and also for which requires a large number of manpower.

**Table 4.25**

Share of employment generation in Tourism related sector 1986

Sector	Number	Percentage
Cargo Agency	144	2.9
Handicraft	475	12.2
Carpet	2551	65.4
Garment	68	1.8
Restaurant	619	17.7
<b>Total</b>	<b>3857</b>	<b>100.00</b>

*Source: Nepal Rastra Bank, 1986.*

Nepal Rastra Bank had also studied employment generation related to tourism industry. Table4.9 shows that carpet industry as the major employment generation which is closely related with tourism representing 65.4 percent employing 2551 persons in the Carpet Industry followed by restaurants 17.7 percent and handicrafts 12.2 percent respectively. "Although tourism sector is more important recently, it is playing an increasingly dominant role over the year. The prospect of augmentation employment opportunities in tourism sector is immense" (NRB, 1989). Despite the lack of precise estimates about the employment, it has been recognized that total employment generation in tourism sector is estimated to be much more than these revealed by

studies on the field. Therefore studies on employment generation in tourism sector of Nepal are of immense importance for employment problem of the country as a whole.

**Table 4.26**

**Total Number of Licensed Manpower Guide 1999-2007**

YEAR=>	1999	2000	2001	2002	2003	2004	2005	2006	2007
Tour Guide	1691	1854	1900	2001	2071	2149	2202	2271	2282
Trekking Guide	1967	2155	2745	3094	3457	3930	4395	4663	5098
River Guide	174	174	174	174	180	182	182	182	182

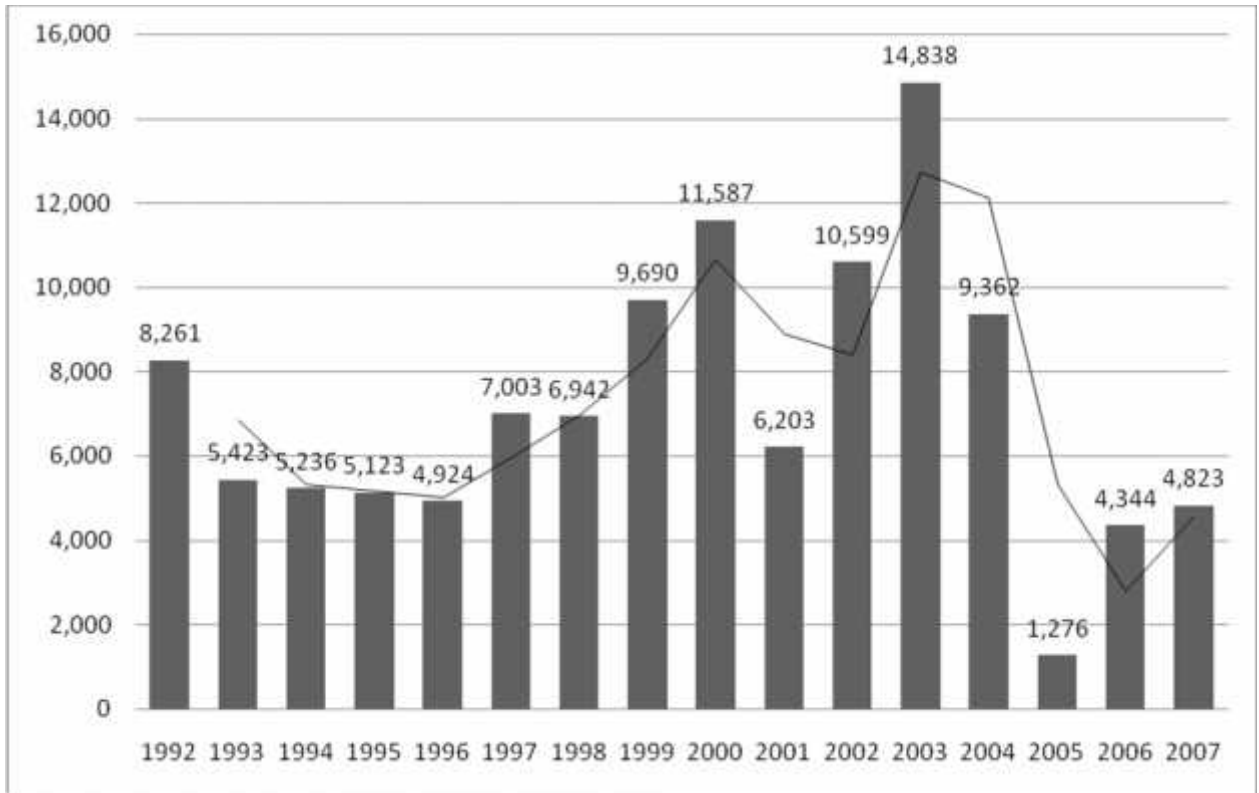
*Source: MoCTCA, Nepal Tourism Statistic 2007*

This table shows the number of guides licensed to work in Nepal. If we compare tour Guide of 1699 in 2007 that has increased to 2282 in 2007 but the river guides are increasing very slowly The number of River Guide in 1999 was 174 while this has been increased to 182 in 2007 showing its marginal increase. Here guides as the number of it is increased 1967 in 1999 to 5098 in 2007 which seems nearly about 3 times fold.

**Table 4.27: Number of Employment in Mountaineering Sector 1992-2007**

Year	Total No. of Team	Total No. of Mountaineers	Successful Team	No. of Person Employed
1992	113	929	59	8,261
1993	95	730	54	5,423
1994	105	696	63	5,236
1995	91	624	53	5,123
1996	129	851	66	4,924
1997	120	861	45	7,003
1998	141	974	57	6,942
1999	115	857	55	9,690
2000	132	773	79	11,587
2001	112	836	66	6,203
2002	134	913	83	10,599
2003	152	1,080	90	1,4838
2004	140	1,042	87	9,362
2005	128	940	72	1,276
2006	133	986	78	4,344
2007	162	1,128	86	4,823
	2,002	14,220	1,093	102,280

Figure No 12 Number of employment in Mountaineering Sector.



This table shows the number of employment in mountaineering sector. We can see the total number of persons employed in 2005 is 1276 which is the lowest during 1992 – 2007. Where as the highest number of people employed in this sector are 14838 in 2003. But this sector has employed 4344 in 2006 and 4843 in 2007. The number of employed in this sector are not satisfactory in the recent years.

#### 4.14 Major Findings

##### 4.14.1 Positive aspects findings

1. The history of Nepalese tourism begins only after the establishment of Democracy in 1950.
2. Regarding the age groups Arrivals 31-45 is found dominant age group than others, which is followed by 16-30, 46-60, 60 & over and 0-15 respectively in almost all (1992-2007) the year.

3. The number of tourist inflow is smoothly increasing since 1991 to till now. We find the growth rate positive in all the years since 1992 to 2007. Except only in 2000, 2001, 2002 and 2005
4. The highest number of tourist arrivals was registered in 2007.
5. Due to the some external as well as internal reasons basically non economic reasons, industry faced huge set back after 1999. Industry faced negative trend in consecutive three years after 1999. The number of arrivals recorded in 2002 was even 2,75,468.
6. The highest annual growth rate of 37.2% was recorded in 2007 and the highest rate of decline was recorded in 2002 with 23.7%.
7. The average length of stay of tourists during these more than four decades hovered around 9-14 days. It has reached the lowest of 7.92 days in 2002 and the highest one recorded in 2004 as 13.51 days.
8. In average more than 80% tourists use air route to visit Nepal, rest about 20% use the land route.
9. In each year the number of male tourists exceeded the number of female tourists near about the ratio of 60:40. We can find the increasing ratio in 2004 and 2005 than the average as 66:33 and 69:31 respectively where as the year 2006 and 2007 has the decreasing ratio of 57:43 and 55:45 respectively.
10. If we look at the data available country wise statistics, we find India is holding the first position with 20% - 30% share.
11. Regarding the purpose of visit, the largest portion of total tourist arrivals is represented by the Holiday/Pleasure category sharing around 40-60%. The tourist arrivals for trekking and mountaineering are getting more popularity in the recent years due to the natural beauty and the rare places of Nepal.
12. Foreign exchange earning from tourism is also increasing significantly though it was recorded less in 2004/05, 2005/06 and 2006/07. it increased year by year since 2003/04. The highest foreign exchange earning of 18147.4 million rupees was recorded in 2003/04 whereas the lowest of 735.4 million rupees was earned



in 1984/85. In the first eight months of 2006/07, 6176 million rupees was earned from this sector.

13. Foreign exchange earnings from tourism In Nepal occupied significant space in the GDP. As compared to GDP As compared to the total foreign exchange earnings, it registered a highest 4.6% in 2005/06 and 4.4% in the first eight months of 2006/07. In recent years the improved ratio of 11.4% is in 2003/04.
14. Tourism also contributes to the government revenue by various ways like visa fees, trekking fees, mountaineering fees. Hotel tax. Airport tax etc. Tourism fee in 2004/05 recorded Rs. 3537.1 million. Sharing 5.04% of total revenue and 7.23% in non-tax revenue. Likewise, visa and trekking fees in this year recorded Rs. 135.10 million, with the share of 0.19% in revenue and 0.84% in non-tax revenue. As compared to 2006, the earning from mountaineering in 2007 is increased by 16.63 % to Rs. 169.83 million. Similarly, the revenue from national parks increased by 21.37% to Rs. 95.2 million in 2004/05 as compared to last year.
15. As we all know tourism sector is also plays an important role in generating employment and income opportunities. As per a survey done by NRB, all together more than 60 thousands people are employed in tourism sector and tourism related sectors. Sector wise, hotel industry holds a largest chunk of employment with more than 40%. If we add restaurant, travel agency and trekking together with the hotel industry, then the share becomes more than 60% employing nearly 55 thousands peoples.
16. As concerned to the accommodation capacities, the number of hotels has increased nearly by 3 folds to 619 in 2007 compared to 1990 within 17 years Out of total almost 50% hotels and 60% beds are captured by the Kathmandu valley. The number of star hotels during this period has been increased significantly. Total capacity of all hotels together is 24,681 in 2007.
17. Till 2007, the number of travel agencies has reached to 1078, trekking agencies to 872 and rafting agencies to 94. Likewise the number of trekking guides has

reached to 5098 tour guides to 2282 and river guides to 182. Besides, total of 4843 persons were also employed by mountaineering sector during 2007.

18. Nepal Academy of Tourism and Hotel Management (NATHAM) is playing vital Role for the skilled manpower production since 1991/92.

#### **2.14.2 Problems findings**

As other sector tourism sector also have many problems. These problems are base on available information and observation. The major problems faced by Nepalese tourism sector in point wise are:

1. lack of promotional activities,
2. lack of recreational facilities,
3. lack of political stability,
4. less focus on religious tourism,
5. Inadequate financing problem of environmental pollution,
6. Lack of awareness among the people,
7. Problem of preservation of natural beauty
8. Insufficient Infrastructure facilities.
9. Unpredictable and sudden political movement
10. Frequent interruption of electricity in the area of tourist
11. Increasing volume of pollution due to sound vehicles
12. Insufficient promotional materials
13. Frequent flight cancellation and delay flight without any justifiable prior notice

# CHAPTER V

## SUMMARY, CNCLUSIONS AND RECOMMENDATIONS

### 5.1 Summery

Now tourism has been the economic as well as the socio-cultural phenomenon, a new business, a new industry of vast dimensions and magnitude. It has become the only largest and fast growing industry in today's world. Tourism has received a unique place in Nepal. Nepal's biological diversity, panoramic scenery with amazing geographical set up and its socio-cultural richness are the major tourism attractions for the international community.

Tourism has been a definite source of income for the country like Nepal since its inceptions. It has been playing a pivotal role in the national economy of the country and has remained as the major and continuous source of the income for the country. In the context of Nepalese economy. this always has been a one of the most important source of foreign exchange earnings with generating a substantial amount of government revenues and creating a significant number of employment opportunities as well. This sector also helps local peoples to conserve natural and cultural resources of this area, promote sustainable social and economic development and develop tourism with minimize negative environmental impact. It creates economic activities and sizable amount of income and employment for the local people as well.

### 5.2 Conclusion:

**Regarding the trend of tourism growth in Nepal:** The number of tourists has been increasing over the years, the length of the stay of tourists has changed very little over a period. From these study we can say that tourism was started since long time although it is started in Nepal 1950s on wards systematically. So, there is a challenge of developing and promoting tourism industry by means of increasing the number of tourist arrivals, extending their length of stay and encouraging quality tourism. In the

year 2000-2003 socio-economic and political conditions cause to decrease in the volume of tourist arrival in Nepal

In the fiscal year 2039/40 the tourist arrival was 176,103 was recorded and this figure reached to 462580 in 2063/64. And a total of 526,705 tourist visited Nepal during 2007 an increase of 37.2% over the last years.

Tourist visited Nepal from many countries and almost all continent where, Asia is leading and South and central Africa is the least similarly India is the leading country but China also increasing in the recants years. The arrival of overseas tourist recorded an increase of 48.4% in 2007 comparison to 2006.

Tourist visited Nepal with different Purpose although the largest number of tourist visited Nepal for recreational purpose from the beginning. And majority of the visitors came from Air transport. On the age base 31-45 years is leading group.

**Regarding the development of tourism in Nepal** famous travellers were travelled thorough Nepal from ancient time. Most of the travellers came to visit Nepal with religious purpose in long time back. There was no any economic gain from such travellers. There were limited facilities of transportation, accommodation and communication in the country in long years back.

But now the situation is change so lot of means of transport and communication are developed and it make travellers to reach different destination with lot of information

Government of Nepal has realized the important role of tourism national economic development. So government has given proper place for it on national plans. The highly reached cultural heritage, enchanting diversity of tribes and communities, and heart rendering parade of scenic beauty goes to prove that there is more than enough justification for developing tourism in Nepal.

In the year 2014 B.S. a tourism development board was established. Department of Tourism was established in 1962. For this consideration and administrative machinery was set up as early as 1956 (National Planning Council: 1956. A Tourist Office was set up in the Department of Industry in 1957. The enactment of the Tourism Act 1964 (2021) is

a notable achievement. Different Institutional infrastructure were established for the development and promotion of Tourism in Nepal eg Department of tourism (1959) Hotel Association of Nepal (1966) Trekking Association of Nepal (1978), Nepal Association of Rafting (1988), Nepal Mountaineering association of Nepal (1973) Ministry of Culture Tourism and Civil Aviation (2000), Nepal Tourism Board etc. Nepal became the member of "International Union of Official Travel Organization" (IUOTO) since 1959 and "Pacific Area Travel Association (PATA) since 1953. Some important activities of Government are Nepal Tourism Master plan 1972, declaration of "Visit Nepal 1998" "Destination Nepal Campaign 2002-2003".

**Regarding the tourism market in Nepal** The highly reached cultural heritage, enchanting diversity of tribes and communities, and heart rendering parade of scenic beauty goes to prove that there is more than enough justification for marketing of tourism in Nepal. Government of Nepal also realized this fact and giving its importance for the boosting up national economy it started to develop in a plan way from First Plan Period. Nepal can be the best market in comparison to other country for the foreigners.

### **5.3 Recommendations**

1. For the smooth development of tourism, misconceptions about Nepal's reality should be made clear by providing adequate information and thereby taking several measures such as promotion of tourism, infrastructure development, diversification of tourism industry and wide publicity.
2. Due to the particular preference of various categories of visitors, Nepal should design conducive strategies and programmes to suit the interest of these specific categories by taking the specific characteristics viz. age, sex, nationality etc., of the visitors in order to provide higher level of satisfaction and to attract more visitors in the country.
3. Government should adopt strong policies and strategies to achieve the national objectives from tourism industry
4. Priority should be given to the political settlement and peace, as this sector is very badly affected by the unstable politics. Negotiation is the only chant that

can resolve all types of political and other problems.

5. Tourism support facilities and services like communication, accommodation and hygiene facilities should be adequately expanded.
6. In order to promote Nepal and giving wide publicity and information about Nepal as tourism destination, various constructive works should be done. More attractive and clear promotional materials like books, booklets, magazines, brochures, pamphlets and audio visual materials should be produced and distributed to the major tourist generating regions.
7. Marking in different occasions, photo exhibition, seminar, international tourism fairs and conferences focusing on mountain tourism of Nepal, should often be made within and outside the country.
8. Tourism marketing should be done jointly by the government and the private sector to promote destination, promote products and to counter poor or bad publicity abroad whenever such cases happen.
9. Nepal must target its markets according to strengths and prospects. The leading market segments for Nepal may be India, Western Europe, Japan, USA and Australia. The SAARC, ASEAN and East Asia also may be promising segments for future. All marketing and promotional efforts must be done on the basis of these identified target markets.
10. All marketing efforts must be done by prioritizing on the basis of the existing and potential market strengths.
11. In recent years, the highest number of tourist arrival was from India comprising one third of total tourist arrival to Nepal. Efforts are needed" to promote Indian market properly on a continuous basis by positioning hill stations, shopping and other facilities
12. Nepal should expand the range of high value Nepalese tourist products, extend the length of stay of sightseeing visitors and increase the various opportunities for tourists to spend on.
13. Promotional activities and tourism fairs should be arranged in potentially tourist-

originated countries. In such countries we must activate our foreign diplomatic missions and embassies to attract tourist in Nepal.

14. Preservation and promotion of monasteries, temples, cultures and customs bearing historical, cultural and archaeological importance.
15. Media advertise and other advertisement measure should be increased in international market.
16. In priority base more focus should be given in bringing the more tourists from India and China.
17. Ancient places, temples and other important monuments should be preserved with the help of local people's
18. Private investors should be encouraged to invest in the infrastructure of tourism sector.
19. Trainings should be expanded for quality man powers to fulfill the future requirement of tourism sector.
20. The recent trend in tourist arrivals for pilgrimage, official works; business, trekking and mountaineering need special attention for more development.
21. The air services at present are insufficient for large number of tourist arrivals in Nepal. The air services from private sector should be increased further in different geographical regions.
22. In order to ensure a large amount of foreign exchanging earning, Nepal should expand the range of high value is far as Nepalese tourist products, extend the stay of sight-seeing visitors, and increase the opportunities for tourist to spend on.
23. In order to spread the fame of Nepal in the world tourism market, publicity should be made at an international level through different popular international electronic media like BBC, CNN, INTERNET and other countries national medias such as France, German, Norway etc.

24. Nepalese Embassy can be mobilized effectively as market outlet of Nepal. The tourism marketing can also be promoted by the use of improved means of communications such as e-mail and internet etc.
25. Visitors want to experience new things and, new products. To meet their wants in addition to concentrating on old products, Nepal 'should develop new products/packages too.



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