

# CHAPTER - ONE

## INTRODUCTION

### 1.1 General Background

Tourism is regarded as the world's biggest and fastest growing industry. It has been playing a pivotal role in the socio-economic sectors of the most of the developed as well as developing countries of the globe. So, most of the nations are attracted to this industry and trying their best to strengthen economic life by promoting tourism in the country (Shrestha, 1978). Tourism industry being a comparative advantage industry of Nepal has important role in Nepal's economy. It has helped to increase employment (direct & indirect) income and to improve the balance of payments of the country. With its natural beauties and cultural heritage like Mount Everest (crown of the world), snow Peak Mountains, birth place of lord Buddha (apostle of peace), a number of lakes and rivers etc. Nepal has become the attractive destination for tourist from all over the world (Upadhyaya, 2003:i).

Kathmandu, Pokhara and Chitwan are the most popular tourist destinations of Nepal. These are nearer from the Kathmandu city. Due to government centralized policy, these centers are highly benefited from the tourism industry. Therefore these centers seem developed than other parts of the country. Number of tourists flow is increasing day by day so transaction of money is also high in this area. As a result, advanced level banks are established and people of these centers are directly and indirectly benefited from tourism industry. Most of travel, trekking, Rafting agencies and top star and non-star hotels are located in these developed regions. According to statistical data 2005, out of 1006 hotels 499 lie in Kathmandu valley only. Thus overall economic situations of these centers are growing day by day due to development of tourism sector.

Mid-western development region is also very rich in culture and nature. In this region, there are countless flora, fauna and two largest rivers of Nepal namely: Karnali and Bheri. Karnali is the longest rivers of the Nepal. The famous mountain peaks of this region are Danefeshal (6,103 m), Asjytuppa (6,225 m) and Kanjeroba (6,612 m). World's scare birds, animal wildlife etc fount in this region. World's beautiful Rara Lake, Shey Phoksundo Lake also lies in this region. There are 3 national parks namely: Rara National Park, Bardiya National Park and Shey Phoksundo National Park, but limited number of tourists visit their. In 2005, only 29, 1194 and 113 tourists visit there respectively. Beyond these things other important cultural aspects can be found multi-racial, multi-lingual, multi-cultural and multi-religious region. MWDR in respect of cultural heritage one of the richest members of the Nepalese cultural community. This region is also a homeland of several caste/ethnic groups of people like Magar, Tharu, Rawate, Kami, Damali. Although having tremendous properties, this region is lagging behind due to negligence of government decentralization policy.

This region is dry, barren and full of rocks. Though the main occupation of the people is agriculture they do not produce enough for the year. Most districts in hills have to face food problem. Due to it, human development index and life expectancy are low which are .0402 and 54.50 respectively (UNDP, 2004). Similarly per capita income and literacy rate are also low than other development regions. They are \$ 181 (UNDP, 2004) and 49.4 percent (CBS, 2001) respectively. According to the report of UNDP 2004, 46.3 percent people of this region are below the poverty line. ICIMOD categorized all the districts into three groups: least developed intermediate and most developed on the basis of overall development index. According to it, out of 15 district of this regions 9 are least developed, 5 are intermediate and 1 is most developed (ICIMOD, 2003). Similarly, on overall development

index ranking, most of the districts of this region are in back ward position. According to it , rank of he districts are: Dang 22, Salyan 47, Rukum 58, Rolpa 66, Pythan 54, Banke 24, Bardiya 38, Surkhet 31, Dailekh 67, Jajarkot 62, Jumal 68, Humla 74, Kalikot 69, Dolpa 70, and Mugu 75 (District Development Profile, 2004). Above figure explain the vulnerable condition of MWDR and demand timely and proper attention of the govt., INGO's, NGO's and private sector.

This problem can be solving through development of tourism industry in MWDR. Because it has natural beauties, cultural heritage and a number of lakes and rivers etc. This region has dim feasibility of industrial development because of its topography, lack of transport facilities, scarcity of power, lack of raw materials, and lack of local and regional market. But this region could be developed as tourist center highlighting and developing the peculiarities and specialties of the region. If this region is developed as tourist center, it can bring a lot of prosperity to local people by creating employment opportunities thereby generating income to the locals. The tourists' expenditure of this region helps for the overall development of the region, thus redressing the regional imbalances (Upadhyaya, 2006).

Thus, tourism is instrument in the economy of Nepal in the processes of regional development of an economical backward region. And it can stimulate the growth of the overall economy of Nepal. So a landlocked, mountainous and poorly resource base economy like Nepal can be benefited from the development of tourism. Tourism is given utmost priority can fuel sustainable economic development and effectively address issue of poverty and unemployment.

## **1.2 Statement of the Problem**

Nepal has been endowed with diverse fauna and flora and beautiful pristine land escapes. The national park and the conservation area scattered in different parts of the country have become most potential site for tourism. These national parks symbolized natural paradise have diverse land masses containing in it only the unique and rare diversity but also here the religious and spiritual sites of high values of significance. Therefore many foreign tourists visit in Nepal. In 2005, 3, 75,398 total tourists visited, and from it country earned \$ 148.4 million. Natural beauties are scattered in different parts of the country but all the parts of the country are not benefited from this industry except Kathmandu. Pokhara and Chitwan because of the lack of tourism publicity, unexplored tourism spots, conceptual bottleneck and government's negligence.

Comparatively MWDR is equally rich in tourism related products but lack of infrastructure, promotion and publicity this region is lagging behind. Together with there are few studies regarding tourism in MWDR. So this study tries to identify, why tourism industry of third region is lagging behind having tremendous properties? The present study also covers the prospects of tourism in MWDR. The study will hence identify the problems and provide proper solutions and will help the tourism planner to frame appropriate policies in order to improve and promote the tourism industry in a planned way further.

## **1.3 Significance of the Study**

Tourism has been one of the major business or economic activities in many countries including Nepal. It is most important sector of economy after agriculture and contributes to raise the quality of the people. In addition, it fetches a lot of foreign exchange, which strongly helps to economy of the

country and created employment opportunities to some extent. It also enhanced increasing our gross domestic product. This is why study and development of tourism has a great significance.

MWDR has immense potentiality for development of tourism but still is not developed. Together with, most of tourist destination has not explored yet, except some like: Bardiya National Park, Rara National Park and Shey Phoksundo National park. The people of foreign as well Nepali do not know about uniqueness, beauties and oldness of its region. Few studies have been done about tourism in MWDR. In such situation, this study may be helpful, who want to get knowledge and research about tourism of MWDR. The planners and policy makers should make their report much authentic as well as suitable too. So the present study, the problems and prospects of tourism in MWDR is important as it may help for policy formation, implementation and regulation.

#### **1.4 Objectives of the Study**

The main objective of this study is to analyze the problems and prospects of tourism development in MWDR. The study seeks to:

1. To identify and analyze the prospects and problems of tourism in MWDR of Nepal.
2. To analyze the income and employment generation from tourism industry in Nepal.
3. To suggest further improvement of tourism industry in MWDR.

#### **1.5 Limitation of the Study**

The major limitations of the study are:

1. Information mainly based on secondary data.

2. The study has covered only economic problems and prospects of tourism in MWDR of Nepal.
3. Trend analysis of foreign exchange earnings of this study covers the period 1985 to 2005.
4. Due to the time and budget constraint, this study may not be comprehensive.

### **1.6 Methodology**

The study entitled "Problems and Prospects of Tourism in MWDR" is basically based on secondary data. The secondary data has been collected from the source mentioned below:

- (I) NRB, Quarterly Economic Bulletin
- (II) CBS, statistical year book of Nepal
- (III) MOF, Economic survey
- (IV) Ministry of Tourism
- (V) T.U central Library
- (VI) CEDA Library
- (VII) News papers/Magazine
- (VIII) Different research articles
- (IX) Official records
- (X) Ph.D. Thesis and Books
- (XI) Seminar Papers

The secondary data has been analyzed by using quantitative and qualitative methods. Figures and tables are included as requirement.

In order to analyze the trend values, the linear regression model has been used. The regression lines are expressed algebraically by means of equation known as regression equation.

The regression equation Y on X is given by

$$Y = a + bx$$

Where,

Y = Dependent variable

X = Independent variable

a, b = Regression parameters

To determine the values a and b the following normal equation have been used.

$$\sum Y = Na + b \sum X \quad - (1)$$

$$\sum XY = a \sum X + b \sum X^2 \quad - (2)$$

Solving the equation (1) and (2) gives the value of a and b.

Then, a trend line  $Y = a + bx$  has been found. The trend line gives the trend of foreign exchange earning in Nepal.

### **1.7 Scheme/Design of the Study**

The research consists following chapters:

- Chapter 1 : Introduction
- Chapter 2 : Review of Literature
- Chapter 3 : General Features of Mid-Western Development Region
- Chapter 4 : Income and employment generation from tourism industry in Nepal
- Chapter 5 : Problems of tourism in Mid-Western Development Region of Nepal
- Chapter 6 : Prospects of tourism in Mid-Western Development Region of Nepal
- Chapter 7 : Conclusion, Finding and Recommendation

## CHAPTER - TWO

### REVIEW OF LITERATURE

#### 2.1 Concept of Tourism

The word “TOURISM is related to “TOUR” which is derived from a Latin word ‘Tornos’. Tornos means a tool for describing a circle or turners wheel. This is a word of compass or rather a pin at the end of a stretched string used to describe a circle. It is from this word. “Tornos” that the notion of a “round tour” or a “Package tour” has come which is very much of the essence of tourism. It was late as 1643 that the term was first used in the scene of going round or traveling from places, around an excursion, a journey including visiting a number of places in circuit or sequence, circuitous journey, amorality the principle places of a country or region.

“Tour” is a Hebrew word. It derives its meaning from the Hebrew term ‘torah’ which means learning, studying search. A tour represents an attempt by the travelers to discover something about a place he visits. A tourist wants to or he wants to learn about business opportunities, job possibilities, health advantages, educational benefits, environmental assets or recreational properties (Aryal, 2005:10).

The word “Tourism” is derived from the French word “Tourism” which originated in the 19<sup>th</sup> century. It means to travel and travel related jobs. The word ‘Tour’ means journey from place to place.

In the Sanskrit literature, there are three terms for tourism derived from the root 'atan' which means going or leaving home for some other place. The three terms are (Upadhyay, 2003:5):

Paryatan: It means going out for pleasure and knowledge.

Desatan: It means going out of the country primarily for economic gains.

Tirthatan: It means going out to places or religious merits.



## 2.2 Tourism Defined

Tourism has been defined in different ways.

The Australian Economist Herman Van Schaller gave the first definition of tourism in 1910. According to him, tourism is "The sum total operations mainly of economic nature, which directly related to the entry, stay and movements of foreigners inside and outside a certain country, city or regions" (Ghimire, 200:3).

In 1942, two Swiss Professor Walter Hunziker and Kurt Krapf define tourism as:

"Tourism is the sum of the phenomena and relationship arising from the travel and stay of non resident, in so far as they do not lead to permanent resident and are not connected with any earning activity".

This definition is adopted by the International Association of scientific Exports in Tourism (AIEST), which brings out the following three distinct elements of tourism.

- I. Involvement of travel by non-residents.
- II. Stay of temporary nature in the area visited.
- III. Stay not connected with any activity involving earnings.
- IV. According to Burkart and Medlik, "tourism denotes the temporary and short terms movements of people to destination outside the places where they normally live and work and their activities those destination" (Burkart and Medlik, 1970:5).

Similarly some author describes tourism as a system. Tourism as systems consist of four interrelated parts-market, travel, destination and marketing. Market is the customer or potential customer. The second segment of tourism

is travel, which includes where, when and how to go. The third segment destination consists of attractions accommodation and amenities. These mix individually or jointly encourage traveling through the process of Marketing.

According to league of Nation (1937) "Any person visiting a country, other than that in which he usually resides, for a period of at least 24 hours".

According to William F. The bold. There are two different types of tourism definition each with its own rationale and intended usage:

(I) Conceptual definition

(II) Technical definition

Conceptual definitions attempt to provide a theoretical framework which identifies the essential characteristics of tourism.

Technical definition provides tourism information for statistical purpose. The various technical definition of tourism provides meaning or clarification that can be applied in both international and domestic settings (Upadhayay, 2003:7).

Finally, Leiper (1979) postulated that there are three approaches in defining tourism economic, technical and holistic. Economic definition view tourism as both a business and an industry. Technical definitions identify the tourist in order to provide a common basis by which to collect data. Holistic definition attempts to include the entire essence of the system.

From above all definition, we conclude that "tourism can be defined as the science, art and business of attracting and transporting visitors, accommodating them and graciously catering their needs and wants".

## 2.3 Motivation to Travel

People travel from place to place with different motives. "In course of history, motivation for most travel has been far obvious- religion, economic gain, war, escapes migration. What is left is travel for pleasure, which is the most common form of travel in the modern world". Studies of tourist psychology and motivation show that individuals normally travel for more than one reason and for many, perhaps the majority, tourism is the outcome of a combination of motivations. The motivation for tourism conceived as a pleasure activity or holiday travel, are varied and numerous and not easily distinguishable. They tend to change frequently. People participate in tourism for different reasons. Lundberg has given 18 motivations under 4 groups and they are considered to be the most important in causing people to travel. They are:

### A. Educational and Cultural Motives

1. To see how people in other countries live, work and play.
2. To see particular sights.
3. To gain a better understanding of what goes on in the news.
4. To attend special events.

### B. Relaxation and Pleasure Motives

5. To get away form everyday routine.
6. To have a good time.
7. To achieve some sort of sexual or romantic experience.

### C. Ethnic Motives

8. To visit places one's family came from.
9. To visit places one's family or friends have gone to.

#### D. Other Motives

10. Weather (for instance to avoid winter)
11. Health (Sun, dry climate, etc.)
12. Sports (to swim, ski, fishing or sail)
13. Economy (inexpensive living)
14. Adventure (new areas, people, and experiences)
15. Conformity (keeping with Jonneses)
16. One upmanship
17. To participate in history (ancient temples and ruins, current history)
18. Sociological motives (get to know the world).

However, basic travel motivators can be divided into four categories.

1. Physical motivators are those related to physical rest, sports participation, beach recreation, relaxing entertainment and other motivations directly connected with health. Additional motivators might be a doctor's order or recommendations and the use of health treatment activities. These motivations have one feature in common, namely, the reduction of tension through physical activities. These motivations have one feature in common, namely, the reduction of tension through physical activities.
2. Cultural motivations are identified by the desire to see and know about other areas-their food, music, art, folk love, dance, painting and religion.



3. Interpersonal motivations include a desire to meet new people, visit friends or relatives, escape from routine life or from family and neighbors, or make new friendships.
4. Status and prestige motivations concern ego needs and personal development. Within this category are trips related to business, conventions, study and the pursuit of hobbies and education. The desire for recognition, attention, appreciation, knowledge and good reputation can be fulfilled through travel.

According to Robinson (1976), main reasons for people to involve in tourism are:

1. Relaxation and refreshment of body and mind
2. Health
3. Pleasure
4. Curiosity and culture
5. Interpersonal reason
6. Spiritual purpose
7. Professional or business reason

**(Upadhyay, 2006: 13)**

## **2.4 Barriers to Travel**

There are a number of reasons why people do not travel extensively or do not travel at all. Barriers to travel fall into six broad categories.

*1. Cost:* Consumers operate within monetary constraints, and travel must compete with other allocations of funds. Saying that travel is too expensive is an indirect way of saying that travel is not important, but even allowing this interpretation, costs are a principal reason for staying home. According to a

study on the subject, in the United States alone, over fifty per cent of the people cannot undertake holiday travel due to high costs. In India, it is 90 per cent.

2. *Lack of time:* Many people cannot leave their business, jobs or professions for vacation purpose.

3. *Health limitations:* Poor health and physical limitations keep many persons at home; especially old people can not travel due to poor health and physical limitations.

4. *Family stage:* Parents of young children often do not travel because of family obligations and inconveniences in traveling with children. Widows and singles sometimes do not travel because of the lack of a traveling companion.

5. *Lack of interest:* Unawareness of travel destinations that would bring pleasurable satisfaction is a major barrier.

6. *Fear and safety:* Wars, unrest and negative publicity about an area will create doubt and fear in the mind of a prospective traveler. Terrorism has reared its ugly head in the last decade and is a deterrent to travel. Incident of plane hijacking, violence at airports, explosion of flights have created sense of fear and safety on the minds of tourists. When the motivation to travel is sufficiently powerful, the barriers may be overcome, but these forces may still influence means of travel and destination selected. (Upadhyay, 2006:16)

## **2.5 Review of Tourism in Nepal**

An attempt has been made to review the available resource related to tourism in order to make more meaningful. This includes the review of published dissertation, thesis and reports.

Burger, Viet (1978) did the first doctoral studies on "Economic Impact of Tourism in Nepal: An Input, output Analysis. The main objective of the study were to analyze the impact of tourism on Nepalese economy and to provide necessary information to the planners that will help them in making decision with regard to the contribution of tourism industry.

According to his study before 1950, in Rana regime, no foreigners were allowed to visit Nepal without permission of Rana rulers. After opening the door of tourism the tourist inflow in Nepal rapidly increased. He indicated that more than 1, 00,000 tourist's visitor the country in 1976. Since 1962 the number of tourists arrival have grown at an average rate 20 percent per annum and more than 80 percent of the total tourist arrived in the country by air and 20 percent arrived by road. The study pointed out that Europe had been the major tourist generator for Nepal in 1975 and majority of tourist come for pleasure and sight-seeing (Burger, 1978).

The Major findings of the study were: tourism plays an important role in the Nepalese economy. In Nepalese economy, tourism is effective and promising instrument for foreign exchange earning. Another most important findings were that only one our of six tourists who visited India also visited Nepal.

Pradhananga, Surendra Bhakta (1993) did the doctoral studies on "Tourist Consumption Pattern and It's Economic Impact in Nepal" aimed to study the changing pattern of tourist consumption and its economic impact an employment and national revenue. It analyzed the direct indirect and induced effect of the tourist expenditure on Nepalese economy. The study examines both forward and backward linkage of tourism, imports of goods and services and employment generation. He further concludes that linkage of foreign exchange earning, high import contents and seasonal fluctuation and season



totality factors have been the major weakness of the tourism industry in Nepal (Upadhyay, 243:22).

The study significantly deals with the economic impact of tourism. He has observed that the multiplier was low due to high import rate. The import in tourism sector was 33.49 percent and 27.34 percent in tourism related sector of the total import. This shows the higher dependency in import in tourism sector. He also depicts that higher the propensity to import, higher would be the leakage of foreign currency. For raising the economic level of locals and reducing the import-dependency he has suggested "Tourism Agriculture Linkage Program" to be initiated. To minimize the import content, local resources should provide food, fruits, meat vegetables and dairy products in one hand and furnishings on the other (Pradhanang, 1993).

Tudadhar, Gyanendra Ratna (1993) in his doctoral studies "Development of International Tourism in Kingdom of Nepal" aimed to study the development of international tourism from view of resources, level of exploration and utilization and possibilities of its improvement to achieve the objectives of the study, a systematic method of investigation in the theoretical scheme was used. His main finding was. Tourism is a subjective phenomenon and equally valid in resource management. He has given various suggestions to promote primary and secondary markets that directly affect tourism demand. He has suggested to promote charter flights with RNAC by tours operators assuring the low travel cost, increasing expenditure for advertisement and publicity for the stimulation for tourist to Nepal, to provide more cultural shows and other types of suitable entertainment, to increase the length of stay of tourists and to increase their expenditure, to establish summer resort like suitable tourists hotels and villas on the banks of lakes and

rivers, to develop the national concept and to develop human resources by emphasizing on tourism education (Shrestha, 2000:58-59).

Khadka, Krishna Ram (1993) in his doctoral studies "Tourism and Economic Development in Nepal", has analyzed the outcome of tourism development in Nepal in the late 1980's. The analysis is concerned with two specific areas first is related to performance and efficiency of hotel investment in generating foreign exchange and the second is concerned with the economic impact of tourism under limited supplying capacity. The major finding of his study is the hotel bed occupancy rate, double bedroom place and marketing activities are found to be important for the performance of hotel industries (Aryal, 2005:24).

Poudel, Padma Chandra (1996) did the doctoral thesis on "Tourist Resource and Environment Appraisal in Pokhara Region, Nepal: A Geographical Analysis". His study attempts to explore the nature and cultural resource of tourism and impact of tourism on physical and cultural environment and to suggest measure sustainable tourism development tourism in Pokhara, Ghandruk and Muktinath. His study finds tourist arrival in Pokhara reveals high seasonality marked by 40-45 percent recording in Oct-Nov and March-April months. Annapurna circuit route along the Marsyandi and Kali Gandaki valley most preferred routes of the region.

Paudyal, Soor Bir (1997) in his doctoral studies "Nepal's Tourism in the Context of SAARC Region". He has pointed out that there are many factors negatively affecting the tourism development in Nepal e.g. pollution problems, transport bottlenecks, skilled guide and low quality tourist products. This study suggests that government should implement suitable programs for the cleaning Kathmandu, to start a new airline as a joint venture between the private and public sector. His study further suggested,

establishing some top standard international quality hotels to increase the number of tourist in Nepal.

Shrestha, Hari Prasad (1998) in his doctoral studies "Tourism Marketing in Nepal" has precisely highlighted the challenges of tourism marketing in Nepal. His main findings were that Nepal is extremely rich in tourism products and it exists all over the country. Natural wealth, cultural and monumental heritage bequeathed history are the principal tourism products of Nepal. Further he analyzed that tourism is a major source of foreign exchange of Nepal and it is playing an important role in the national economy. Tourism helps to promote balance of payment and balance regional development of the country as well. Hence, the contribution of tourism in the socio-economic development of Nepal is very significant. Sanjaya Nepal (1999), Tourism Induced Environmental changes in Nepal, Bern University, Switzerland.

Shrestha, Pushpa (1999) in her doctoral studies "Tourism in Nepal: Problems and Prospects" has analyzed various problems and prospects of Tourism in Nepal. The main aim of her study is concerned with the problems and prospects of tourism in Nepal. Her studies identify the basic problems and prospects of tourism in Nepal. Her study identify the basic problems of tourism on the basis of its contribution to national economy, status of tourism infrastructure, review of the planning and policies of the government and as visualized by both tourist and the experts in the sample. She pointed out Nepal has not been able to introduce and diversity new tourism products.

Through this study, she has reached in the conclusion that, despite the various problems, the prospects of tourism are bright in generating employment, contributing to the national exchequer and also for overall development of Nepalese Economy.

Upadhyay, Rudra Prasad (2003) in his doctoral studies "Tourism as a leading sector in Economic Development in Nepal" has opined that Nepalese economy is moving gradually on the path of economic development. Recently there has been improving economic performance particularly in the last two decades. There has been structural change in the economy followed by the agricultural and industry. Pace of the agricultural sector has been slowed down whereas that of the industry and services gone up. The analysis has revealed that tourism sector has been improving its significance in the economy. Foreign exchange earning from tourism has been found to be an important determinant of government's development expenditure and regular expenditure. However, due to lack of proper policy its effect on development expenditure has not been as strong (Upadhyay, 2003:246).

He has focused that Nepalese economy is moving faster and faster on the path of globalization. It implies that tourism sector has the potential link to backward and forward linkage to Nepalese economy with the world economy. In this way, he concluded that tourism sector could be considered to play the role of leading sector in the economy.

Maharjan, Nirmal (2004) in his doctoral studies on the topic "Tourism Planning in Nepal" has precisely highlighted tourism planning practice in Nepal. His study found that the importance of tourism planning and especially strategic planning has not yet been fully realized even by the tourism planned or private tourism institution. The form of planning is a new phenomenon to the Nepalese private sector. Thus activities are not forwarded in the desired direction. The study also conclude that the strategic planning has only been done by quarter of the tourism institutions that shows that the institutions lack a long term vision and strategic thinking the planning decision making and the practice of tourism planning has been highly dominated by the

bureaucracy and politics, similarly an absence of strategic planning the public sector tourism planning has remained ineffective.

Chand, Diwakar (2000) has studied on his book "Nepal's Tourism Uncensored Facts", has explained most consciously in different aspects of tourism in Nepal. The writer has explained topic with photographs, it shows the reality of tourism in Nepal. He concludes that tourism in the context of Nepal emerge as one of the Major economic sectors which unlike the other sectors has managed to sustain itself. It has covered half a century and therefore has accomplished a lot of maturity by now. Tourism has contributed to the overall growth of the economy therefore any measures that trend to negatively affect the tourism sector will affect the performance of the entire economy of the country. The sector of influence of tourism has expanded tremendously and if better plans, more enduring support from the government and if more investment is ploughed into this sector it can further enhance its area of influence. This book is useful to policy makers, planners, researchers and also to student for whom sufficient materials have been added.

Shrestha, Hari Prasad (2000) in his book "Tourism in Nepal Marketing Challenges" outlines the need to set up marketing efforts for the development of tourism in the country. As marketing is the prime motivator for attracting greater number of tourists, the writer has taken painstaking efforts in identifying the marketing requirement, the present status, problems and suggestions for the development to tourism in Nepal.

Dr. Shrestha has traced the historical development of tourism in Nepal which has been colorful despite the problems faced in the early days especially with the lack of infrastructure. The writer has also identified the tourism product and the existing infrastructure in Nepal. Moreover, the contribution of tourism to the country and its economy and the present trend

of tourism marketing and promotional efforts too have come under comprehensive review.

Dr. Shrestha further suggests that Nepal must overcome its problems on a systematic and time-bound basis. Lack of co-ordination between the Government and the private sector seems to be one of the major factors that retard the growth of tourism in Nepal. Similarly, problems of inadequacy of access to the country, growing environmental problems, especially in the Kathmandu valley and poor preservation and development of tourist resources have to purpose fully addressed in order to preserve the mystique of the world's most cherisher tourist destination.

Majupuria, T.C. (2005) has studied "Wildlife and Protected Areas of Nepal" deals with wildlife in Nepal and other countries of the world. Specially, he deals in details of mammals. Further the writer deals with the salient characters of the mammals together with their distributions and also deals in the protected areas of Nepal including National Parks, Wildlife Researches. Hunting Reserves and Buffer Zones. Besides the book also deals with the ecological distribution of wildlife and major problems in protected areas. The new concepts of trans-boundary bio-diversity conservation and corridor have been assimilated. List of threatened vertebrates together with extinct and vanishing mammals of Nepal are also included.

However, the book lacks in detail description of ecotourism which is included in the curriculum of various levels, especially description in rural tourism, environment science and for tourism promotion. Similarly the contribution of various INGO's and NGO's Viz KMTNC, IUCN, ICIMOD, UNDP and WWF should also have been reflected (Upadhyaya, 2005:125).

Upadhyaya, Rudra Prasad (2006) in his book "Tourism and Economic Development in Nepal" has opined impact of tourism growth on various

aspects of the Nepalese economy. This book explores the role of tourism on globalization of this landlocked economy of Nepal situated in the lap of Great Himalaya. This book incorporate important studies undertaken in context of tourism in Nepal and the fresh opinions of leading experts on tourism promotion and economic development. Besides, this book highlights constitutional and legal framework for tourism sector and analyze the pattern of tourism development in Nepal. Therefore, this book is well document in terms of source of tourism information, intuitions and chronological highlights etc.

However, this piece of work would be of immense use to policy markers, planners, researchers, practitioners and also to student for whom sufficient materials have been added.

### **Review from the Master level Thesis**

Tiwari, Shasi (1987), in his thesis on the topics "Prospects and Problem of Tourism in Nepal", he deals the prospects of tourism development, its economic value and development trend. The study indicated that tourism is a fastest growing industry rather than any other industries in Nepal (Tiwari, 1987).

Ghimire, Dipak Chandra (2000) in his thesis on the topics "Role of Tourism in Nepalese Economy" states that the contribution of tourism sector in overall national development has been quite significant. It's contribution significantly to the balance of payment situation through foreign exchange earning and in the creation of employment opportunities. However, there are many problems to avoid the growth of tourism also.

From his study, we found that the number of tourist inflow is smoothly increasing from 1962 to 1998. However, the annual rate of increase is fluctuating.

A total of 4, 63,684 tourist inflow in Nepal in 1998 which represents 9.9 percent increase over 1997. The largest number of tourists visit Nepal in October (13.47 percent) followed by November (10.27 percent) during the year.

Aryal, Bhanu Raj (2002), in his thesis on the topics "The problems and Prospects of Tourism Development in Nepal", he found from his study the total tourist arrival is in increasing trend. Mainly tourists arrived in Nepal for six purposes such as: pleasure, Trekking and mountaineering, Business, official, Pilgrimage meeting and Seminar and others. And he further found that the young tourists are very much interested to visit Nepal.

He suggests that through his study, there should more and more tourists' spots for more tourists. For this long term infrastructure development programmes should be implemented.

Aryal, Dipak (2005) in his thesis on the topic, "Economic Impact of Tourism in Nepal" States that tourism is a leading sector for making the national economy prosperous. Because tourism sector generates foreign exchange earning, creates employment opportunities and also diverting people from agriculture to industry. Therefore it is essential to develop tourism facilities within and outside the country.

He further deals that foreign exchange earning dependent on number of inflow tourist. If more number of tourists arrives into the country more will be foreign exchange earning means more contribution to the national economy and vice-versa. So for that government have to solve a lot of physical problems together with political conflict also.

He suggests that from his study for the development of tourism, publicity through booklets, photographs, posters, sliders, Maps, Magazines, newspapers, TV films, post cards, should be made available in different



languages in international level. He further suggests that which is most important for Now a days, frequent strikes, violence and 'Nepal Banda' tourism sector has been adversely affected the political instability in the country has brought many problems in this sector so the government should pay special attention to the problem and search for remedies to provide security and peaceful environment for the tourist (Aryal, 2003:123).

Upadhyaya, Rudra Prasad (2005), in his article entitled "Tourism and Regional Development" analyzed that there is a positive impact of tourism on economy of Nepal. And in his article he concluded tourism sector's contribution to GDP, foreign exchange earnings, revenue to government and employment generation is increasing.

Sharma, Om (2003), in his article entitled "Effects of tourism of Economic Development of Nepal" he found that tourism earning is one of the factor which effects on the development indices like tax revenue, government internal revenue and real gross domestic product of Nepal. The impact of tourism earning on per capital income remains insignificant.

Gautam and Ahdikari (2005), in there article on topic "Village Tourism Prospects and Problems" states that village tourism is important to lengthen tourists staying which becomes vital if the industry is to sustained.

They identified the following problems of village tourism:

- (I) Lack of publicity and marketing
- (II) Lack of infrastructure also hurdles in development of village tourism.
- (III) No provision of hotels on the one hand and on the others, the high price tourists have to pay for scarcely available goods, discourages them.

(IV) The traditional mentality of rural peoples is too an obstacle to overcome.

They suggested that to solve village tourism problem government institution or non-government institutions have to follow in this way.

(I) Training and loan facilities should be provided at local level.

(II) To provide basic knowledge about tourism and its benefit to rural people is also considerable fact in the context of tourism promotion.

(III) Basic requirements for tourism promotion viz access accommodations activities and altitudes should be expanded through different programmes.

The economic survey (FY 2005/2006) has reported that the tourism sector is one of the most important sources of foreign exchange earning for Nepal. According to this report, the total number of tourists inflow was 3,75,398 among them 26.1 percent of the tourists have come from Western Europe, 6.1 percent from Northern America, 2.2 percent from Australia and Pacific region, 2.2 percent from Eastern Europe, 0.9 percent from Central and South America and 0.3 percent of the tourists came from Africa during the period of Mid-December 2003 to Mid-December 2004. The tourists coming from Asian continent 61.3 percent, 25.7 percent of them are found to have come from India alone. In terms of origin of tourists, their arrivals from India, Eastern Europe and Asian countries are found to have been increased slightly than the previous year.

The report showed that in Mid-December 2004, 43.4 percent of the tourist arrival was for recreation, 15.6 percent for trekking and Mountaineering, 5.9 percent for business purpose, 4.5 percent for formal and

official visit, 12.7 percent for pilgrimage and 17 percent of the tourists do come for other purposes.

The current tenth five year plan has highlighted the following some challenges which faced by Tourism

1. In recent year, some incidents which affects the tourism sector:

- (I) The suspension of the Indian Airlines flight following the hijacking of one of its flights that took off from Kathmandu.
- (II) The different circumstance following the tragic incidence in Royal palace out June 2001.
- (III) The 11 September 2001 attack on America and the Afghanistan War.
- (IV) The frequent Bandhs and strikes announced by political parties and Sthe nation wide imposition of emergency.

2. Lack of development of new tourist spots, and inability to orient tourist services forward rural areas.

3. Lack of co-ordination in programs and actions between private sector and government and within the private sector despite the establishment of Nepal tourism board.

4. Availability of air seats have been constrained due to the termination of Europe sector flights by Royal Nepal Airlines and reduction in the number of scheduled flight by international airlines and the failure of Nepal's private sector airlines to operate international flights.

5. Life rescuing services, communication mediums and fire contract services has not proved to be reliable. There is only one international airport in the country in which big aircrafts cannot land since it is situated inside the

hilly valley. If they manage to come it is only in much lower speed and lesser load.

6. Due to lack of financial resources, the conservation preservation and campaigning of living heritage like culture, historical and memorial sites have been inadequate. Similarly, due to lack of adequate quality up gradation of the heritage sites and violation of standard practice in the renovation works of areas and monuments enlisted in the world Heritage site, they have reached at endangered level for being de-listed from the world heritage site lists.
7. Involvement of local communities in managing the heritage sites and making such management self-reliant has been moving at snail's pace.

## **CHAPTER - THREE**

### **GENERAL FEATURES OF MID-WESTERN DEVELOPMENT REGION**

This chapter gives a broad outline about the Mid-Western Development Region. Herein we would like to provide general glimpse of the Region in the form of geographical location, economic geography, climate, political set-up, administrative division, demographic features, etc.



## **3.1 General Profile**

### **3.1.1 Location**

Nepal is a small Himalayan kingdom wedged between two emerging economic powers of Asia, China in the north and India in the east, west and south with an open border, Nepal is a least developed landlocked, geographically disadvantageously placed, an economically vulnerable nation of enormous ecological, cultural and ethnic diversity (Dahal, 1999). According to administrative division, Nepal has divided into five development regions. Among them, Mid-western Development Region is one. It lies western part of Nepal. This region has 42,378 square kilometer which is 29.06 percent of the total land area of Nepal. Which is the largest region of Nepal, at the same time Dolpa district with an area largest district in the country? The absolute location of Mid-western development region lies between 27°49'51" to 30°20'07" North latitude and 20°59'55" to 83°30'07" East longitude. Eastern direction of MWDR lies in Western Development Region and western direction of MWDR lies in Far Western Development Region, similarly north direction of MWDR lies China and South direction of MWDR lies in India.

There are two big rivers in Mid-western Development Region Karnali and Bheri. Karnali River is the longest rivers of the Nepal. There are two beautiful lakes Rara and Phoksundo. Rara lies in Mugu Districts where as Phoksundo lies in Dolpa. Nepalgunj is the south of the region is an important commercial center. This city is connected to Kathmandu by road and airways. This is the main center for transporting goods and moving people from one place to another over all over the region.

### **3.1.2 Economic Geography**

This region is dry, barren and full of rocks. Though the main occupation of the people is agriculture, they do not produce enough for the year. Most districts in the hills have to buy food from Terai and other regions of the country. Lack of transport has made the hills and mountains inaccessible. Though there are rivers and lakes, irrigation facilities have not been developed yet. As a result of poor diet people are unhealthy. Different diseases spread from time to time causing many deaths.

The southern plain land in Terai is suitable for crops like rice, wheat, Maize etc. These areas are proximate to motorable roads therefore the farmers in those areas are gradually changing their agricultural practices from grain farming to horticulture activity which proves quite profitable to the farmers. But Mountain region cannot take profit from it due to transportation problem. Jumla is famous for apples and potatoes due to this problem as well as communication such products cannot yield any gain to the farmers. They are compelled to sell these at a cheap rate in the local markets.

### **3.1.3 Climate**

The region has great variety of topography, which is reflected in the diversity of weather and climate. The region experiences tropical, mesothermal, micro thermal, taiga and tundra types of climate. Temperature of this region lies in between  $-0^{\circ}\text{C}$  to  $42^{\circ}\text{C}$ .

### **3.1.4 Administrative Division**

There are 575 village development committees (VDCs) and 6 municipalities in MWDR. The village development committees and municipalities are the lowest order of administrative units. These administrative divisions are further divided into wards. Each VDC has nine



wards, whereas the municipalities have variable number of wards according to the population concentration, economic activities and political states.

There are 15 districts in MWDR. These are Rukum, Rolpa, Salyan, Pyuthan, Dang, Dailekh, Jajarkot, Surkhet, Banke, Bardiya, Dolpa, Jumla Kalikot, Mugu and Humla. These districts are the most active administrative units in the spatial context of the country. There is a great variation in the number of village development committees within. The district, as Dailekh has 55 units and Dolpa has 23 units. According to the geographical variation: Mountain region has 5 districts; hilly region has districts in number.

There are 3 zones in MWDR, namely Rapti, Bheri and Karnali. All of these zones are named after rivers. Among these zones, one have common border India which is Bheri and one have common border with China which is Karnali.

The main headquarter of this region is Birendra Nagar which is also headquarter of Surkhet district. All of 3 zones have own headquarters. Jumla is the headquarter of Karnali zone is also headquarter of Jumla district. Nepaljung is the headquarter of Bheri zone is also headquarter of Banke district. Tulsipur is the headquarter of Rapti zone and Ghorai is the headquarter of Dang district.

### **3.1.5 Language and Religion**

Nepali is the official language. Different population census shows that most of the people in MWDR's speak Nepali language. Besides, some of the people speak their own mother tongue languages like, Tharu, Awadhi, Hindi, Urdu, Maithali, Magar, Tamang, Kaiké etc.

Nepal was the only one Hindu kingdom in the world. The majority of the people of this Region are Hindus. The second largest religious group is Buddhist and other religions also take some portion.

### 3.2 Demographic Profile

#### 3.2.1 Population Growth in Mid-western Development Region

Nepal is one of the least developed countries of the world. Demographic features of a country are also helpful in understanding the development status of the country. Population of Nepal has been growing at a very high pace. According to census year 2001 total population of Nepal are 23,151,423 (CBS, 2001: 38).

Mid-western Development Region has been steadily increasing the size of population. The size of population of this region in 1991 were 24, 10,414. This is increase at the rate 2.26 percent in census year 2001 which the highest increase rate in Nepal. According to census year 2001. Mid-western Developments' total population are 30, 12,975 which is 13.01 percent of total population of Nepal. This can be seen in the following table.

Table: 3.1: **Population of Mid-western Development Region**

| Census year | Total no. of females | Total no. of Males | Total population | Annual growth of T.P (%) | Sex Ratio (F/M) x 1000 |
|-------------|----------------------|--------------------|------------------|--------------------------|------------------------|
| 1991        | 12,10,122            | 12,00,292          | 24,10,414        | -                        | 10008                  |
| 2001        | 15,14,449            | 15,00,526          | 30,12,975        | 13.01                    | 10008                  |

Source: CBS, population Monograph.

#### 3.2.2 Literacy Rate of Mid-western Development Region

Education is one of the fundamental means for alleviating poverty and bringing improvement in the standard of living through different socio

economic activities. So literacy is the most important single means of attaining socio-economic development and opening for the individual and the door to innovative ideas and action. Literacy enhances access to information that may be necessary to conduct various essential activities in daily life and work. It enables a person to improve his knowledge base, acquire education informally and make progress in life.

High rate of literacy in Mid-western Development Region is Surkhet which is 62.7 percent and low rate of literacy rate is Humla is 27.1 percent.

**Table: 3.2: Literacy Rate of MWDR**

| Census year | Both sex | Male (%) | Female (%) |
|-------------|----------|----------|------------|
| 1991        | 31.8     | 47.6     | 16.3       |
| 2001        | 49.4     | 61.6     | 37.7       |

Source: CBS, Population Monograph.

Literacy rate of Mid-western Development Region was 31.8 percent in 1991. In that period, male literacy rate was 47.6 percent where as female literacy rate was 16.3 percent. This rate is increased from 31.8 percent to 49.4 percent in 2001. In 2001, male literacy rate was 61.6 percent and female literacy rate was 37.7 percent which can see in Table 3.2.

**Table 3.3: Literacy Rate by Sex, Ecological Zones in the Mid-western Development Region, 1991 and 2001**

| Ecological zones | 1991       |        |          | 2001       |        |          |
|------------------|------------|--------|----------|------------|--------|----------|
|                  | Both sex % | Male % | Female % | Both sex % | Male % | Female % |
| Mountain         | 22.0       | 36.9   | 6.4      | 31.2       | 46.2   | 14.7     |
| Hill             | 31.6       | 49.4   | 14.6     | 47.3       | 60.5   | 34.5     |
| Terai            | 35.8       | 48.4   | 21.2     | 54.1       | 64.8   | 44.2     |

Source: CBS, Population Monograph.

According to Ecological zone MWDR is divided into three zone: mountain, Hills and Terai. Literacy rate of mountain region 22.0 percent in 1991 which was the lowest literacy rate. In that period 6.4 percent in female literacy rate and 36.9 percent in male literacy rate. Literacy rate of Terai region was 35.8 percent which was the highest literacy rate. In that period 48.4 percent in male literacy rate where as 21.2 percent in female literacy rate.

Literacy rate of mountain, hilly and Terai regions increases in 2001. Increased literacy rate of mountain region was 31 percent. Among that 46.2 percent male literacy rate and 14.7 percent in female literacy rate. Similarly literacy rate of Terai region was 54.1 percent in 2001. Among that 64.8 percent in male literacy and 44.2 percent in female literacy rate.

## **CHAPTER – 4**

### **Income and Employment Generation from Tourism Industry in Nepal**

This chapter deals about income and employment generation from tourism industry in Nepal which is one of the main objectives of this research.

#### **4.1 Economic Significance of Tourism to National Economy**

Tourism is instrumental in the economy of Nepal in the process of regional development of an economically backward region, which has insufficient resources for development as it is full of places that attracts tourist through out the globe. There is only one Everest and Lumbini, in this world, which are unique product tourism. So a landlocked mountainous and poorly resource based economy like Nepal can be benefited from the development of tourism. Tourism is significant from the viewpoint of butter and breads in this beautiful Himalayan country besides including other activities of the economy. Therefore tourism sector plays a significant role in this Himalayan Kingdom (Upadhyay, 2003: ii).

Nepal is a developing country. The main features of the economy are vicious circle of poverty; agriculture is the main occupation, low income, low saving, low investment and low productivity. In order to boost up of the living standard of the people by increasing their income is essential. To increase the level of income of the people a certain level of industrialization is needed in the country. For developed certain level of industrialization tourism sector also plays a vital role in the economy of Nepal.

Tourism is one of the world's largest industries and could help in alleviation poverty in one of the world's poorest region. It plays significance role in the economic development of Nepal in terms of foreign exchange earnings, contribution to government revenue, employment generation,

linkage with other activities etc. Tourism directly and indirectly supports the socio-economic conditions including poverty alleviation, prospects for employment generation, human resource development and environmental development.

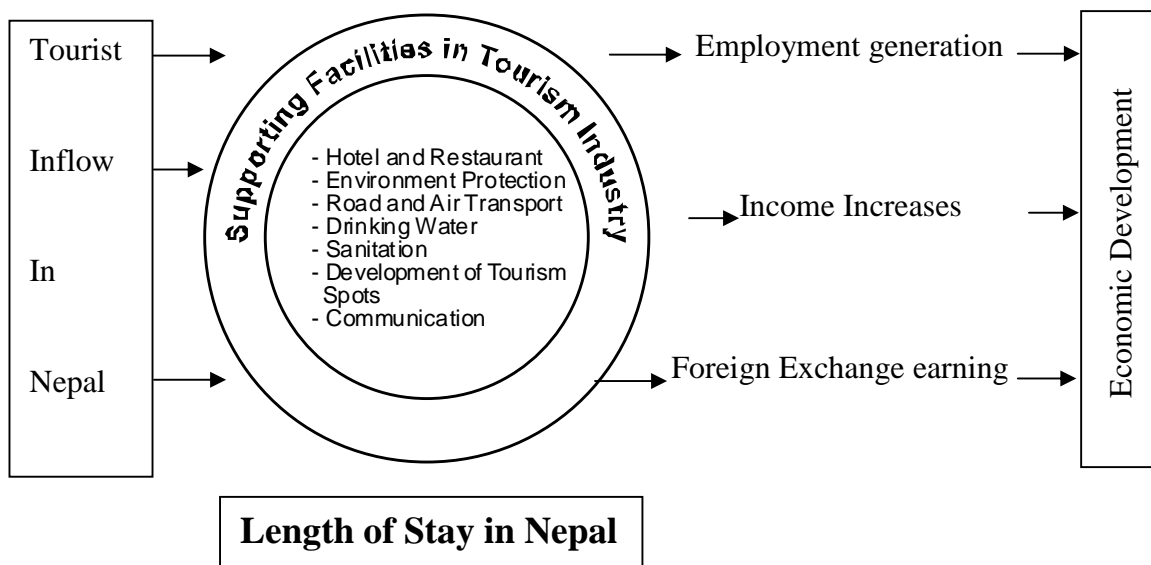
Tourism has tremendous growth potential as it stimulates the growth of the overall economy. It can also be looked as an important industry for the diversification of the industrial structure as well as regional development of backward (Gualatic: 2000). At a low level social cost, it offers more foreign currency. It can help in solving chronic economic problems like unemployment regional disparity and poverty in less developed countries. It can generate income, raise standard of living of the people helps in having social and political relations among religions and raises physical and moral well being of all people every where (Upadhyay, 2005).

So, tourism aids economic development by earning exchange and reducing balance of payments deficit.

#### **4.2 An Integrated Model of Tourism and Economic Development**

Tourism has become a major and important industry as a source of foreign exchange. It also increases employment and income potential in almost sector the economy on the large scale, tourism circulates existing wealth among social groups and geographical regions. Nation can get direct and indirect benefit from tourism. The tourism industry can help in the economic development through multiplier effect. Thus, we conclude that impact of the tourism industry on the economy is regarded as a positive since it broadens and diversified the economic base, increase income and provides employment etc. An integrated model can be developed with the help of relationship between tourism industry and economic development (Adhikari, 1990).

## An Integrated Model of Tourism and Economic Development



Source: The Economic Mirror. 1998, Jun-Aug.

The integrated model presents that the inflow of tourists and their length of stay directly affect the economic development. Supporting facilities like: hotel and restaurants, road and air transport, environment, drinking water, sanitation, tourism spots and communication have promoted the tourism industry by pulling the tourist inflow in Nepal. They correspond to increase employment opportunities income and foreign currency earning. And increase of these economic activities reflects the economic development (Aryal, 2005:91).

### 4.3 Income Generation through Tourism Sector

#### 4.3.1 Foreign Exchange Earning (1985-2005)

Tourism is an important source of foreign exchange earnings. Generally speaking larger number of tourist arrivals, higher will be the earnings from them. In most developed and developing countries, tourism is an important source of maximizing foreign exchange earning. This may be the one of most important contribution sector of the economy. It is obvious that tourism play a significant role in Nepalese economy.

The volume of gross foreign exchange earning from tourism in Nepal is fluctuating over the year. The gross foreign exchange earning from tourism was increased 1985 to 1987. But it was decrease in FY 1987/88 at the rate of 3.7 percent as compared to the preceding FY 1986/87. Again total foreign exchange earning was started to increase up to FY 1995/96. Then after it seems highly fluctuated over the year.

In 1995, the total foreign exchange earning from tourism was US \$ 116.7 million. This contribution nearly 4.1 percent of GDP in 1994/95 and percent of total foreign exchange was 17.3. Foreign exchange earnings from tourism were US \$ 168.1 million in 1999, which increase of 10.2 percent over the earnings of 1998. Contribution of tourism to the GDP of nation was 3.6 percent and it was provided 15.9 percent of the total foreign exchange earnings from tourism during the fiscal year 1998/99. Similarly, foreign exchange earning from tourism was US \$ 140.2 million in 2001, which represented a decrease 15.9 percent over the earnings of 2000. Contribution of tourism to GDP of the nation was 2.9 percent and it also provided 7.4 percent of the total foreign exchange earnings during fiscal year 2001/02. Similarly foreign exchange earning from tourism were 148.4 million in 2005, which represented a decrease 17.5 percent over the earnings of 2005. Contribution of tourism to GDP of the nation was 2.0 percent and it also provided 6.1 percent of the total foreign exchange earning during fiscal year 2004/05. Similarly, contribution of tourism to GDP of the nation was.....and it also provided 8.0 percent of the total foreign exchange earning during fiscal year 2005/06 (first seven months). The table 4.1 shows the foreign exchange earning, contribution to the GDP and the percent of the total foreign exchange earnings from tourism sector in different fiscal years.



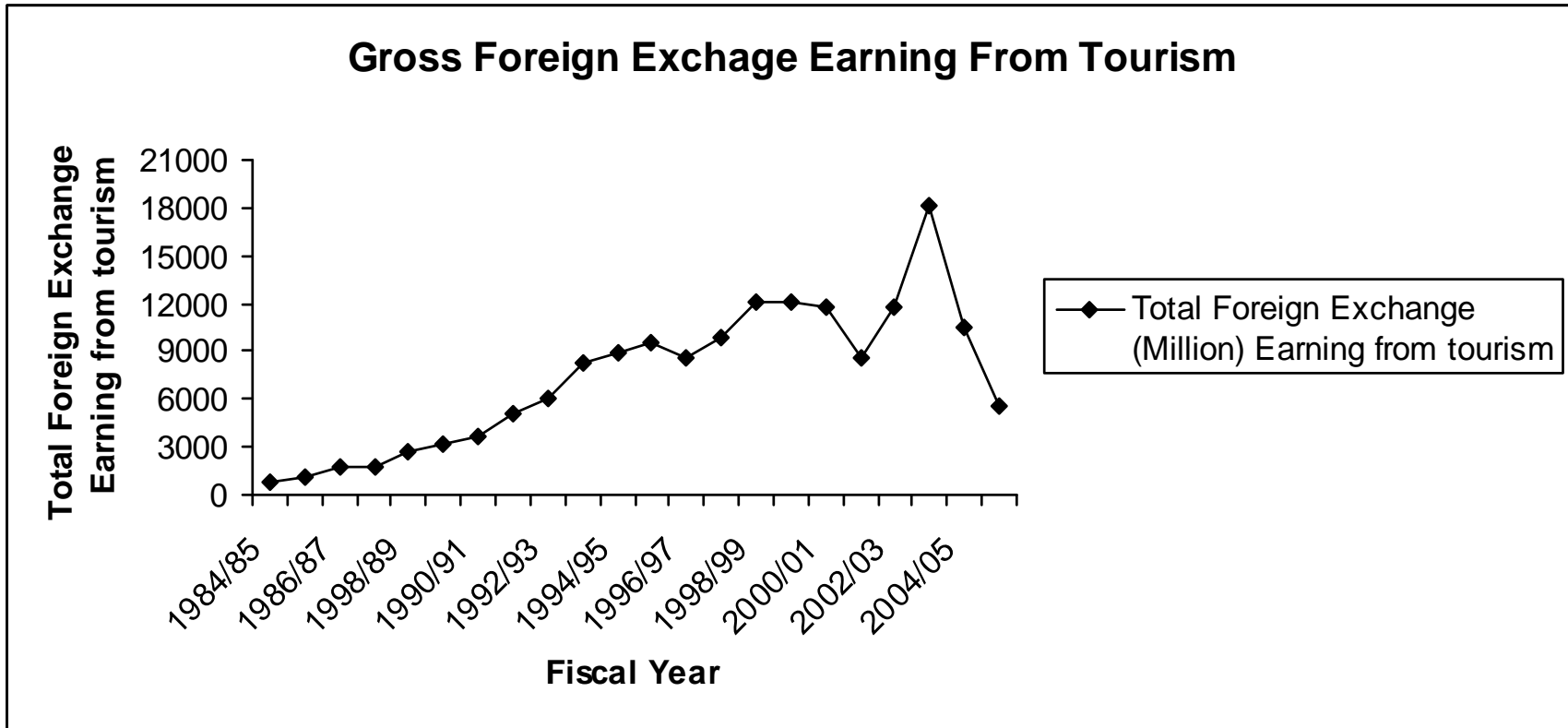
**Table 4.1: Foreign Exchange Earning from Tourism Including Exports  
and GDP Contribution (1985-2006\*)**

| Year     | Total Foreign Exchange (Million) Earning from tourism | As % of Total value of Merchandise Exports | As % of Total value of Export of Goods and non factor services | As % total foreign Exchange Earnings | As % of GDP |
|----------|---|--|--|--------------------------------------|-------------|
| 1984/85  | 735.4   | 26.8                                       | 13.5   | 19.8                                 | 1.6         |
| 1985/86  | 1071.0  | 34.7                                       | 16.3   | 18.5                                 | 2.0         |
| 1986/87  | 1740.5  | 58.0                                       | 22.7   | 26.6                                 | 2.9         |
| 1987/88  | 1675.7  | 40.6                                       | 18.8   | 18.2                                 | 2.3         |
| 1998/89  | 2735.3  | 65.0                                       | 28.2   | 24.5                                 | 3.3         |
| 1989/90  | 3121.2  | 59.5                                       | 28.5   | 23.3                                 | 3.2         |
| 1990/91  | 3587.6  | 47.1                                       | 23.5   | 21.8                                 | 3.2         |
| 1991/92  | 5016.9  | 35.9                                       | 19.5   | 20.0                                 | 3.6         |
| 1992/93  | 5966.0  | 34.5                                       | 26.7   | 17.6                                 | 3.7         |
| 1993/94  | 8251.7  | 42.7                                       | 22.4   | 18.9                                 | 4.1         |
| 1994/95  | 8973.2  | 50.8                                       | 21.6   | 17.3                                 | 4.1         |
| 1995/96  | 9521.2  | 37.6                                       | 23.3   | 21.4                                 | 3.8         |
| 1996/97  | 8523.0  | 35.9                                       | 13.7   | 17.6                                 | 3.0         |
| 1997/98  | 9881.6  | 34.1                                       | 17.4   | 15.2                                 | 3.3         |
| 1998/99  | 12167.8   | 24.2                                       | 18.5   | 15.9                                 | 3.6         |
| 1999/00  | 12073.9   | 21.0                                       | 13.0   | 8.8                                  | 3.2         |
| 2000/01  | 11717.0   | 14.9                                       | 12.0   | 7.4                                  | 2.9         |
| 2001/02  | 8654.3  | 23.1                                       | 10.6   | 6.1                                  | 2.1         |
| 2002/03  | 11747.7   | 32.9                                       | 15.2   | 8.2                                  | 2.6         |
| 2003/04  | 18147.4   | 20.3                                       | 20.3   | 11.4                                 | 3.7         |
| 2004/05  | 10464.0   | 12.2                                       | 12.2   | 6.1                                  | 2.0         |
| 2005/06* | 5641.0  | 10.4                                       | 10.4   | 8.0                                  | -           |

\*First Seven Months

Source: Nepal Rastra Bank, 2005/06

Fig. 4.1



### **Gross Foreign Exchange Earnings in Convertible Currencies (1985-2005)**

The annual gross foreign exchange earnings have increased from US \$ 1, 48, and 44100 in the year 2005. Percentage change from foreign exchange earnings shows that it was highest in the Fy 2003 (80.5 percent.) and the lowest in 2002 (-23.8 percent). Average per capita income in US \$ was lowest in 1992 (268.2) and highest in 2003 (765.9). Average income per visitors per day in US \$ was highest in 2003 (7.91) and lowest in 1991 and 1992 which stood 26.4.

**Table 4.2: Gross Foreign Exchange Earnings in Convertible Currencies  
(1985-2005)**

| Year | Total Earning |          | % in<br>US \$ | Average<br>income per<br>capita in US \$ | Average income<br>per visitor per<br>day in US \$ | % in<br>GDP |
|------|---------------|----------|---------------|--|---|-------------|
|      | US \$<br>(00) | Rs. (00) |               |  |   |             |
| 1985 | 39185         | 719365   | -5.1          | 308.3                                    | 27.0  |             |
| 1986 | 50841         | 1077802  | 29.7          | 302.4                                    | 27.0  |             |
| 1987 | 60229         | 1304656  | 18.5          | 318.5                                    | 27.0  |             |
| 1988 | 63502         | 1486837  | 5.4           | 327.5                                    | 27.0  |             |
| 1989 | 68343         | 1838520  | 7.6           | 347.6                                    | 29.0  |             |
| 1990 | 63701         | 1868873  | -6.8          | 326.5                                    | 27.0  |             |
| 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        | 6059000  | 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        | 10600945 | -17.5         | 532.0                                    | 58.5  |             |

Source: Nepal Rastra Bank, 2005/06

## **Contribution to the Government Revenue**

Tourism sector has contributed to the government revenue by various ways, in Nepal in major sources of revenue from tourism consist of Hotel tax, visa, trekking fees, mountaineering fees, national park, entry fees and airport tax.

## **Employment Generation (1985-2005)**

The problems of unemployment and underemployment are more acute in the developing countries. Obviously, tourism is high potential industry for employment generation in Nepalese scenario. Because, the tourism industry is a highly labour intensive service industry and a valuable source of employment provides a lot of employment to the people in different levels. It provides a wide range of jobs which extends from the unskilled to the highly specialized. According to Wharton Econometric Forecasting Association (WEFA)" Travel and tourism is the largest industry in the world in terms of employment." the study also tells that one out of every 26 workers is employed in tourism. According to the World Tourism Organization (WTO), in 1995 there were 567 million tourists and they generated US \$ 372.6 billion and it provided direct and indirect employment for 212 million people. The investment of one million rupees tourism creates 89 jobs, as against 44.7 jobs in agriculture and only 12.6 in manufacturing industries. Millions of dollars have already been spend in agriculture, but its productivity has not increased as expected. The production is not even enough to provide for all Nepalese. Nepal has only one option with which it can address poverty and gear for economic development and that is tourism. It provides an opportunity for employment to a large number of people directly as well as indirectly. Those people who work in hotels, travel and

trekking agencies, airlines, railways, cable car, taxi drivers are directly used by the tourist and indirect employment includes like involvement in the construction, furnishing and equipment industries, farming and food supply, entertainment industry and son on.

It is very difficult to estimate the total number of employee who are engaged in tourism however for the first time Nepal Rastra Bank conducted a survey in 1989, on employment generation from tourism in Nepal. According to this study altogether 11,176 people were directly employed in this sector. The following table gives the information on the number of the people employed in tourism sector.

**Table 4.3 (a): Number of People Employed in Tourism Sector**

| Sector          | Nationality |        | Male | Female | Total |
|-----------------|-------------|--------|------|--------|-------|
|                 | Nepali      | Others |      |        |       |
| Hotel           | 5815        | 101    | 5102 | 814    | 5916  |
| Travel agency   | 1520        | 24     | 1413 | 131    | 1544  |
| Trekking Agency | 974         | 4      | 947  | 31     | 978   |
| Airlines        | 2707        | 31     | 2510 | 228    | 2738  |
| Total           | 11016       | 160    | 9972 | 1204   | 11176 |

Source: NRB 1989: 295

In 1995, the county had 520 hotels out of which 72 were star hotels and 448 were non-star hotel. In 2001, the county had 888 hotels out of which 97 were star hotels and 791 were non-star hotels. Among them 439 were based in Kathmandu valley and there were 12,024 rooms and 22,502 beds.

Similarly in 2005 there were 110 star hotels with 10,715 beds and 896 non start hotels with 28,669 beds (Economy Survey, 2006).

**Table 4.3 (b): Number of Hotels and Hotel Beds**

| Year | Star Hotel |       | Non-stars Hotel |       | Total |       |
|------|------------|-------|-----------------|-------|-------|-------|
|      | No.        | Beds  | No.             | Beds  | No.   | Beds  |
| 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 | 966   | 39107 |
| 2005 | 110        | 10715 | 896             | 28669 | 1006  | 39384 |

Estimated\*

Source: MOCTCA, 2005/06

Table 4.3 (b) shows that the 91 mountaineering teams received climbing points and total of mountaineering scaled Himalayan peaks in 1995. The number of employment were 5,123 royalty earned were 17 million.

In the year 1997, 120 number of team was available for mountaineering 861 numbers of mountaineers. The number of employment was 7,003 royalties earned from the mountaineering Rs. 108 million respectively 112 mountaineering teams received climbing points and a total of 836 mountaineer scaled Himalayan peaks in 2001. Number of person employed were 6,203 and royalty earns from mountaineering was 127 million in the same year. Similarly, in 2005, there were 128 mountaineering team and 940 number of mountaineer. 636 person were employed and royalty earns from mountaineering was Rs. 156 million in that year.

**Table 4.3 (c): Mountaineering Expedition Team and Number of Employment and Royalty (1995-2005)**

| Year | No. of Team | No. of Mountaineering | No. of Employment | Royalty Rs. in (000) |
|------|-------------|-----------------------|-------------------|----------------------|
| 1995 | 91          | 624                   | 5123              | 37257                |
| 1996 | 129         | 851                   | 4924              | 101880               |
| 1997 | 120         | 861                   | 7003              | 108237               |
| 1998 | 141         | 974                   | 6942              | 95479                |
| 1999 | 115         | 857                   | 9690              | 84989                |
| 2000 | 132         | 773                   | 11587             | 119893               |
| 2001 | 112         | 836                   | 6203              | 127396               |
| 2002 | 134         | 913                   | 10599             | 128030               |
| 2003 | 152         | 1080                  | 14838             | 181360               |
| 2004 | 140         | 1042                  | 9362              | 127072               |
| 2005 | 128         | 940                   | 636               | 156240               |

Source: MOCTCA, 2005/06

Similarly, according to the survey (NRB) 2004, the employment generation from tourism and its related sector is presented in the following table:4.3 (d)



**Table 4.3 (d): Manpower Trained by Nepal Academy of Tourism and Hotel Management (1999/00-2005/06)**

| S.N.  | Types of Courses   | 1191/92<br>to<br>1999/00 | 2000/01 | 2001/02 | 2002/2003 | 2003/04 | 2004/05 | 2005/06 | Total |
|-------|--|--------------------------|---------|---------|-----------|---------|---------|---------|-------|
| 1     | Food Preparation and Control   | 582                      | 32      | -       | 88        | 44      | 73      | -       | 819   |
| 2     | Food and Beverage Service  | 770                      | 32      | -       | 32        | 19      | 60      | -       | 913   |
| 3     | House Keeping  | 438                      | 312     | 28      | 44        | 99      | 18      | 23      | 689   |
| 4     | Front office   | 578                      | 31      | 24      | -         | 31      | 35      | 18      | 23    |
| 5     | Tourist Guide  | 938                      | 76      | 70      | 69        | 66      | 74      | 54      | 1347  |
| 6     | Travel Agency and Ticketing  | 288                      | 22      | 34      | -         | -       | -       | -       | 344   |
| 7     | Trekking Guide   | 1673                     | 370     | 390     | 297       | 405     | 392     | 332     | 4059  |
| 8     | Tourism service Training for first and second class non Gazette office | 534                      | -       | 194     | -         | 170     | 215     | -       | 1113  |
| 9     | Mobile Team Training   | 1376                     | 401     | 228     | 149       | 467     | 205     | 80      | 3906  |
| 10    | Bachelor in Hotel Management   | 3                        | 35      | 35      | 35        | 40      | 39      | 80      | 294   |
| Total |  | 5831                     | 629     | 775     | 565       | 874     | 1106    | 507     | 1287  |

Source: Nepal Academy of Tourism and Hotel Managements (NATHM, 2005/06)

To produce efficient manpower for the industry through well designed training programme, the hotel management and tourism training center was recognized as the Nepal Academy of Tourism and Hotel Management. During FY 1991/1992 to 1999/00, The Academy provided training to 6207 people in different 10 subjects and in FY 2000/01, the Academy provide training to 1030 people in different 9 subjects. Similarly in FY 2001/02, 1003 were trained in 8 different subjects. During the FY 2002/03, 714 people related with tourism sector have received training. Similarly in FY 2003/04 the NATHM provided training to 1321 people in different 9 different subjects. Above table 4.3 (c) shows that manpower trained by Nepal Academy of Tourism and Hotel Management (NATHM).

### **Trend Analysis Foreign Exchange Earning from Tourism Using Least Square Method**

The table 4.4 shows the trend values of foreign exchange earning from tourism. The values are calculated by using the least square method. The trend values are plotted in graphs, which gives trend lines. The linear equations,

$$Y = 7417.73 + 693.29x$$

The line implies that the foreign exchange earning from tourism in each year increased by Rs. 693.29 million. The equation helps to predict the future earnings from tourism. Here, in the equation  $Y = 7417.73 + 693.29x$ , Y represents the total foreign exchange earning in the fiscal years in equation and x denotes the year deviation taken from the fiscal year 1994/95. The regression equation implies that Y increase by 693.29 unit which x increased by one so on.

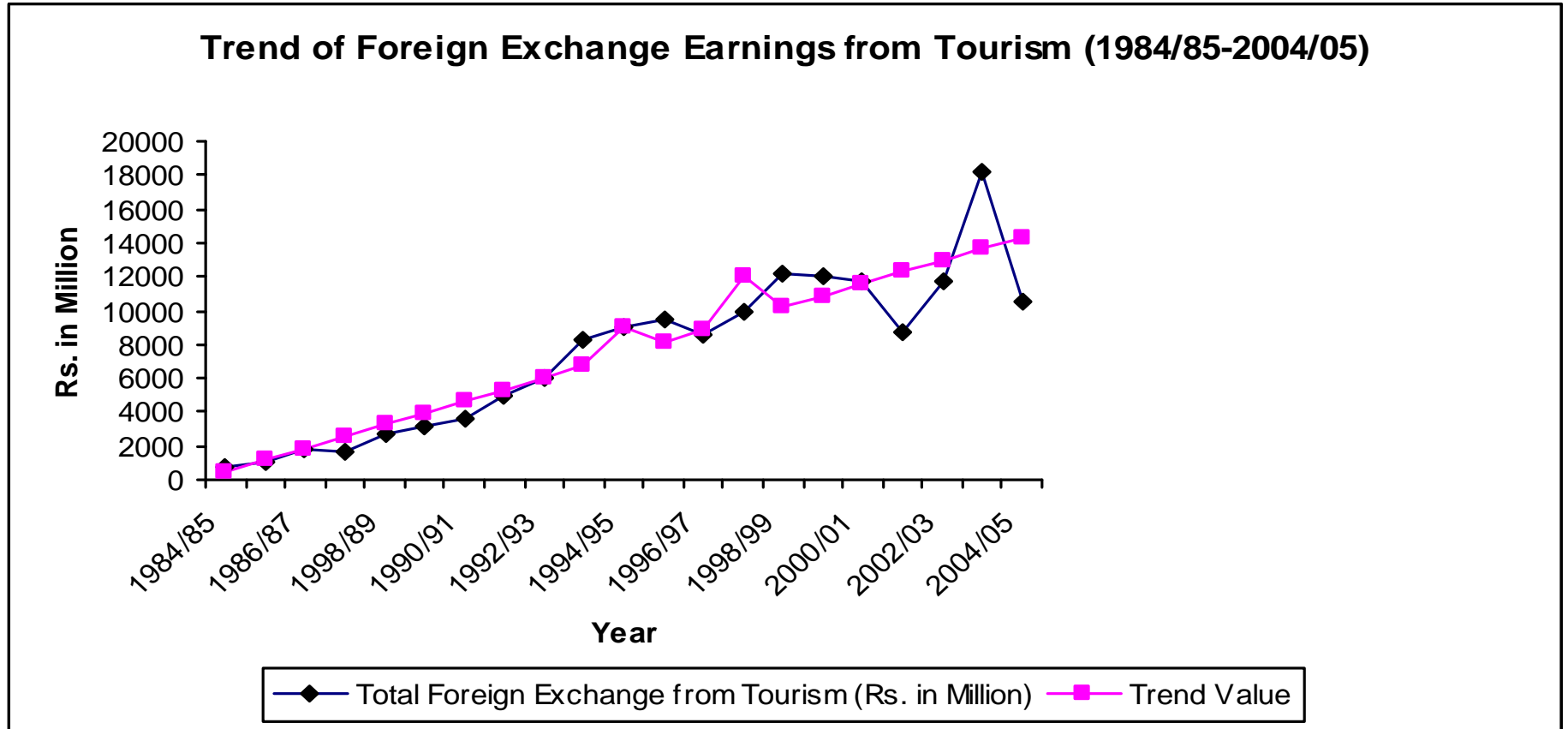
The trend line has been drawn with the help of values obtained from statistics given in the table 4.4 The total foreign exchange earning in the different fiscal year fluctuates around the trend line as given in the below.

**Table 4.4: Trend of Foreign Exchange earning from Tourism Using Least Square Method**

| FY      | Total Foreign Exchange from Tourism<br>(Rs. in Million) | Trend Value |
|---------|---|-------------|
| 1984/85 | 735.4   | 484.83      |
| 1985/86 | 1071.0  | 1178.12     |
| 1986/87 | 1740.5  | 1871.41     |
| 1987/88 | 1675.7  | 2564.7      |
| 1998/89 | 2735.3  | 3257.99     |
| 1989/90 | 3121.2  | 3951.28     |
| 1990/91 | 3587.6  | 4644.57     |
| 1991/92 | 5016.9  | 5337.86     |
| 1992/93 | 5966.0  | 6031.15     |
| 1993/94 | 8251.7  | 6723.15     |
| 1994/95 | 8973.2  | 8973.2      |
| 1995/96 | 9521.2  | 8111.02     |
| 1996/97 | 8523.0  | 8804.31     |
| 1997/98 | 9881.6  | 11961.47    |
| 1998/99 | 12167.8   | 10190.89    |
| 1999/00 | 12073.9   | 10884.18    |
| 2000/01 | 11717.0   | 11577.47    |
| 2001/02 | 8654.3  | 12270.76    |
| 2002/03 | 11747.7   | 12964.05    |
| 2003/04 | 18147.4   | 13657.34    |
| 2004/05 | 10464.0   | 14350.63    |

Source: Economic Survey, 2005/06

Fig. 4.2



## **CHAPTER - 5**

### **PROBLEMS OF TOURISM IN MID WESTERN DEVELOPMENT REGION**

This chapter deals with the problems of tourism in mid-western Development Region (MWDR), which is one of the main purposes or objectives of this research. These problems are main obstruction for the development of tourism in Mid-western Development Region. It is widely accepted that MWDR with its natural beauties got high potential for the development of tourism industry.

Nepal is endowed all the ingredients required for fostering tourism. In Nepal, knowing that tourism is a goose, which has the potential to lay golden eggs, the government authorities as yet, does not seem to have the guts to take the risk of giving a big push to the sector which is need of the hour (Chand, 2006). Tourism is contributing most of the economic and cultural growth in different regions of Nepal. Nepal due to its natural beauties, geographical diversities, cultural and artistic heritage, the tourism industry is one of the major sectors of earning foreign exchange and providing employment opportunities (Thapa, 2006: 77).

Mid-western Development Region is very rich in natural resources as well as bio-diversities. In this region there are so many floras, fauna and two largest rivers of Nepal namely: Karnali and Bheri. Karnali is the longest river of Nepal. The famous mountain peaks of this region are Danfeshal (6,103 Metre), Asajytuppa (6,225 metre) and Kanjeroba (6,612 metre). World's scare birds, Mammals, wildlife etc. found in this region. World's beautiful Rara Lake, Shey Phoksundo Lake also lies in this region. There are

so many famous temples, Mosque, Stupas, Bombas, Monasteries and Churches so this region is also important for religious tourism. In this region, there are different cultural people like Tharu, Magar, Madeshi, Brahamin, Chettri, Muslem, Bhote, Sherpa etc. So this region is also important for cultural tourism.

Despite such a great potentials and promising prospects, tourism of Mid-western Development Region has been facing various problems. The main problems of tourism sectors in this region are as follows:

### **1. Lack of people Awareness**

One of the major and dangerous problems of Nepalese tourism is the lack of people awareness. Mainly, Mid-western Development Region is suffering from it in comparison to other development regions. People do not have any kind of knowledge about tourism. Even people in this region have not still heard the word 'tourism' or 'Paryatan'. Majority of the people engaged only their own occupation with Agriculture which is also limited to the subsistence level.

Among three zones, Karnali zone has high tourism potentials, but that is not explored yet. Explored tourist destination is not developed still. Most of the people of this zone are illiterate. Since people are illiterate, they are unaware about the benefits which the tourism could provide them. According to CBS 2001, only 28 percent literacy people are in Mugu district where world's beautiful Rara Lake lies. This is the second lowest rate of literacy in the country in Nepal.

Therefore, for the development of tourism industry government and non-government organization should provide formal education as well as

tourism education also. Then only Nepal can develop tourism in Mid-western Development Region as a popular tourist destination like Pokhara and Chitwan.

## **2. Lack of Tourism Infrastructure**

Nepal, still facing many problems of infrastructure like road, transportation, communication, accommodation. Due to this problem of infrastructure exploitation of available tourism potential is limited in the remote mountain area and potential tourist destination has not been developed yet.

**Table 5.1: Present Status of Tourism Infrastructure**

|                                    |    |
|------------------------------------|----|
| Airports                           | 9  |
| Hospitals (Government and Private) | 18 |
| Hotels and Resorts                 | 22 |
| Travel and Trekking Agencies       | 18 |

Source: Tourism Office of Nepalgunj

This is the major problem of the Mid-western Development Region. Transport is one of the main support infrastructures needed for tourism. It is primary service needed for the tourists in order to reach their destination. Although, Mid-western Development Region's one of the zones Karnali, which is totally deprive from transport facilities where much of the tourism potenlities are available Shey Phoksundo, Rara Lake and pilgrimage site lies in this region.

Famous Panchkoshi Mandir lies in Dailekh district which is also famous pilgrimage site for Hindus. Due to lack of this problem (i.e.

infrastructure) still it is not developed as a tourist destination. Similarly Swargadwari is another religious place for Hindus which is also deprived from the Motor able roads. Not only road transport but also air transport is limited in this region. Except these other types of transport is also limited.

Communication is a key factor for the development of country as well as for tourism sector. Mid-western Development's some districts are still deprived of communication which is also obstacle to development of tourism in Mid-western Development.

Besides these, accommodation is another problem of this region for tourism which is very important tourism infrastructure. There is little number of standard hotels which is located in the Nepalgunj only. There no provision of standard hotels in different parts of this region. So for the tourism development in MWDR, government should encourage private sector to establish star and non star hotel in different places.

### **3. Most of Insurgency Affected Areas**

Nepal was known as peace zone. About 128 countries have assigned a proposal of peace nation, which has presented by late King Birendra Bir Bikram Shah Dev at 2032 B.S. But nowadays it is known as the country of violence and terror.

Since 2052 B.S. Maoist activities are rising, this began from the Mid-western Development Region. Therefore this region most area is affected by the insurgency. Due to this problem many people are died in the encounter of Maoist and government armies. Many people are displaced from their own village or own house. According to the primary report of INSEC, in MWDR a total around twenty three thousand people have displaced.



After the emerged of emergency in the country, tourist inflow is sharply decreased in the Mid-Western Development Region, which can be seen in the following table:

**Table: 5.2: During the Period of conflict Tourist Visit in N.P. (2001 A.D. and 2005 A.D.)**

| S.N | National Park       | A.D. 2001 | A.D. 2005 |
|-----|---------------------|-----------|-----------|
| 1   | Bardiya N.P.        | 9488      | 1194      |
| 2   | Shey Phoksundo N.P. | 321       | 113       |
| 3   | Rara N.P.           | 46        | 29        |

Source: Department of National Park and wild conservation.

If insurgency totally cease and restore the peace then tourist inflow will increase in this region. One current report shows with in one months of cease-fire 129 tourist came in Bardiya National Park. Tourists mainly visit watching tigers, elephant and rhinos along with the scenic river shore of Karnali river (May 21, 2006: The Kathmandu Post).

#### **4. Negligence of the Government**

It is also another most problematic tourism problem in MWDR. Instead of exploiting natural and bio-diversity for tourism in this region, the government seems to be overlooked about its potentialities. The main focus has been concentrated some where else where, the tourism has already flourished. And, the proper plan has not yet been framed out for the long term tourism development. If tourism, as is widely accepted, is to be flourished, it has to be diversified to the different region in such a way the fruit of it goes to all equally. But, in Nepalese perspective it is not so, some

of tourist destination has already reached to the boom while others still lag far behind. In case of Mid-western development region, this is also a true. Fact.

In Dolpa district different types of Yarshaguma is found. It will be main source of Government revenue, if Government is sensitive about it. But nowadays these being misused. According to *Himal Khabar Partrika* Collector of Yarshaguma sold per kg 2 lakh. It is not only a matter of Yarshaguma but also other such type's plants or Juributies (Medicinal herbs). These are not yet explored and used in commercial way, due to negligence of the government. This region is rich for attracting tourists because there is Rara Lake, Shey Phoksundo, Swargadwari temple etc. There might be in flow of domestic tourist for religion as well as foreign tourist for recreation and entertainment. But government did not have any record how many tourist visit there in a year or month.

## **5. Lack of Publicity and Promotion**

It is also major tourism problem in Mid-western Development Region. Due to this problem many foreign tourists' even domestic tourists did not know about the paradise of this region. That is why; Mid-western development region is still unable in attracting domestic as well as foreign tourists. This region is very rich in tourism but lack of publicity and promotion most of the tourist destination has not yet explored.

For the development of tourism in Mid-western Development Region, tourism publicity through booklets, photographs, sliders, map, magazines, newspaper, TV films, and post card should be lunched by the government. In order to ensure the security of foreign visitors' lists of hospitals for foreigner's use, pamphlets with detailed information for disaster, emergency

escape measure, attitude sickness in accommodation facilities for their understanding should be notify in opportunities places.

## **6. Lack of Trained or Skilled Manpower**

Trained guides are most important to make the tourist's visit various culture and historical places. With the co-operation of guide any tourists can study and know the correct image of Nepal as well as Mid-western Development Region. If the guides are untrained and imperfect they mislead foreigners. The maximization of tourist inflow depends on the way they influence the tourists through proper guiding and explanation about our unique socio-cultural antiquities. But the shortage of trained and skilled manpower has been always a handicap in the path of tourism development especially in Mid-western development region.

So, for development of tourism in Mid-western Development Region, government and non-government organizations should provide training to the local people. Then only Mid-western Development Regions tourism can be developed.

## **7. Lack of Travel and Trekking Agencies**

Tourism can be developed through travel agencies. If they perform their task smoothly, they can play significant role in generating tourists from tourist originating countries, making reservation for hotel accommodation, organizing travel and tour for the tourist etc. But due to lack of well organized travel agencies, it could not provide substantial contribution in the development of tourism sector. The existing travel agencies are few in number and all of them are located in the Nepalgunj. Due to their remoteness in location, the tourists cannot have direct contact and they are scatted in such a way, to get an agency, tourists have to incur extra time and money which, for tourists, is a cumbersome job.

## **CHAPTER - 6**

### **PROSPECTS OF TOURISM IN MID-WESTERN DEVELOPMENT REGION**

This chapter deals with the prospects of tourism in Mid-western Development Region which is another main objective or purpose of the study. There is an enormous prospect of tourism. Tourism has tremendous growth potential as it stimulates the growth of the overall economy. It has a bright future in this region because of the availability of immense tourism resources. Similarly, it has ample opportunities for tourism development of this region due to unlimited potential diversities in cultural and artistic heritage. Thus, tourism has an important position in the Nepalese economy because of its comparative advantages over other sectors.



Some of the importance tourism prospects in Mid-western Development Region are:

### **1. Cultural Tourism**

Cultural attraction is first and foremost attraction or prospects for tourists of this region. Culture, basically traditional culture is a greater motivation factor of attraction of tourist because this region has different cultures than other Regions. Mid-western Development Region is multi-racial and multi-lingual. Life style of people of this region acts as the major attraction to visitors due to their simple and hospitable character and represents an important facet of cultural tourism.

Mid-western Development Region is rich not only in bio-diversity and natural resources but also rich of the cultural diversities. In this region, there are more than 15 castes people. Most of them are ethnic so this region can develop ethnic tourism also like Tharu, Magar, Bhote, Madeshi and Rawate.

The Tharus have a rich culture followed by a number of customs and manners. The Tharu group of people would wear more than 30 types of different ornaments worn by a Tharu lady from head to leg shows the magnificent picturesque. The Tharu lady who stands on the traditional fashion will create the compassion and attraction. The Tharu male also wear an ornament named Tarana in his ear. The indigenous groups of people have a very rich culture. The Tharus have their own distinct culture with beautiful song and dance. The famous dances of the Tharu community can be identifies as

- (I) Lauro Nach (Stick Dance)
- (II) Damphu Nach (Peacock Feather Bowing round Dance)
- (III) Bhajeli Nach (Big stick Moving Dance)
- (IV) Bali Bhitrauni Nach (Harvesting Dance)

Except Tharu, there are other groups like Gurung, Magar, Kami and Bhote etc. These groups cultures and more attractive which give extra enjoyment to visitors. So, this region has big cultural tourism potentialities.

## **2. Religious Tourism**

Religious tourism is another attraction of tourism in MWDR and it has many prospects. This region is the greatest where cultural values such as the people their religious shrines, historic monuments and treasure and festivals are still a living culture. There are many temples, Mosque Stupas, Gompas, Monasteries and places of pilgrimage scattered all over the region. Some in the mountain valleys and others in the lap of high Himalayan regions.

Main two famous temples of this region are Swargadwari and Bageshowri. Swargadwari is situated in western part of the district of Pyuthan in Rapti zone. And Bageshowri temple is situated in the heart of the Mid-western Development Region which is in the Nepalgunj city. Many pilgrim from different parts of Nepal and India come to pay homage every year on the different festivals in these temples. Besides these two temples, there are other famous temple like Dawati Baize in Surkhet and Panchkosi in Dailekh districts.

So this region is multi-religious region which has enormous prospects of religious tourism.

## **3. Historical Tourism**

Historical tourism is also another attraction for tourists in MDWR. Tourist may come for different purposes. Some of the tourists come for recreational purpose and some of them come to study about historical or

mysterious places. For such type of tourist who keep interest in historical places. The places are Dailekh, Dullu, Rukum, Sinja, Jajarkot, Jumla, Dang, Simikot, Rolpa, Salyan, are suitable. Except Sinja, each historical places have own state or kingdom, when Nepal was not united. Tourist may observe the historical buildings and the archeological monuments and stone pillar. But Sinja is differently popular than these places. Because it was the origin of Nepali 'Khas Bhasa'. So they can know about the details of Nepalese language. Therefore MWDR has tremendous prospects for historical tourism also.

#### **4. Rafting**

Rafting in the rivers of Nepal being a most important human and economic factor is also considered a vital tourism activity in Nepal. So Rafting is another attraction for tourists of this region. There are two big rivers namely: Bheri and Karnali. Karnali is the longest river of the country. Except these, there are other small rivers like, Shani Bheri, Humla Karnali, Mugu Karnali etc. These rivers are suitable for rafting. So there is big potenalities of the rafting of this region. Nowadays five to seven percent of international tourists go rafting on Bheri and Karnali rivers (Satyal, 2001: 15).

Given below are the names of the two rivers and sector for information in MWDR.

| <u>River</u> | <u>Sector</u>           |
|--------------|-------------------------|
| 1. Bheri     | Birendranagar-Chisapani |
| 2. Karnali   | Bhankhet-Chisapani      |

(Satyal, 2001: 121)

So, there is a tremendous potential for rafting.



## **5. Mountaineering**

Mountaineering is another prime attraction of this region for tourism. There are more than 28 peaks exceeding 6000 metre extends between Bheri River and Humla Karnali. The famous mountain peaks of this region are Danefeshal (6,103 metre), Ajayatuppa (6, 225 m) and Kanjeroba (6,612 metre). Similarly, there are passes like Marin pass, Namja pass, Chongla pass and lapche pass in this region. Phokasund Tso Lake, one of the most beautiful lake of Nepal lies in this region. The beautiful valley of Mugu provides magnificent views of snow ranges. So, mountaineering has big prospects for this region.

## **6. Trekking**

Trekking is another attraction for tourism in the Mid-Western Development Region. It offers variety and beauty of many site and scenery. There is an enormous prospect of Trekking for domestic as well as foreigner tourists. Jumla bazaar to Rara Lake is a popular trekking of this region. Similarly Simikot-Hilsa trekking is another best and enchanting trekking route of this region. It takes minimum six days walk to cross the Tibetan borders to Talakot. Scenery, flora and fauna, rocky steeps and cliffs fall, river gorge along its melody music, caravan of sheep, goats, yaks and mules and beautiful of nature are the hidden treasure and pleasure of trekkers. Except these, there are other trekking routes which can not be explored yet. Hence, trekking has also high passivity in this region.

## **7. Wild-West**

Mid-Western Development Region can develop as "Wild-West". This region is very rich in wild life heritage. It has not been able to manage

properly due to lack of funds and trained staff. In this region inhabited by many animals which includes tigers, wild dog and many others.

There are three National Parks in this region. Bardiya National Park is situated in the south west Tarai of this region along the Karnali and Babai rivers. This park is upgraded from a wildlife reserve in 1988 which is famous for Gharail, crocodiles and Genetic dolphins. It is a vital for tiger, spotted deer, black buck, sambhor deer, wild board and swamp deer plus more than 150 species of birds.

Shey-phoksundo National Park also lies in this region. It covers the rich forest of the lower Himalayas and hear desert like terrains of the Trans Himalayan region and Tibetan types of flora and fauna. The vegetations are pure walnuts, willow, oak, poplar and cypress. There are blue sheep, goral, musk deer, leopard, wild dog, marmot, wealsen mouse hare, rhesus and common monkeys which provides pleasure for tourists.

Rara National Park is also lies in this region which is small Mountain Park, north of Jumla in the back of Rara Lakes. This park is the home of black bear, red panda, yellow throated marten, goral serow, Himalyan tahr and musk deer (Stayal 2001: ).

So, this region is also rich for its wild-life. This can be one of attraction for tourists including domestic and foreigners.

## **8. Fishing**

Fishing is also attraction for tourists. There are many varieties of fresh water fish in the Himalayan Rivers ranging from the much sought after massage to the mountain stream trout-like verities. The best season to go fishing on the white water is before and after the monsoon from February till

April and October and November. The Bhote, Kumal, Magar and Tharu are the ethnic groups of people whose traditional professions are fishing. The traditional way of fishing by ethnic community can be a matter of attraction for tourists. He can himself be a fisher man and enjoy the fishing. The moment tourist become a fisherman by wearing the traditional dress, a dramatic sequence of the fisherman's play will be exposed. Tourist can enjoy fishing by accompanying local fishing experts.

There is popular fishing area of this region are: Karnali, Babai in Bardiya etc. Fishing is all the more fun in mountain streams. In the Tarai river waters large catch fish, Murrel and carp are found in abundance so from fishing perspective the MWDR has big potentialities.

## **9. Medicinal Plant**

Himalayan country has been known since antiquity as a rich source of valuable medicinal herbs. High mountains are the main source of high value medicinal plants in this region.

Mid-Western Development Region rich in bio-diversity. In this regions mountain part, there are different spices of Jaributi (medicianl herbs) which can be used as a medicinal plant. mainly in this region there are Kutki, Bish, Bishma, Padamchal, Yarshagumba chirito, Timur, Nagbeli, Tespat, Dalchini, Rittha, Ghukumari, Harro, Barrow, Amla, Bel, Khayar, Nim, Shajbrikha, Bojjo, Pipala satabari.

Although the nature is unkind in High Mountains of Nepal but it is blessed with valuable herbs. It is therefore good prospect in the mountain especially western region where people are poor, medicinal plants is prosperous resources for development. (Shrestha: 2006: 80). So, this region can be a medicinal research center as well as a place for making familiar with tourists.

## CHAPTER-7

### FINDING, CONCLUSION AND RECOMMENDATION

#### 7.1 Findings

Nepal is small Himalayan Kingdom wedged between two emerging economic powers of Asia, China in the north and India in the east, west and south with an open border.

- (1) Nepal is a least developed landlocked, geographically disadvantageously placed, an economically vulnerable nation of enormous ecological, cultural and ethnic diversity.
- (2) Mid western development Region lies the western part of Nepal.
- (3) The absolute location of Mid-western Development Region lies between 27°59'51" to 30°20'07" north latitude and 20°59'55" to 83°30'07" east longitude.
- (4) This region covers 29.06 percent of the total land area of Nepal which is the largest region of Nepal.
- (5) Administratively, this region is divided in to 15 districts and there are 575 village development committee and 6 municipalities.
- (6) MWDR is a multi-racial, multi-lingual, multi-cultural and multi-religious region of the country in Nepal.
- (7) There are several problems in the development of tourism in MWDR, such as: lack of people awareness, lack of tourism infrastructure, lack of publicity and marketing, internal insurgency etc.
- (8) There are 28 peaks exceeding 6000 metre extrudes Bheri and Humala Karnali rivers. The famous mountain peaks of this region are

Danefeshal (6,103 metre), Ajayatuppa (6,225 metre) and Kanjeraoba (6,612 metre).

- (9) There are 3 National park of this region namely: Rara National Park, Bardiya National Park and Shey Phoksundo National Park. Shey Phokusunda National park is the longest National park of the country Nepal whereas Rara National park is the smallest National park of Nepal. Few number of tourist visit in this national park. In 2005, 1194 tourists visit in Bardiya National park, 113 tourists visit in Shey Phoksunda National Park and 29 tourists visit in Rara National Park.
- (10) There are two big rivers in Mid-western Development Region: Karnali and Bheri. Karnali River is the longest rivers of Nepal.
- (11) There are two beautiful lakes Rara and Phoksundo. Rara lies in Mugu district whereas Phoksundo lies in Dolpa districts.
- (12) Jumala bazaar to Rara Lake is a popular trekking of this region. Similarly simikot-Hilsa trekking is another best and enchanting trekking route of this region.
- (13) There is popular fishing area of this region one Karnali, Babai in Bardiya etc.
- (14) In mountain part of this region there are different species of Jaributi which can be used as medical plant, there are Kutki, Bish, Bishma, Padamchal, Yarshguma, Chirito, Timur, Nagbeli, Tejpat, Dalchinni, Ritha, Ghukumari, Harro, Barrow, Amala, Bel, Khayar, Nim, Shajbrikah, Bojjo, Pipala and satabari.

- (15) Swargadawari and Bageshowari are famous temples of this region. Many pilgrimage from different parts of Nepal and India come to pay homage every year on the different festivals in these temples.
- (16) Sinja is a popular place of Nepal which is the origin of Nepali "Khas Bhasa" lies in this region.
- (17) Jumala is famous for apples and potatoes, due to transportation problem as well communication such product can not yield any gain to the farmers.
- (18) Since 2052 Maoist activities are rising which began form the Mid-western Region and then after it spread over all the country.
- (19) Except tourists visit in National park, government did not have any record and how much earning from tourism sector.
- (20) A total of 3, 75,398 tourist visited Nepal during FY 2005 representing a decrease of 2.60 percent during FY 2004.
- (21) Foreign exchange earnings from tourism as US \$ 148.4 million in the year 2005 but foreign exchange earning from tourism stood at US \$ 192.8 million in the year which represents decrease of 17.05 percent over the earnings of 2004.
- (22) The contribution of tourism to the GDP of the nation was ( ) percent and provided 8.0 percent of the total foreign exchange earning during Fy 2005/06\* (first seven months)
- (23) The trend of foreign exchange earning calculated by using least square method implies that the amount increase each year by Rs. 693.29 million during the year 1984/85 to 2004/05.

- (24) A total number of tourist hotels reentered in 2005 were 2006 and beds were 39384 only.
- (25) The number of mountaineering was 940 while 636 persons were employed by the expedition teams in 2005\*.
- (26) Nepal Academy of Tourism and Hotel management (NATHM) has trained 54 tourists guide and 592 trekking guide during then FY 2005/06\*.

## **7.2 Conclusion**

Nepal is divided between five development regions. Among them Mid-western development region is one which is largest region of the country on the basis of area. But this region is socially as well as economically backward than other development region. Most of the people of this region are deprived from their basic needs. Though MWDR has also its own geographical uniqueness and natural beauties. If government preserve and promote such resources, this region may richest region of the country.

Government adopted balance growth policy since 4th and 5th economic plan, but it is not implement even tenth plan is going to end. Due to it country faces regional imbalance. This is also one of the causes that backwardness of MWDR. Such type of regional imbalance problem can be solved by development of tourism industry. MWDR has tremendous prospects of tourism such as: world's scare birds, mammals, wildlife, dolphin found here. Besides, there are so many flora-funa, pond, famous lakes, caves etc. Not only these, this region also boasts of varied ethnic and indigenous groups with their colorful lifestyles and culture. Although, this

regions tourism is lagging behind in various problems such as: lack of people awareness, internal insurgency, lack of tourism infrastructure, lack of trained manpower etc. If government solve these problems this region will attract these tourists. Result of that MWDR can develop as tourist center together it can remove regional imbalance, help alleviate poverty by identifying and generating a broad based economic opportunities and at the same time including growth of other sectors.

Thus, there are a number of possibilities in the field of tourism sector in MWDR. But possibilities have not been studied yet. If one studies and come up with these possibilities in systematic policy with its effective implementation, there is no doubt that tourism can be used as sustainable resource to overall economic development of Nepal

### **7.3 Recommendations**

For the development of tourism in Nepal as well MWDR, some recommendations have been forwarded.

#### **7.3.1 Infrastructure**

- (1) Opened (Nepal-India) boarder in Bichhiya to Kathiyaghat and set up custom immigration office and tourist police unit and upgrade the existing road into motor able one. If so, it will save 3 hours for Indian tourists who are presently coming into Nepal via Rupedia.
- 2) Government and private sectors should connect Nepalgunj Airport with Pokhara and extend air service from Nepaljung to Lumbni also. Since 70 percent Indian tourists used to visit Pokhara. If Nepaljung is connected.
- 3) Government should give priority to complete Surkhet -Jumla highway to promote tourism in Mid-western development region.
- 4) Government should establish international Airport in Nepalgunj.



- 5) Government should formulate master plan to develop Jumla as tourist destination and should provide easy air access to Kernel region.
- 6) Government should encourage private sector to establish star and non-star hotel in different place of MWDR

### **7.3.2 Product and Promotion**

- 1) Public and private sectors jointly with people participation must protect, promote and preserve strong culture MWDR.
- 2) Efficient guide facilities must be scatted in different places of MWDR.
- 3) Government should be identifying tourists' spots in MWDR which still did not explored.
- 4) The tourist area must be kept neat and clean.
- 5) Government should develop Humla-Simikot trails as trekking trails.
- 6) Tourist information center should be established in different places of MWDR.
- 7) Government should be kept in website about MWDR's natural beauties and cultural attraction.
- 8) Government should provide basic knowledge about tourism and its benefit to rural people is also considerable fact in the context of tourism.

### **7.3.3 Policy**

- 1) Mid-western development region currently has three major problematic sectors educational infrastructure and tourism. So the government should take initiate step for speedy development.
- 2) Peace and security is the backbone of, keeping it in mind condition of security must be improved. And concerning government and private

- organizations should make common effort to promote Nepal in international market.
- 3) Local government should develop own policies and programmers to implement effectively under new democratic set up.
  - 4) Immigration office should be established at Dhangadhi (Nepal) to connect Dudhwa national park (India). If so, Indian tourists as well as foreign tourists from Delhi traveling to Dudhwa N.P can also visit Baradiya N.P thakurdware via Dhangadhi and can enjoy Dolphin and Bengal tiger. It can be developed as 3 days tour package programmers for Indian as well as foreign tourists.
  - 5) Lack of conceptual bottleneck is the main constraint in the promotion of tourism in MWDR. In the process of training to Nepal govt's employee police and army personal is necessary to get their positive response and co-operation.
  - 6) Decentralize tourism activities in the potential area of the nation and to enhance local participation in the development and conservation of tourism resources should be further strengthened.
  - 7) Government should kept income from tourism sector in regional wise due to it is easy to find out contribution to national income in regional wise.

## APPENDIX - 1

### Trend Values of Foreign Exchange Earnings from Tourism (1984/85-2004/05) using by least square Method

| Year    | Total Foreign (Y) Exchange Earning (in Rs. Million) | Year notation | X<br>A       | X <sup>2</sup>   | XY                   | Y=a+bx   |
|---------|---|---------------|--------------|------------------|----------------------|----------|
| 1984/85 | 735.4   | 1             | -10          | 100              | -7354                | 484.83   |
| 1985/86 | 1071.0  | 2             | -9           | 81               | -9639                | 1178.12  |
| 1986/87 | 1740.5  | 3             | -8           | 64               | -13924               | 1871.41  |
| 1987/88 | 1675.7  | 4             | -7           | 49               | -11729.9             | 2564.7   |
| 1998/89 | 2735.3  | 5             | -6           | 36               | 16411.8              | 3257.99  |
| 1989/90 | 3121.2  | 6             | -5           | 25               | -15606               | 3951.28  |
| 1990/91 | 3587.6  | 7             | -4           | 16               | -14350.4             | 4644.57  |
| 1991/92 | 5016.9  | 8             | -3           | 9                | 1505.7               | 5337.86  |
| 1992/93 | 5966.0  | 9             | -2           | 4                | -11932               | 6031.15  |
| 1993/94 | 8251.7  | 10            | -1           | 1                | -8251.2              | 6723.15  |
| 1994/95 | 8973.2  | 11            | 0            | 0                | 0                    | 0        |
| 1995/96 | 9521.2  | 12            | 1            | 1                | 9521.2               | 8111.02  |
| 1996/97 | 8523.0  | 13            | 2            | 4                | 17046                | 8804.31  |
| 1997/98 | 9881.6  | 14            | 3            | 9                | 29644.8              | 11961.47 |
| 1998/99 | 12167.8   | 15            | 4            | 16               | 48671.2              | 10190.89 |
| 1999/00 | 12073.9   | 16            | 5            | 25               | 60369.5              | 10884.18 |
| 00/01   | 11717.0   | 17            | 6            | 36               | 70302                | 11577.47 |
| 01/02   | 8654.3  | 18            | 7            | 49               | 60580.1              | 12270.76 |
| 02/03   | 11747.7   | 19            | 8            | 64               | 93981.6              | 12964.05 |
| 03/04   | 18147.4   | 20            | 9            | 81               | 163326.6             | 13657.34 |
| 04/05   | 10464.0   | 21            | 10           | 100              | 106440               | 14350.63 |
| Total   | $\sum Y = 155772.4$                                 | -             | $\sum X = 0$ | $\sum X^2 = 770$ | $\sum XY = 533833.5$ |          |

We have,

$$\sum XY = 533833.5$$

$$N = 21$$

$$\sum X = 0$$

$$\sum Y = 155772.4$$

$$\sum X^2 = 770$$

The Regression line

$$Y = a + bX$$

The Normal equations

$$\sum Y = Na + b\sum X \quad - (i)$$

$$\sum XY = a\sum X + b\sum X^2 \quad - (ii)$$

Substituting value then we have

$$155772.4 = 21a + b \cdot 0$$

$$533833.5 = 0 \cdot a + 770 \cdot b$$

Solving (i) and (ii) we obtain

$$a = 7417.73$$

$$b = 693.29$$

The trend line is given by

$$Y = 7417.73 + 693.29X$$

## **APPENDIX - 2: List of Persons Contacted**

Mr. Shankar Prasad Koirala, Former Joint Secretary MOCTCA

Prof. Mukund Aryal, Central Department of Culture, T.U.

Dr. Pushpa Shrestha, Associate Prof. Central Department of Economics, T.U.

Dr. Padam Chandra Poudel Associate Prof. Central Department of Geography, T.U.

Mr. Nabin Pokharel, Assistant Manager, NTB, Ktm.

Mr. Naresh Subedi Conservation Officer (Bardiya Conservation Program).

Mr. Ram Kumar Budhathoki Buffer zone Support Officer (Participatory Conservation Programme).

Mr. Ramesh Kumar Thapa Ranjer, Bardiya National Park.

The researcher contacted above personalities and discussed about the problems and prospects of MWDR. I reached to the conclusion that there are high tourism potentialities like cultural tourism, rural tourism, pilgrim tourism etc. but the lack of tourism publicity and promotion, infrastructure development, tourism service (hotel, lodge, travel agencies, trekking agencies, health post, communication) along with negative information from renowned tourism entrepreneurs and because of the government's negligence tourism is lagging behind in that region.

## APPENDIX - 3

### Questionnaire for Experts Opinion

Respected Respondent

Being the expert in the field of tourism are conscious and alert citizen of the nation watching the activities of the economy seriously and analyzing critically you can help me in understanding the present situation of tourism in Mid-western development region in Nepal by giving your valuable comments on all or few of the following set up problems. In fact these set up problems have been designed keeping in view of my Master level assignment on the topics **“Problems and Prospect of Tourism in Mid-western Development Region”** under T.U. Nepal. It would help me in understanding the dynamics of the Nepalese economy from view point of Tourism for better understanding before coming out with a statistical analysis and consequent policies suggestion your valuable suggestion, comments would be incorporated in my piece of research.

Thanking you.

Rabindra Prasad Upadhyaya  
Central Department of Economics  
T.U. Kirtipur, Ktm, Nepal.

Date:

Respondent's Name:

Designation:

Institution:

1. Do you think tourism sector plays a important role in national economy of Nepal?  
 Yes ( )  
 No ( )
2. Do you consider, Nepal as an important tourist destination in South Asia?  
 Yes ( )  
 No ( )
3. What do you think about the present situation of tourism industry in our country?  
 (a) Excellent ( )  
 (b) Satisfactory ( )  
 (c) Non-satisfactory ( )
4. How can Nepal receive higher benefit from tourism?  
 .....
5. How Mid-western development region can be developed as a popular tourist destination like Pokhara and Chitwan?
6. Why Mid-western development region is lagging behind in spite of its huge tourism potentialities?  
 a) Lack of people awareness. ( )  
 b) Lack of infrastructure. ( )  
 c) Maoist insurgency. ( )  
 d) Wrong tourism policy. ( )  
 e) All of the above. ( )  
 f) Others specify, if any.....

7. In your view, what our government should do to promote tourism in Mid-western development region?
- a) Establish International Airport in Nepalgunj. ( )
  - b) Complete Surkhet-Jumla Highway ( )
  - c) Encourage Pvt. Sector establish star and non-star hotel in different place of MWDR. ( )
  - d) To restore peace and security in the country. ( )
  - e) Others specify, it any.....
8. As a tourism expert, what tourism activities are to be promoted to make MWDR as an alternative tourist destination?
- a) Exotic scenes. ( )
  - b) Adventurous activities. ( )
  - c) Ethnic culture. ( )
  - d) Shopping facilities. ( )
  - e) Casino. ( )
  - f) Friendly and Hospitable people. ( )
  - g) Wild life. ( )
  - h) Snow Himalayas. ( )
  - i) Others specify, if any
9. What are the Major bottlenecks to promote tourism industry in Mid-western development region?
10. Please, would you enlighten the prospect of tourism in Mid-western development region?



**APPENDIX - 4**  
**Some Photos for Attraction of Tourist**

**Photo No. - 1**



Elephant in Bardiya National Park

**Photo No. - 2**



Karnali Bridge

**Photo No. - 3**



Rhinoceres Swimming on the *Nala*

**Photo No. - 4**



Entrance Gate of Bardiya National Park

**Photo No. - 5**



Original belongings of Tharu's Family

**Photo No. - 6**



Tourists Taking Photographs of Crocodiles in Bardiya National Park

**Photo No. - 7**



Ornaments of Tharu Community

**Photo No. - 8**



Ornaments of Tharu Community

**Photo No. - 9**



Crocodiles ready to dip into the Pound in Bardiya National Park

**Photo No. - 10**



Crocodiles Basking on the Sun nearby the Pound in Bardiya National Park

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