

# **Tourism in Nepal: A Macro & Micro Perspectiv**

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## LETTER OF RECOMMENDATION

We certify that this dissertation entitled "Tourism in Nepal: A Macro and Micro Perspective" was prepared by Kamal Maiya Pradhan under our guidance. We hereby recommended this dissertation for final examinations by the Research Committee of the Faculty of Humanities and Social Sciences, Tribhuvan University, in fulfillment of the requirements of the Degree of *DOCTOR OF PHILOSOPHY* in *GEOGRAPHY*.

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Kamal Maiya Pradhan

## **ABSTRACT**

The main objective of this study was to analyze the tourism development in Nepal at macro and micro levels. At macro level, the specific objectives were to assess the nature of tourism planning; determine the attributes of tourist arrivals in Nepal; analyze demand side of tourism by considering the pattern of growth in tourist arrivals, seasonality, and composition of tourist arrivals; examine the purpose of visit and length of stay by the tourists; assess the growth in revenue generation from tourism; analyze the supply side of tourism in terms of the growth in tourism infrastructure, e.g., accommodation, manpower, transportation facilities, and investment; and ascertain the relationship of tourist arrivals and tourism earnings with tourism expenditure, and tourist accommodation. At micro level, the objective was to conduct a case study of tourism in Nagarkot by covering the areas of tourism planning, tourist arrivals, and tourism infrastructure. It also deals with assessing the impact of tourism on local community, and hotels/lodges.

The micro level study was based on primary data collected through field survey by administering the structured questionnaire to three responding groups: the tourists, the local households, and the hotels/lodges. The major results of 2005 survey were also compared with the results of similar survey undertaken in 1995.

The macro level study was based on secondary data. The major secondary data relating to demand for and supply of tourism in Nepal was collected from different published sources. The study period chosen for analyzing the tourism policy and performance at macro level was from 1982 to 2005.

The Nepalese plans have always added a new dimension in the planned approach for tourism development. However, the performance was at a low level. Despite the planned efforts, the trend of tourist arrivals has not been encouraging. Even though much emphasis has been placed on tourism at the planning and policy levels, growth rates of tourist arrivals, length of stay by tourists, foreign exchange earnings, and tourism infrastructure could not increase significantly even before the insurgency problems in the country.

Notwithstanding high priority given to tourism planning, the tourism development expenditure of the government was not even one percent of total development expenditure. This kind of poor financial priority given to tourism sector showed government's lack of commitment towards tourism promotion in the country. There was also a wide variation in the demand for Nepalese tourism and the variability increased over a period of time. As regards the supply side of tourism, there had been a growth and development of tourist accommodation facilities over a period of time. Despite the decline in the demand for Nepalese tourism in recent years due to insurgency problem in the country, the number of hotels, rooms, and beds had not declined. There was, however, a distinct decline in occupancy rates of hotels.

The supply of trained manpower required for the development of tourism increased over a period of time, irrespective of the rise and fall of tourism. Tourism training and education, which was relatively unpopular in the past, have gained more popularity in the recent years.

Tourism development at micro level was not guided by proper tourism planning. The tourism planning does not exist at the micro level and as such tourism development was based on an ad hoc basis.

The micro perspective of tourism analyzed by conducting a survey of tourists in Nagarkot revealed that average per day expenditure pattern of tourists increased over a period of time in 2005 over 1995. The first five major facilities that were considered poor by tourists were, street lighting, security, septage collection and disposal, drainage, and sanitation.

The survey of households conducted in Nagarkot revealed that the development of tourism brought many changes on the lives of local people. The 2005 survey indicated that about 90 percent of local people were benefited from tourism, while this percentage was used to be only 59 percent in 1995. The survey showed some shifts in the major occupation of households, and also an improvement in quality of toilet conditions over a period of ten years. However, the problem of solid waste collection and disposal still exists in Nagarkot.

The 2005 survey of hotels and lodges in Nagarkot revealed an increase in their average annual income, and employment provided by them in 2005 over 1995. The average duration of stay by tourists was observed to be 1.6 days in 2005, which was just one day in 1995. The 2005 survey indicated that a hotel/lodge, on an average, used to generate solid waste of 58 kg per day, while it was much lower during the 1995 survey, that is, an average of 15 kg per day. Thus, the 2005 survey showed a marked increase in solid waste generation by the hotels and lodges.

All the positive developments in Nagarkot were not the outcome of deliberate tourism planning. The study also recommended some measures to promote tourism at the macro and micro levels.



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## **LIST OF ABBREVIATIONS AND ACRONYMS**

ACAP	Annapurna Conservation Area Project (Nepal)
ADB	Asian Development Bank
BG	Biman Bangladesh Airlines
BTA	British Tourist Authority
CA	Air China
CAAN	Civil Aviation Authority Nepal
DDC	District Development Committee
DRCG	Development Research and Communication Group
DTC	District Tourism Committee
EARN	Foreign Exchange Earnings from Tourism
EXPD	Tourism Development Expenditure
GDP	Gross Domestic Products
GF	Gulf Air
HAN	Hotel Association of Nepal
HBEDS	Total Number of Hotel Beds
HOTELS	Total Number of Hotels
HV	Transvia Airlines
IC	Indian Airlines
ICIMOD	International Centre for Integrated Mountain Development
ICT	International Consultants and Technocrats
IUCN	World Conservation Union (formerly International Union for the



	Conservation of Nature)
KA	Dragon Air
KB	Druk Air (Royal Bhutan Airlines)
KEEP	Kathmandu Environmental Education Project
KMTNC	King Mahendra Trust for Nature Conservation
MOF	Ministry of Finance
MOCTCA	Ministry of Culture, Tourism and Civil Aviation
NAC	Nepal Airlines Corporation
NATA	Nepal Association of Travel Agents
NATHAM	Nepal Academy of Tourism and Hotel Management
NGO	Non-Government Organization
NIDC	Nepal Industrial Development Corporation
NNTDC	Nagarkot Naldung Tourism Development Committee
NPC	National Planning Commission
NRB	Nepal Rastra Bank
NTB	Nepal Tourism Board
NTDC	Nagarkot Tourism Development Committee
OS	Austrian Airlines
PATA	Pacific Asia Travel Association, California, USA.
PK	Pakistan international Airlines
QR	Qatar Airways
SAARC	South Asian Association for Regional Co-operation
SHOTELS	Total Number of Star Hotels
SNV	The Netherlands Development Organization
SQ	Singapore Airlines

SU	Aeroflot Russian Airlines
SZ	China South West Airlines
TAAN	Trekking Agents Association of Nepal
TG	Thai Airways International
TIA	Tribhuvan International Airport
TOUR	Total Number of Tourists
UNDP	United Nations Development Program
VAT	Value Added Tax
VDC	Village Development Committee
VNY	Visit Nepal Year 1998
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council
WWF	World Wildlife Fund (World Wide Fund for Nature)
9W	Jet Airways

\*\*\*\*\*

*Not to deal with*

**Chap. 4 Institutional arrangements and Legal Framework**

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2. Legal Framework

**Chap. 5 A Case Study of Kathmandu/Thamel**

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