

IMPACT OF TOURISM INDUSTRY ON THE ECONOMY OF NEPAL

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BY

KAMANAND DEV
READER IN ECONOMICS
TRIBHUVAN UNIVERSITY
S.M.B.M. CAMPUS, RAJBIRAJ
SAPTARI, NEPAL

SUPERVISOR

Dr. ANIL BHUIMALI
PROFESSOR AND HEAD



**DEPARTMENT OF ECONOMICS
UNIVERSITY OF NORTH BENGAL
RAJA RAMMOHUNPUR
DARJEELING-734013
WEST BENGAL, INDIA
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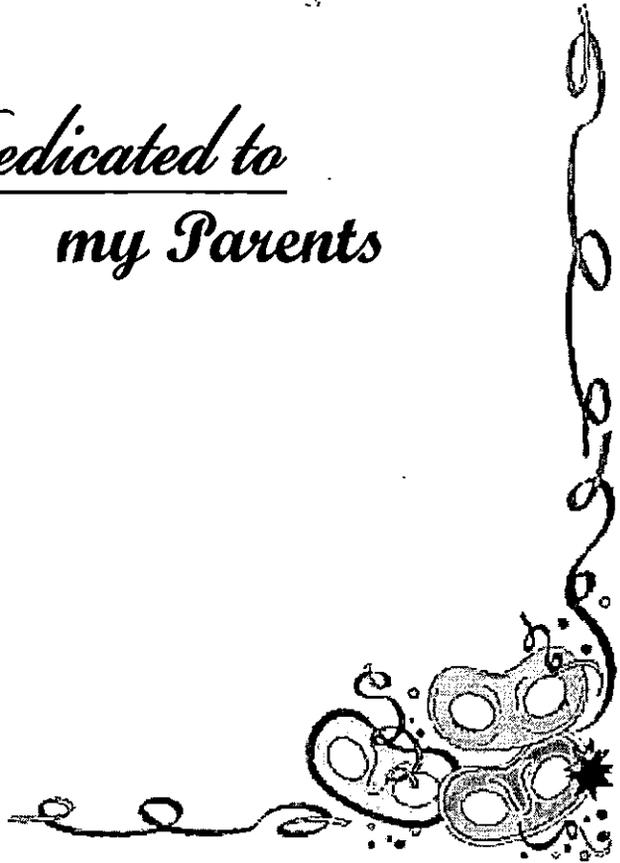
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Dedicated to
my Parents



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GLOSSARY

ACAP – Annapurna Conservation Area Project
BG – Bangladesh Biman
CEDA – Centre for Economic Development and Administration
CA – Air Chin
CTRED – Circuit Trekking Route and Ecotourism Development Project
DRCG – Development Research and Communication Group
DFID – Department of International Development
DNPWC – Department of National Parks and Wildlife Conservation
DDCS – District Development Committees
DOT – Department of Tourism
F5 – Cosmic Air
GF – Gulf Air
HV – Transavia
HRD – Human Resources Development
ICIMOD – International Centre for Integrated Mountain Development
INGO – INGO – International Non Governmental Organisation
IUCNN – International Union for Conservation of Nature and Natural Resource
IC – Indian Airlines
ICDP – Integrated Conservation and Development Programme
KB – Druk Air (Royal Bhutan Airlines)
KA – Korean Air
KMTNC – King Mahendra Trust for National Conservation
MOCTCA – Ministry of Culture, Tourism and Civil Aviation
MOLD – Ministry of Local Development
MCI – Ministry of Commerce & Industry
NA – Nepal Airlines
NATHA – Nepal Academy of Tourism and Hotel Management
NEAT – Nature, Eco and Adventure Tourism
NRB – Nepal Rastra Bank
NMA – Nepal Mountaineering Association
NTO – National Tourism Organisation
NPC – National Planning Commission
NTB – Nepal Tourism Board
OS – Austrian Airlines
PK – Pakistan International Airlines
QR – Qatar Airways
SNV – Netherlands Development Agency

SU – China South West Airlines
SQ Singapore Airlines
SU – Aeroflot Russian Airlines
SZ – Jet Lite
TG – Thai Airways International
TIA – Tribhuvan International Airport
TRPAP – Tourism for Rural Poverty Alleviation Project
TMI – The Mountain Institute
TIES – The International Ecotourism Society
TAAN – Trekking Agents Association Nepal
WTTC – World Travel & Tourism council.
WTO – World Tourism Organisation
WWF – World Wildlife Fund
9W – Jet Airways

CHAPTER 1



CHAPTER 1

THE PROBLEM

- 1.1 Introduction
- 1.2 Statement of the Problem
- 1.3 Objectives of the Study
- 1.4 Review of Literature
 - 1.4.1 Recent Studies on Tourism in Abroad
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- 1.5 Relevence of the Proposed Study
- 1.6 Hypotheses to be Tested
- 1.7 Research Design and Methodology
 - 1.7.1 Data Sources and Universe of the Study
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CHAPTER 1

THE PROBLEM

1.1 Introduction

By some measurements, tourism has been considered as the world's largest industry. It employs 74.2 million persons worldwide or 2.8 percent of total world employment. It also accounts for approximately 3.8 percent of total world output in 2005 (WTTC, 2005). It is the leading earner of foreign exchange in many countries of the world. Europe is, for example the most popular tourist destination, followed by the Asia Pacific region and America. The importance of this industry for the development of poor countries is immense when we consider it as a proportion of total national exports.

It cannot be denied that there exists a strong relationship between the economic climate and the growth of tourism through the whole world. It is evident that the growth of international tourism arrivals surpasses the growth of GDP. When tourism is measured as a proportion of total national exports, the importance of this industry in the development of poor economies is clear. Turkey, for example, quadrupled the dollar value of its exports between 1980 and 1990, but the value of its tourist revenue increased three times as rapidly. By 1990, its revenue from tourism was 25% of the value of its export goods. Mexico also largely depends of its economy on tourism. Data show that Mexico's exchange earnings from tourism tripled between 1945 and 1955 and are among the world's highest today. Another example is Thailand. By 1955, tourism represented 10% of Thailand's gross domestic product and it was the country's leading foreign exchange earner.

According to Edward Bergam 'tourists potential of a country relies on the three as i.e. accessibility, accommodations and attractions'. Tourists visit places according to their choices. Travelers from colder countries find sunshine and sandy beach to be the most attractive. Mountain scenery attracts many people. That's why scenic beauty and recreation opportunities in the Rockies, the Alps, the Mt. Everest, the Kunchanjungha and Mt. Fuji draw millions of tourists every year. The 'concept ecotourism' is becoming popular today. This type of tourism is based on travel to distinctive, highly scenic regions of the world with unusual natural environments or wildlife. The animal life in Tanzania and Kenya attracts million of people. Similarly, the rich bird life on Lake Nicaragua attracts

hundreds and thousands of people every year. Antarctica is a growing destination for ecotourism today. Ecotourism protects a country's natural environment as well as the biodiversity of rare animals and plants.

Tourism has been developed as an industry in the whole world because of its multifaceted contribution in the economic, social, cultural, political and other spheres. Man has been interested in touring, wandering and traveling out in this beautiful world, even though it was a risky and hazardous task. In the olden times people could move from one place to another and from one country to another because of business and trade purposes. In course of time people traveled for higher education and religion, the spectacular growth and development of transport and communication facilities have made the whole world practically one neighborhood and today people can easily move from one corner of the globe to other very comfortably and at a lower cost. Tourism is developed not only in developed countries but also in many developing and less developed nations. In many countries, tourism has become the largest single earner of foreign exchange.

Tourism development is a comparatively recent phenomenon in Nepal. Since the country opened its door to westerners in 1951, an increasing numbers of tourist have chosen to visit the Himalayan country. The major reasons for the inflow of tourists into this country are its unique natural beauty and rich cultural heritage. The magnificent mountains panoramic hills, glaciers, abundant flora and fauna, and friendly people attract visitors from all over the world. Today, tourism has become a major industry in Nepal, and it is also an increasingly important sector of the national economy.

Nepal is one of the richest countries in the world in terms of bio-diversity due to its geographical position (NTB, 2003). The elevation of the country ranges 70 m. above sea level to the highest point on earth, Mt. Everest at 8.848 m. all within a distance of 150 km. with climatic conditions ranging from subtropical to arctic. The wild variation fosters an incredible variety of ecosystems, the greatest mountain range on earth, thick tropical jungles teeming with a wealth of wildlife, thundering rivers, forested hills and frozen valleys. Nepal's natural attraction, resulting from physical, historical, cultural monuments, temples, art treasures and festivals (DOT, 1972). Himalayas and their scenic beauty are also the prominent attraction to the visitors. Nepal is the country of Mount Everest, the land of Yeti, and the land of Buddha. Its various snow peaked mountains, lakes and river, conducive climate and mysterious

charms are inviting the visitors of the world. Cultural, religious and natural resource are the three major attractions of Nepal, which have eight cultural, and two natural World Heritage Sites. It offers nature based tourism activities like trekking, mountaineering, rafting, rock climbing, jungle safari and wildlife sanctuaries as well as man made attractions.

All the above facts reveal that there is enormous prospect to develop tourism industry in the country. As it is a multifaceted industry, which promotes other sectors, like small scale industry, trade and commerce and other services sectors. As a labour intensive industry, tourism provides enough employment opportunities at different levels. Tourism has been identified as an important source of foreign exchange earning as an industry creating employment opportunities and generation of economic growth of the country (Shrestha, 1978). Tourism has proved as a boon for Nepal, as it plays a pivotal role in the process of economic development. 'Nepal Tourism Master Plan' 1972, stated "The tourism industry can once properly developed, function as Nepal's most important foreign exchange earner, it can play a significant role in regional development; it creates new employment opportunities and new market possibilities for local production; through this it can help to achieve a wide distribution of income from tourism, and induces development in other sectors of the economy " (MCI, 1972).

In fact tourism is one of the biggest foreign exchange earners in Nepal. Between 1978 and 1999, the number of tourists to Nepal increased from 1,56,123 to 4,91,504, similarly gross foreign exchange earning in convertible currencies increased from US \$ 27,801 to US \$ 169,848. The total number tourists arrival to Nepal in 2002 was recorded 2,75,468 representing a decrease of 23.7 percent over the previous year (CBS, 2004). Foreign exchange earning from tourism stood at US \$ 106.8 million; which represented a 23.8 percent decrease over the earning of 2001. Contribution of tourism to the GDP of the nation was 1.9 percent and it also provides 8.0% of the total foreign exchange earning during final year 2001\2002. Similarly, the highest number of tourists' arrival to Nepal from India in 2004 was 24.2% of the total. The majority of tourist from overseas countries visiting Nepal were from (Japan 8.4%), (UK 7.6%), (USA 6.4%) and Germany (5.7%) respectively. The arrival of overseas tourists recorded a decrease of 29.7 percent in 2002 in comparison to 2001 (NTS, 2002). When compared to some of the lesser tourist frequented countries of

Asia i.e. India, Shrilanka, Philippines and Nepal's share in tourism business is still very small in comparison to its immense potentiality.

However, tourism industry in Nepal has shown promising growth in 2007 in compared to other years. The 10 years (1996-2006) of political instability left a big void in the industry. The continuous decline of tourist flow over the years brought slackness in tourism development process. Similarly, its contribution to GDP and other interrelated economic activities were also affected.

The scenario has changed for better now with the restoration of peace in the country. This was the main reason for enabling the country to witness the highest number of tourists' arrival in a year so far. The year 2007 proved a very favourable year for Nepal with 5,26,705 tourists arrival and foreign exchange earning in convertible currency reached 2,30,617 US \$ representing an annual growth rate of 37.2 percent and 41.7 percent respectively.

1.2 Statement of the Problem

It is obviously acknowledged from the above fact that tourism has been playing a pivotal role in the socio-economic development of most of the developed as well as developing countries. Nepal has the enormous potentiality of tourism development because of its bio-diversity and latitudinal variation. It is considered one of the best adventure destinations in the world. It has been popular for the tourism activities like trekking and mountaineering in all over the world. Nepal's geography packs an extremely varied landscape into a small area. It is probably the only country in the world where one can climb the highest mountains in the world and trek in the scenic countryside with icy pinnacles always in the background as well as enjoy jungle safari in forests. It is regarded as a paradise for bird lovers with over 848 species (almost 8% of the world total) of birds (NTB,2003). Tourism in the context of Nepal is an important source of foreign exchange earning as well as a source of employment opportunities.

Despite the greater prospects of tourism in Nepal, this sector has not been found so much beneficial in the economy. Although, tourism potential in Nepal is vast but, factors such as limited air access, poor infrastructure and lack of appropriate marketing strategy have resulted in limited growth (Bhatta,1997). Though, tourist arrival in Nepal is growing steadily but it has a very low share in world tourism, which was estimated at 0.06 to 0.07 percent in 1998 (Shrestha, 2000), and It declined 0.05 percent in 2007. Primarily, the government tourism policy has focused on increasing tourist number in Nepal. Thus, too much

importance has been given to increasing the number of tourists in order to acquire economic benefits, and the negative consequences of tourism development have been overlooked. As a result, leakage of tourist expenditure, environmental and cultural impacts, over exploitation of resources and inadequate infrastructure and services are cumulative problems which may pose a threat to overall tourism development in Nepal. Deforestation is another problem. Over the last two decades, large area of virgin forest has been cut down to meet the needs of trekkers (Touche Ross and New Era, 1090; Richter, 1989; Nepal watch, 1993). For example, in the Sagarmatha National Park, tourist demand is estimated to increase the local demand for wood by 85 percent (Sharma, 1992). As well as undermining traditional cultures and values, drug abuse, prostitution and smuggling are on the increase (Nepal watch, 1993; Belk, 1993). These effects are of concern to the government, religious authority and the overall population in Nepal (Hansen–strum, 1983, cited in Richter, 1999).

In addition to the escalation of Maoists' destructive and violent activities in the last few years, Nepal tourism has been hit by series of recent crisis beginning with 1999. The horrific incident of Royal massacre, Indian Airlines, hijacking in December 1999, pull out of RNAC from European sector in September of 2000, followed by terrorist attack on World Trade Centre in New York, all had an unprecedented level of repercussion on Nepal's tourism.

Tourist arrivals in November 2001 were declined by 22.1 percent as compared to previous year, the arrival from third country in 2001 fell 43 percent and Indian arrivals by 42 percent as compared to 2000. 2002 became the darkest and weakest performing period when a total of 2, 75,468 tourists visited which was 23.7 percent decrease as against 3, 61,237 of 2001. Nevertheless, the scenarios has changed far better now with comprehensive 'Peace Agreement' between the seven parties and the Maoists.

The present study basically concentrates on the above issues and problems. In the process of highlighting the issue as well as problem, this study may attempt to explore the fundamental questions such as

- What is the impact of tourism on socio-economic and cultural development of the economy?
- What are the multifaceted effects of tourism development in different sectors of the economy?

- Can tourism play a pivotal role in economic development of Nepal?
- Is Nepal a tourist paradise of adventure tourism?

- Is Nepal being endowed by the nature unique resources of wildlife and natural habitats?
- What are the appropriate strategies for making wildlife tour a renowned world pilgrim?
- Is sustainable tourism development of Nepal based on the ecotourism?
- What are the effects made for ecotourism in Nepal?
- What should be the appropriate strategies to professionalise the tourism industry in Nepal?

1.3 Objectives of the Study

Tourism is a socio-economic phenomenon, which has become the world's largest and fastest growing industry. Tourism is very important to Nepal and is a key industry. To some extent it represents the third most prominent religion in the country after Hinduism and Buddhism. Despite the higher potentialities for its development, the country has not been able to achieve benefits from tourism industry.

Seeing the high prospect of tourism development, the present study aims at analysing the impact of tourism industry on the economy of Nepal. The objectives of the proposed study are as follows.

- (i) to assess and evaluate the different impact of tourism in Nepalese economy and explore its effect on different sectors
- (ii) to examine the performance and growth of tourism in national economy
- (iii) to identify the significance of tourism industry in Nepal
- (iv) to assess the contribution of tourism in income and employment generation in the economy
- (v) to examine the prospects of ecotourism tourism in Nepal
- (vi) to recommend measures and strategy to develop tourism industry as an important sector of the economy

1.4 Review of Literature

The study of tourism has become a matter of fascination for many scholars, intellectuals and researchers which led many researches in various aspects of tourism in national and international arena. We represent below a brief review of literature of some of the previous studies done in Nepal and abroad.

1.4.1 Recent Studies on Tourism in Abroad

Mckercher (1993) focuses specially on the effect of tourism. He argues that tourism is an activity that consumes resources and creates waste. He suggests that the tourism industry is dominated by private sector, import clients rather than exports a product, and is a very difficult activity to control. He also claims that tourism is entertainment and tourists are primarily consumers, not anthropologists. This article should be particularly useful in provoking debate about the nature and role of tourism.

Kumar (1994), in his PhD thesis pointed out about some factors affecting the decision to travel such as attraction, transport, accommodation, infrastructure and other facilities. These are recognised as the important factors in decision to travel in the destination countries, while he recognised the value of tourist, attitudes, motivations and his need to travel as a primary factor affecting the decision to travel. He in his thesis mainly focuses on various aspects of the tourism industry. This study provides detail accounts of the tourism planning and policy in the context of historical perspectives and role of planning and tourism policy in tourism development.

Chattopadhyay (1995) offers a bird's eye view on third world tourism. He assumes that tourism today is one of the fastest growing industries throughout the world, though the third world shares a small slice of this growth. A large number of developing countries are aware of the potential benefit of tourism and most of those having suitable infrastructure are well ahead in the way of exploiting this avenue for economic development. This book is an attempt towards an evaluation of the economic impact of different types of tourism

(including domestic tourism) in the third world countries in general and India in particular.

The book provides a comprehensive lesson to the learners. The author illustrates his arguments with a wide range of examples drawn from Asia, Africa, Europe, North America and the Caribbean Island. The first part of the book sets the analytical scaffolding of the study. The second part focuses on economic aspects of tourism development on the basis of available secondary data on the size of tourists' flow of the expenditure per day, etc. Part three is about understanding the process of tourism development through some case studies conducted under certain control situations. In the concluding part an empirical model has been built on the international tourism demand for India.

This study attempts to estimate international tourism demand for India by using time series data for the years 1971-88. The results suggest that the elasticity estimates for percapita income and population vary significantly from negative values to high elastic measures. India's tourism market thus appears to be extremely dominated by English knowing, Commonwealth and high income countries.

Mowforth, M. and Lan, M. (1998) made an attempt to discuss tourism within the development process. Their focus, however, is primarily on 'Third World' development. Key themes are uneven and unequal development, globalisation and power relationship. The book traces the origin of sustainability within environmentalism and its extension to socio cultural and economic concerns. The book attempts to set tourism within a broad sociocultural context and explores ways in which sociocultural, economic, and political processes impact upon and operate through tourism. A number of alternatives for the future development of tourism in the third world are explored.

Nair (2001) represented an economic analysis of tourism in Goa. The study reveals that tourism in Goa is a fastest growing industry which gives a boost to the economy. Superficially, it sees that the increasing number of foreign tourists contribute largely for Goa's economic progress, but it has been found that domestic tourists arrival play a major role in positively influencing the Goan economy. The statistical analysis focuses that 20 percent of Goa's population today depends on tourism, directly or indirectly. This sector contributes 1/10th of the gross state domestic product (GDP) and 10 percent total revenue collection. The foreign exchange earnings on tourism alone are estimated at Rs. 150 cores. It is also found a high positive correlation (0.94)

between the total tourist arrival and the state income. It has been noted that a unit percentage increase in the number of total tourist's arrival in Goa makes the GDP to go up by 0.7 percent whereas a unit percentage increase in the population of Goa makes an increase of 6.28 percent in GDP. The regression analysis also estimates that when the foreign tourists arrival increase by 1 percent the state income increases by only 0.42 percent whereas when the domestic tourists arrival increases by 1 percent the state income increases by 0.9 percent.

Mehta (2001) attempted to focus on contribution of tourism to economic development in Uttaranchal with the aim to investigate and examine the existing gap in information in this particular sector, through a primary survey conducted in the Garhwali division on Uttaranchal. The study concluded that government as well as local institution, including the private sector, has made little effort to promote tourism in area specific conditions and requirements. The advantages of specific areas of natural beauty, which have been attracting an increasing numbers of tourists over the past decades, have been on decline. Lack of initiatives to promote and develop tourist area and of a planned approach to protect the fragility of the eco-system in the past has been playing an important role in the degradation of the environment and the ecological system of tourist areas. The contribution of private sector to promoting tourism has been limited to supplying different articles and goods and providing accommodation and transportation to the tourist, just to maximise their own incomes and profits. Even the articles to meet the needs of the tourists are mainly supplied by migrant traders from outside the region. Thus, the limited benefits derived from tourism go to these migrant traders.

Singh and Singh (2002) made an attempt to focus on the fact that development could be generated through tourism in the North-Eastern Region of India. This region abounds in scenic beauty, colourful mosaic of cultures, wildlife, giggling rivers and singing rivulets, etc. Which can attract tourism not only from India but also from all over the world; Tourism will not only open this area to the rest of the country but also bring economic growth and social change. The study is based on both primary and secondary sources of data collected through surveys, interview, with local people, government officials, tourism department, forest and wildlife department etc. The result analysis reveals that a specific development strategy for the tourism industry for this

region has to be developed. Destinations can't be marketed as individual proportions. It should first of all be an up market strategy for high returns from the low volume of traffic. Marketing emphasis should be in the form of packages.

Leung's (2002) study aims to address globalisation as a development issue related to less developed country making use of Cambodia as a case study. This paper utilises the traditional development perspective along the dependency approach to study and rationalist the development of tourism as a catalyst for development and prosperity. The researcher also attempts to argue that the western capital mode of development via industrialisation might not work for less developed countries or so-called peripheral area. Multiple sources of data and evidence were utilised for triangulation. Archival analysis, in-depth interview, site visits and observations have been employed as research tactics. A list of recommendations based on the experience and lesson learnt from Cambodia was drawn which can be summarised as under:

- (i) The state should be in charge of the tourism development and promotion,
- (ii) The state should determine the degree and magnitude of globalisation with respect to tourism,
- (iii) Well-organised and effective planning, administration, legislation and enforcement system is critical for any success in tourism, and
- (iv) The state should be equipped with the necessary conceptual skills to assess the impact that globalisation and tourism might have on various stakeholders.

Kohli (2002) in his article considered that the strict conservation on Himalayan region is not a solution. It is necessary to develop the region in order to improve the standard of living of the local people and to promote further growth of national economies of this region. The solution lies in carrying out all this development in a new era of heightened cooperation without disturbing the ecosystems of Himalayas. The author, in this regard quoted the 'Himalayan code of conduct' which was formulated in 1919 by the 'Himalayan environment Trust' for conservation of Himalayan region. Some are as follows.

- to protect the natural environment leaving the camp site cleaner;
- to limit deforestation;
- to burn dry paper and packets in a safe place;
- to keep local water clean and avoid using pollutants;

- to plants should be left to flourish in their natural environment;
- to help your guides and porters to follow change you, do not change conservation measures;
- to respect holy places; preserve what you come to see, never touch or remove religious object.
- to remove shoes when visiting temples;
- to refrain forgiving money to children since it will encourage begging;
- let Himalayas change the tourists not the Himalayas;
- when taking photographs, it is required to respect privacy, permission and to use restraint, etc.

Binns and Nel (2002) conducted a study on 'Tourism as a local Development strategy in South Africa'. The study reveals that promotion of tourism has been identified as a key strategy that can lead to economic upliftment, community development and poverty relief in the developing world. In the context of some current debates on tourism in poor countries, the paper examines how economic, social and environmental resources are being utilised to promote tourism as a local development strategy in South Africa. The study also focuses on current local government endeavors in this regard and two communities that have suffered the loss of their economic resources base. Tourism based development initiatives, one in Kwazulu-Natal and another in Western Cape, evaluates in the context of generating economic growth, alleviating poverty and addressing the apartheid legacy of discrimination and inequality. The significance of the dynamics of the development process involved in these initiatives has much wider relevance for local economic development, both within South Africa and elsewhere.

Motiran (2002) focused on the trend and pattern of international tourism on the basis of data from 1990 to 2000. He found that the majority of these tourists visited India from South Africa, west European and American countries which constituted 35, 33.5, and 9.85 percent. The United Kingdom ranked top of the list followed by the USA, Srilanka, Australia, France and Germany. Since India could attract 0.38 percent of the world's tourists, there is an ample scope for developing the industry by improving infrastructural facilities and adopting proper tourism policy. It was recommended to pay more attention for careful conservation and preservation of natural sites, historical monuments and places of cultural heritage.

Cheerath (2002) studied the 'Health tourism in Kerala'. He found that the geography and circumstances together gave Kerala as a source of tourism products. Sun-surf-sand, beaches, wild life sanctuaries, co-reserves, black waters and lagoons and hill stations are the major attraction of the tourist. In addition to this, present tourism policy of Kerala has put stress on the development of heritage tourism, which in turn, encouraged new 'life style tourism' close to Kerala's culture, and heritage, which has become a dream experience for the visitors. Recreating an old world charm with accommodation in Kerala-style cottages with ethnic cuisine and a herbal oil bath added special touch to the visitor's special experience. Thousands of foreigners are coming to this place for local concepts of rejuvenation and restoration that is embodied in the Ayurveda system of treatment. The holiday is a stress-buster for the visitors. Although, ideally the treatment lasts for a month, there are shorter courses meant for the tourist in a hurry. This may be anywhere between a week to 20 days. Many are the visitors who patronize Ayurveda and during holidays take-up short courses that will help them run parlors abroad. Germany, Switzerland, Australia, United States have clinics run by such persons. The centre provides different Ayurveda packages such as herbal oil bath, herbal tea, body purification, slimming programme, rejuvenation, beauty care, dharamassage, etc. which reflected visitors to the land of Ayurveda and now heritage tourism became the new credo that brought in the foreign exchange?

Gardner, Sinclair, Berkes and Singh, (2002) made a study on accelerated tourism development and its impact in Kullu-Manali, Himachal Pradesh, India. The study focuses that accelerated growth of tourism in the Kullu district of Himachal Pradesh in the Himalaya over the past decade has had substantial impact on the local society, economy and environment. The paper analysed that the rapid rate of growth, which occurred in the early to mid 1990's, has not continued that the current levels of tourism activity may not be sustainable, and that the physical and cultural attractions of the area are compromised by some of the impacts of tourism. The Kullu District contains spectacular mountain scenery and a fascinating cultural heritage with deep historical roots. For centuries, it has attracted visitors and has catered to travellers and traders. From the beginning of the 1990's, violent conflict in Kashmir, upgrading of National highway 21, improvement of communications, effective marketing, and growth of the Indian economy all have contributed to a very rapid growth in

tourist visitations and supporting infrastructure which has occurred with both positive and negative effects.

Cohen (2003) had conducted a study on 'contemporary tourism and the host community in less developed areas. The aim of this study is to re-examine the concept of community and of the host and visitors interaction in tourism studies. This re-examination proceeded along with two main lines first one presented a critique of the concept of 'host community' which pointed to the importance of restructuring this opaque concept into networks and linkages within and outside the locality, for the examination of the process of the penetration and development of tourism into remote localities in less developed areas. Second one discussed the concept of the various factors which mitigate the socio-cultural gap between them in the contemporary world, such as the dissemination of information, the role of intermediaries and the changing mix of visitors and of their orientation to the hosts. This re-examination, in turn, has significant implications for the study of the interface between tourists and their host communities as well as for some aspects of the practice of tourism management in the less developed areas of the world.

Ryan (2003) made an attempt to write the book 'Recreational Tourism Demand and Impact'. The book, according to the author, is new entrant to the field of tourism studies. It covers the economic, social and psychological determinants of tourism demand; the component of the experiences of being on holiday; the various theories on destination development and lifecycle; and economic, environmental and social impacts of tourism, as well as a history of western tourism from the classical era onwards. In each case it does so in a manner that is thorough, wide ranging, full of examples and interesting, though sometimes a little repetitive. The text provides a good breadth of information and clearly summarises the major theories, arguments and models used to analyse tourism and tourists

Leung (2003) in his study observed that along with the development of tourism, there are immoral practices including child prostitution in the so-called dark tourism domain. While there is an extensive literature on tourism impacts, the role of tourism is related to child prostitution has not been sufficiently explored. This article aims to contribute to the discussion on tourism and tourism governance in relation to the control and alleviating the threat of child prostitution. The study utilised key informant interviews and archival analysis as major methodologies. Result reveals that child prostitution is more than a

standalone problem. A series of social problems, such as poverty, marginalisation, the stage of lacking development, and the emerging trend of tourism have been identified as potential underlying cause for it. Hence, rectification strategy should be designed with a holistic view and incorporated into the contextual arena.

The study found that tourism enhances and promotes prostitution because of the discrepancy in living standard; the psychological similarity of tourist and sex consumptions; legislative loopholes and promotion by some tour operators. Child prostitution has intermingled with and given a bed name to tourism. Although the study suggested various generic recommendations, which included international collaboration and extra-territorial liabilities, there is no single trajectory solution each destination has its uniqueness and requires specific tactics for achieving the mission. This study is the beginning and the road to the elimination of child prostitution is long and winding.

Das, N. and Syiemlieh, H.J. (2003) in their paper found that conventional or mass tourism always offers diverse effect to the environment by increasing pollution. Hence, priority should be given to eco-friendly ventures like elephant safari, trekking, walking etc, at the initiative of the nature tour operators or by forest department. Alternative eco-friendly accommodations like tented accommodation; thatched bamboo houses etc. may go a long way, especially in exploiting ecotourism resource in the natural wilderness area of the district. The paper also focuses that eco tourism is a field of human activity where conservation and development can wisely and effectively be balanced to achieve a mutual goal to the benefit of people in the community. This kind of tourism should be sensitive to the local communities, their land right, traditions, culture and way of life. It can be developed effectively only when there is consent and active involvement of the local people, who should become partner in this process. Ecotourism possibly is one of the meaningful sources of economic development and job creation. Cross country evidence demonstrates that tourism is labour intensive and offers a great variety of small scale opportunities creating jobs for poor, jobs for women and young people, jobs indigenous community. So, community based eco tourism is the best option for such areas.

Feifan, X.P. and Schneider, P.P. (2004) in their article have illustrated that adventure tourism has become one of the fastest growing tourism segments in recent decades. The majority of research on adventure tourism has focused on

the demand side of visitors' needs and wants while neglecting the supply side of characteristics of adventure destination. This paper attempts to use the supply-side analysis to examine the challenges facing Patagonia, Chile and international adventure destination. This study was based on the findings of in-depth interviews with 39 tourism planning officials, tour operators, and industry workers, who were part of a tourism-marketing project undertaken in June 2003. The results suggest that though the limited accessibility and tourism infrastructure are not currently viewed as negative, the degree of expansion needs a comprehensive evaluation. Tourism education should be given priority and government should be encouraged to provide one – site training for people working in the field of adventure tourism.

Verma (2005) conducted a study on 'space tourism'. He pointed out that the scientific discoveries and explorations succeeded in demystifying the age old notions and solving the riddles of the comic mystery. In this regard, Ansari Ex-Award played vital role to develop the space tourism as was witnessed after Lindburgh's successful mission in the field of aviation. The certainty in space tourism is now a foregone conclusion. It is also, expected that every space tourist will be charged a fee of \$ 1 lakh. In view of the vast commercial potential, about two dozen companies are specialising in manufacturing the spaceships, which could meet the future requirements of the ever increasing prospects of the space travelers. Though the future prospects of space tourism is yet not clear, experts believe that people may be interested in ' sub-orbital' flight, which means simply touching the space and coming back to earth.

1.4.2 Literature Review on Tourism in Nepal

The study of tourism in Nepal is a recent phenomenon. The revolution of democracy of 1950 marked new era in Nepal when it was first opened to foreign visitors (Belk, 1993). Before that time no development was made in this field. Neither there was any policy nor any written documents regarding the tourism development in Nepal. There is a dearth of literature relating to the impact of tourism in Nepal. We briefly review below some related literature on tourism in Nepal.

The first and foremost study made on tourism by George Lebrec, a French national in late 1950s 'General plan for the organisation of tourism in Nepal ' was the first tourism plan prepared by Lebrec by the assistance of the French Government. In the plan he recommended the need of brochures,

posters, postage stamp depicting the Himalayan peaks and flora and fauna and to the use of films and documentaries prepared by the mountaineering expedition for promoting tourism in Nepal. The plan was also stressed on the establishment on separate tourism office in the country. In 1964 and 1966, George Lebrech visited Nepal and prepared two reports on tourism entitled 'Report on the Development of Tourism' and 'Report on tourism in Nepal' respectively. In their report, it was recommended that the tourism in Nepal started growing at a faster rate (Pokhrel)

With a view to promote tourism development in a planned way, a comprehensive 'Tourism master plan 1972' was documented in the joint venture of German Government and HMG/Nep. in 1972. The plan was envisaged tourism development and project in two phases. e.g. First phase: 1972 to 1975 and second phase: 1976 to 1980. The aim of this master plan was to preserve the natural and cultural heritage for the sustainable development of tourism in the country. The plan on the one hand emphasised the development of physical infrastructure such as, roads, airports, hotels; resorts in various places of the country on the other hand pointed the need for public investment in the basic infrastructure such as, transport and communication, resort development and preservation of culture and natural tourist resources. Kathmandu, Pokhara, Tansen, Lumbini and Chitwan were identified as tourist places and suggested developing infrastructure development in those places. Besides this, tourism marketing plan strategy was also considered in the master plan. Nepal tourism was classified as an organised sightseeing, independent, 'Nepal style tourism' trekking and pilgrimage. The primary markets for Nepal were identified as USA, France, UK and West Germany, Japan, Scandinavia and Australia were targeted as secondary markets. The master plan also focused for the establishment of a 'Ministry of Tourism' for the promotion of tourism in Nepal.

Burger's (1978) researched work in the field of tourism in Nepal is very important. It was the first doctoral study on Nepalese tourism. The central theme of this work is to define the importance of tourism and its various economic benefits to Nepal. The objectives of this study are to analyse tourism's impact on the economy of Nepal and to present information to Nepal's development planners which would aid them in making decisions with regard to the contribution of this industry to national goals and in devising policies and strategies such that Nepalese society can derive the maximum possible

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benefits from this activity while minimising the negatives effects which are often associated with tourism.

Finally the study finds that tourism in Nepal is shown to be an effective and promising instrument for earning foreign exchange, but it requires high investments, both public and private, while providing relatively few jobs and offering little scope for the improvement of personal and regional income distribution. It would, therefore, seem advisable to develop tourism to the extent that foreign exchange is needed for development purposes but to concentrate society's resources in other fields where benefits of development are shared more widely.

Donald (1978) focused on "The recreation and Tourism in Phewa Tal Catchment" His study dealt about the historical background, geographical setting and future development of tourism in Pokhara. His study shows that natural originally Pokhara is being disturbed due to unplanned hotel development, unplanned lands, unattractive development of new buildings dwelling in the town, which hardly promote the tourism's development in Pokhara.

Joseph Edward Susnik, a marketing advisor of Yugoslavia made an attempt to study ' Nepal tourism marketing strategy for 1976/81. His study focused that there should be better amenities for the tourists in the different tourist destinations so that the numbers of visitors may increase and days of their stay prolong. Image of some tourist's destinations like Pokhara, Lumbini and Chitwan should be built-up .The report also recommended that an effort should be made to recognise Nepal as the gate of South- East Asia and the starting point of any Asian tour as it is the cradle of a religion and culture of major part of Asia. Reports also put stress on the formation of Nepal 'Tourism Marketing Committee' and 'Nepal Tourism Infrastructure Committee' for the presentation of private sector.

Dhungel, N (1981) has made a study on the economic impact of tourism in Nepal. The study aims to analyse the trend, structure and composition of tourist arrivals, it also focuses in the estimation of the interdependence of tourism with other sectors of the economy and leakage within the sectors in terms of import content of both goods and factor service and foreign currency. The study further aims to estimate the impact of tourism on employment, income and output of the economy. The study was carried out on the bases of both demands as well as supply framework.

The main findings of the study are summarised below.

- Politic –economic crisis in the country as in the region has been found affecting the number of tourists visiting Nepal.
- Concentration of the international tourist throughout the nation has been found decreasing.
- Seasonality factor has been found most prominent in Nepalese tourism.
- Expenditure on food items has been found inelastic whereas that of travel elastic.
- Relatively higher negative correlation has been detected between length of stay and the average per capita per day expenditure of tourists.
- Cross- sectional estimation of the demand for tourism shows international air fare not significant for determining the number of tourist visiting Nepal.
- Weighted GDP of the tourist originating countries is found elastic and significant, and
- Direct, Indirect and induced effects of the tourism sector on value added have been found relatively larger than those of the non-tourism sectors.

DRCG(1981) conducting a study on 'Economics of Tourism in Nepal' the study focuses that tourism plays an important role in the Nepalese economy, as the increase in the volume of tourist law has direct as well as indirect impact on the development process of Nepal. The study explores arrival and tourist expenditure before 1950, Nepal was virtually closed for foreign visitors. The percapita gross tourist expenditure was found increasing rapidly in normal terms from Rs 126.74 in 1962/63 to Rs.3, 339.33 in 1978/79 and further to Rs. 5,659, in 1981. The number of Japanese tourist was found increasing as compared with other tourists. American tourists in percentage terms were found decreasing rapidly from 58.0 percent to 14.9 percent. Seasonal factors was found most prominent in Nepalese tourism on the total tourists , almost 80-87 percent were found visiting Nepal for pleasure purposes followed by 1-11 percent for trekking and mountaineering purposes. A highly positive correlation was detected between tourist visiting for pleasure and mountaineering purposes and the choice of seashore. Almost 85 percent to 96 percent of the tourists visiting Nepal was found traveling by air. Of them, almost 51 percent came via India, 28 percent via Bangkok and 12.5 percent via Dacca. Average per capita per day tourist expenditure was found varying from Rs. 2615.68 in the case of four and five star hotel Rs. 153.56 in the case of one star hotel and lodge. A

relatively higher negative correlation (-0.63) was detected between the length of stay and the average per capita per day expenditure of tourists. It indicates decrease in per capita expenditure in spite of the increased length of stay.

NTMP (Nepal Tourism Master Plan Review, 1984), a reviewed study suggested action programme for implementation for the promotion of tourism in Nepal. This reviewed study is categorised into three parts. First part contains background of 'Tourism Master Plan' 1972, its objectives, practical use and its operation and review of past development in key area of tourism. Second Part contains updated set of policy, objectives and marketing development concept for five years and part third signifies action oriented recommendations. Further, the review report reveals that there is no need of any new comprehensive master plan in tourism. The 1972, master plan is relevant in its long-term policy contents and most of its basic conceptual assumptions have been fully verified. The study observed that active market promotion was the most important factor for the tourism's development in Nepal. The study suggested various destinations oriented marketing programme, such as

- Developing a systematic concept promotional material,
- Determining the quality standard for each individual product,
- Producing a 'Travel Agents Manual' containing comprehensive upto date information regarding tourism in Nepal.
- Establishing representative offices in Western Europe USA and Japan
- Participating in selected tourism trade fair.
- Offering familiarisation tours to agents and journalists.
- Establishing a Nepali style tour package,
- Directing sale to tour operators from the country of origin without middleman from India.
- Expanding the trekking possibilities,

PATA (1988) prepared a report on 'Study and Recommendation for a "Nepal Marketing Plan" which was considered to be a very effective marketing plan of tourism. The report has made some recommendation, such as the establishment of an autonomous Nepal Tourism Promotion Board, to bear the responsibility by the private sector for all overseas sales activity, to engage overseas representation to conduct ongoing promotion and publicity of Nepal and to organise a research section to carry out market research on visitors to Nepal, etc.

NRB (1988) carried out an econometric study using cross-section and time series data for the period 1974-87 periods. The main objectives of this study were to analyse and estimate the level and pattern of tourism expenditure in Nepal, to estimate the value added and import content and thereby net foreign exchange earning from tourism and to estimate income and employment generation in tourism sector. The study was based largely on a questionnaire survey and used a log linear model. In this study regression is run for the time series data as well as cross-sectional data for the period 1974 to 1987.

The Bank's study found tourist arrival to be income inelastic in dependent variables, tourist expenditure and number of tourists for the total time series analysis for the 1974-87. This variable was found significant at 1.0 percent level. Exchange rates were found to be highly sensitive with respect to tourist expenditure but less sensitive to tourist arrival. The sign of exchange rate variable was found to be according to a priori expectation. Both the size of population and airfare variable were found to be insignificant in the case of both tourist arrivals and tourist expenditures. The bank's time series regression for 14 countries gives mixed results.

The Bank ran the regression for cross sectional annual data and pooled data. In doing so, dummy variables and tourist expenditure variable were excluded from the equation. The regression result shows that the GDP / POP variable remain highly elastic to tourist arrivals in some years. Airfare is found to be a strong variable. As time goes by, income tends to be less elastic and airfare more and more elastic with respect to tourist arrivals. The population variable was found to be highly sensitive to tourist arrivals.

Gurung (1991) in his study found that there is a pressure of mass tourism especially on trekking routes. The major trekking routes have been suffering badly from deforestation, soil erosion and pollution the fragile Himalayan eco-system. It is, therefore, essential to assess the damage caused by tourists and trekkers to the environment, to assess the carrying capacity of mountain areas, to identify and develop measures to protect the environment of mountain area and to suggest action programme to quantify the number of tourists to be created within the carrying capacity of mountain areas. This study has suggested measures to be considered for the protection and development of mountain tourism in Nepal.

Pradhanang's (1993) doctoral thesis is a comprehensive study on tourist expenditure while staying in Nepal. The study reveals that tourism, being the

backbone of Nepalese economy, is necessary to promote in all Nepal. Nepal needs tourism development in order to cope with poverty and to upgrade the national economy. The study analyses different aspects of tourism industry. The direct, indirect and induce effect are mainly concentrated in the study. In addition, the forward and backward linkages of tourism, value added, import of goods and services, employment generation and export income have been examined in terms of impact assessment of tourism in the national economy. The study focuses that leakage of foreign exchange earning, high import contents, seasonal fluctuations in the demand for tourism and overdependence on seasonality factor have been the major weaknesses in the tourism industry in Nepal. Therefore, the study suggests that different tourism policies and sectors like infrastructure open sky policy, planning of new tourism project, opening of a new destination, tourism marketing strategy, management of travel agencies, full capacity utilisation on hotel etc, should be planned properly.

Chettri (1993) made a study on the 'effects of tourism on culture and environment in Sauraha'. The study expressed that after the establishment of the Royal Chitwan National Park in 1973, there has been considerable activities on the social and economic fronts in and around the village of Sauraha, which has brought a lot of transformation in the socio-economic, cultural life, and activities of the villagers. The study reported that there were 34 hotels or resorts operating outside that park in and around and roughly 23,000 tourists visited Sauraha in April 1993. The study also mentioned that the number of trained guides were approximately 100 out of them 10 percent consisted from the local people i.e., the 'Tharu' tribe. IN 1989, the mode of tourist visiting Sauraha was by bullock carts or by elephant from Tandi bazaar to Sauraha. In 1993, it was found that bullock carts and elephants have been completely replaced by Jeeps. Approximately 40 persons were employed as a jeep driver. It is concluded that the overall employment in different lodges or resorts were estimated to be around 400 persons.

Khadka's (1993) doctoral work offers a comprehensive approach of tourism in Nepal. The prime objective of this work was to analyse the outcome of tourism development in Nepal in the late 1980s. This study was confined in two specific areas the performance and efficiency of hotel investment in generating foreign exchange and the economic impact of tourism under limited supplying capacity. He used domestic resources cost criterion to estimate the economic efficiency of hotels in generating foreign exchange at the sectoral

level, an economy-wide input-output model is used for measuring the overall impact of tourism under limited supplying capacity of the domestic sectors. His major findings were hotels bed occupancy rate, double-bed room price and marketing activities are found to be important factors for the performance of the hotel industries. However, the economic impact of tourism was found to be lower than that of other foreign exchange generation sectors. It is also found that the role of tourism in economic development is some significant. The net earning from tourism was greater than from some sectors of the economy. Thus, the economic impact of tourism can be enhanced by promoting standard hotels instead of low-quality hotels serving low paying tourists. Nepal must go for high paying tourist.

Baskota and Sharma (1995), made an attempt to study on 'Mountain Tourism in Nepal'. The study claims that tourism sector has been continued to be an important sector in Nepalese economy for a long time to come. The study examines different aspects of tourism industry, such as trend of tourist arrival, length of their stay, real expenditure of per tourist and import leakages etc. From the analysis, it is found that the growth of tourism is desirable or says indispensable for Nepalese economy but first of all it must identify how this growth should be made conducive for Nepal i.e. through attracting more tourists or increasing their stay or making tourists to spend more in real terms or by minimising import leakage. The growth rate in this industry can be expected to be high if it affects over all economy through the multiplier, direct, indirect and induced effects.

The specific objectives of the study are to identify and assess the impact of trekking and mountaineering tourism on the local environment, income and employment. The other objectives are to examine policies related to having and mountaineering tourism and to identify and analyse the main problems in mountain tourism. The mountain tourism should involve the participation of the local people, their institutions and their social and cultural values. Unless tourism benefits the local people, development of mountain from tourism can not be expected. The study, thus suggested the action programmes such as to quantify the volume of tourists for trekking according to seasonality, use of alternative fuel for and a regular system garbage collection and disposal.

Yajna Raj Satyal (1999) represents a scenario of global tourism to the readers. The authors pays special attention to international tourist organisations and regulations i.e., how the tourism is organised world, and how Nepal fits into

this larger picture. He lays out the basic patterns and principles in international tourism and provides a range of typologies types of tourists and tourisms, types of transport and accommodations, etc. In fact, the book often provides much new information on Nepal, The book proceeds systematically through chapter-length discussion of tourism administration, air transport accommodation, travel agencies, trekking, parks, etc.

The book consists a number of useful and occasionally fascinating, pieces of information such as statistical data on the growth of the hotel industry in Kathmandu, an account of the first tour group to arrive in Kathmandu 1995, and insights into why HMG began to promote "trekking" in the mid 1970s. Indeed the books bibliography lists many items that are important to the history of tourism in Nepal but very hard to access: unpublished reports on tourism in 1950, 60s and 70s, Souvenir publication from travel conventions, seminar reports, government policy policy paper, etc. Though the best parts of this book, where the author provides glimpses of the history of various tourist sectors, are intriguing but leave the reader longing for more. Perhaps the least useful parts of the book are the introductory and concluding chapters that tend toward platitudes and promotion of tourism.

"Tourism in Nepal Marketing Challenges" (2000), written by Hari Prasad Shrestha is probably the most original and substantive in its methods and data, and scholarly in its presentation. The author carefully quotes and cites secondary literature, his charts and figures are clear and the overall layout is professional. This book is based on Ph.D. dissertation submitted to Tribhuvan University. The goal of this book is 'to assess and evaluate the existing tourism marketing and promotional efforts and its impact on tourism developments in Nepal. Introduction (chapter one) is model of scholarly clarity, which contains study problems, objectives, hypotheses, research methods, analytical procedures and limitations. Chapter two through five cover many of the topics dealt with by the other works reviewed here such as, Nepal's tourism assets and infrastructure, the role of tourism market in the national economy and the characteristics of the Nepal tourism market. By for the most important part of the book is chapter six- presentation and evaluation of "Tourism Marketing and Development Efforts as perceived by Tourists Organisation and Experts" in which the author lays out the results of his own original research.

Lamichhane and Singh (2002) draw their attention to study on planning for sustainable tourism in Pokhara, Nepal. The main objective of this paper was to

examine and predict the sustainability of tourism in relation to the sensitive areas of the environment and their fundamental planning. They studied that natural and cultural impacts upon such realms of Pokhara and its surroundings have threatened the longevity of tourism. Therefore, the emphasis is given here to protect the natural sources of tourism in the reality and in the urbanity together with policy of the management of wastes in the city. Moreover, it is suggested to formulate the planning with the co-ordination in the locality. It is also argued that the future of Pokhara will be in danger touristically if the proper care is not bestowed for the protection of the lakes such as Phewa, Begnas, Rupa, etc. Thus the fundamental planning is inevitable environmentally in order to enhance the unending charm of tourism in Pokhara in this millennium.

Stevens (2003) studied on 'Tourism and deforestation in the Mount Everest region of Nepal. He observed that Sherpa-inhabited Mt. Everest region of Nepal has become a premier international mountaineering and trekking destination. Tourism development has brought prosperity to many Sherpas. It has also, however had adverse impacts on regional forest and alpine vegetation because of the use of firewood concern that tourism was causing widespread deforestation helped catalyse the 1975 establishment of an inhabited protected area, Sagarmatha (Mt. Everest) national park in the Khumbu regions.

This paper examines the changing pressure that tourism has placed on regional forest and alpine vegetations over the past half-century and their role in regional vegetation change. The analysis is based primarily on detailed accounts of past and present forest use and change obtained during field work conducted in all Khumbu and Pharak village along with corroboration evidence from early foreign visitor accounts and photograph. From the analysis the study suggest that there has been considerable misinterpretation of the post 1950 environmental history of the region contrary to early reports and continuing assumptions, there has not been catastrophic, region-wide deforestation over the past 50 years. The main impacts that tourism has had on local vegetation are forest thinning in some Khumbu temperate and sub alpine forest more intensive and extensive forests thinning in Pharak and the loss of alpine shrub juniper in some areas of eastern and central Khumbu.

Sharma (2003) made an attempt to deal with role and impact of tourism on the economic development process of Nepal. In this study macro economic variables are introduced through the application of various econometric models such as linear, log-linear Almon (1965), Granger causality test (1965). The

empirical results have been estimated by applying annual data for the period of 1974/75 to 1996/97 in real terms. The estimated regression equation exhibited a strong role and impact of tourism earning on the economic development indices such as tax revenue, governmental internal revenue and real gross domestic product. It is also found that the impact of tourism earning on per capita income, however remained insignificant. The income generated by trade, hotel, restaurant and time have also been found pertinent variables that determines the development indices.

Khadka (2004) published an article "Mountain Tourism in Nepal" in Afro-Asian Journal. Mountain tourism entails mountaineering, trekking, river, rafting, and mountain bicycling, hot-air ballooning, gliding and skiing. The Himalaya is the central and longest part of the Himalaya range extending from Tista river in the east to Mahakali in the west. The great concentration of high peaks lie in Nepal that includes 8 out of 14 highest peak of the world above 8,000m making the country a focal point for mountaineering from all over the world. Nepal has immense natural and cultural beauty, thus it is popularly known as paradise for trekkers. 83 percent of total land of Nepal covered by green hills, valley and snowcapped mountain, one-fifth of the total land is under protected areas covered by national parks. Wildlife reserves, conservation areas, so there are enormous opportunities to develop mountain tourism. By promoting the sustainable mountain tourism it brings economic, social tolerance, human understanding and world peace.

1.5 Relevance of the Proposed Study

Nepal is a landlocked mountainous country lying wholly within the realm of Himalaya. It is situated between two big countries. India and China, as late king Prithivi Narayan Shah described that 'the Nepal as a root between two big boulders, China lies in the North and India in the South, East and North.

Nepal is identified as one of the least developed countries in the world. Among 23.1 million people of country, 85.80 percent live in the rural areas. The per capita national income is estimated for the year 2006 is 320 US \$ (www.worldbank.org.). The present growth rate of population is 2.25 percent per annum which would create the higher dependency ratio in the economy (Statistical Year Book, 2007). There is a great challenge to the nation to eliminate the massive poverty in the country and provide basic needs to the people. The majority of the people engaged in agriculture (80 percent) activities

which contributes 36 percent of the gross domestic product and 50 percent on the total export (Three years Antrim Plan, 2008-2011). The agricultural production has remained low due to difficult condition, lack of irrigation facility, traditional practice and lack of commercialisation.

Similarly, manufacturing sector's production is on the marginal level providing the employment for 10 percent population and contributing about 20 percent in the GDP. Water and forest resources are the enduring resources in the country in contrast to the mineral resources. However, the deforestation problem over the last three decades raises concerns and cautions for conservation and utilisation pattern. Nepal foreign trade is characterised by an export of primary goods, lack of diversification and large trade deficits. Despite the large trade deficit external accounts have been partly offset by invisible, surpluses.

In country's contest, there are only two natural resources with comparative advantages and clear prospects namely water and tourism (MOCTCA, 1990). However, both of them are challenging because of resources constraints and geographical zigzag. The development of hydropower requires a huge amount of investment which is not easy to afford for the poorest country like Nepal. In this regard tourism industry thus, appears to be a potential sector for the economic growth and development of the country because of its higher potentialities.

Since tourism has emerged as an important sector of Nepalese economy, it generates income and employment directly by earning foreign currency and by providing jobs in this sector and thereby help correcting adverse balance of payment. Besides the links with the other industries, it creates demand and supply of goods and services, such links of tourism with other sectors such as, agriculture, industry and other sectors generates employment and income in such industries through backward & forward linkages. Moreover, tourism is said to be the effective means of correcting regional imbalances since many tourists prefer to visit the calm, peaceful and remote places instead of visiting developed and crowded cities. Therefore, tourism sector today is widely regarded as a powerful instrument of development strategy in developing country or underdeveloped regions.

However, some studies and researches have been done by various scholars and institutions on different aspects of tourism, such studies and reports are mainly concentrated towards the particular problems and policy related to

issue are no doubt, important but it does not seem to address the overall impact of tourism except economic impact. Realising the magnitude of this, the Nepal Tourism Master Plan of 1972 pointed out the significance of tourism industry in Nepal.

'The tourism industry can, once properly developed function as Nepal's most important foreign exchange earning. It can play a significant role in regional development. It creates new employment opportunities and new market possibilities for local production through this, it can help to achieve a wide distribution of income from tourism and induce development in other sectors of the economy' (Ministry of Commerce and Industry, 1972).

Considering this fact, the main aim of the present study is to probe the multifaceted impact of tourism in Nepalese economy and assess its potential from different perspective in the context of Nepal.

1.6 Hypotheses to be tested

- i) Tourism is an indispensable factor of economic development in Nepal. We will test the hypotheses taking secondary as well as primary data on tourism in Nepal.
- ii) Tourism as an industry plays a pivotal role in earning foreign exchange reserve. This again will depend on the data to be collected.
- iii) Tourism has a positive effect on government revenue, income, employment and well being of people of Nepal.
- iv) Different categories of tourists have different pattern of impact on the economy.
- v) Tourism earning has its considerable impact on real gross domestic product of the country over time.
- vi) The development of tourism industry has trickle down effect on the other sector of the economy.

1.7 Research Design and Methodology

1.7.1 Data Sources and Universe of the Study

The present study will take the help of data to be collected from primary as well as secondary sources. The universe of the study is the whole of Nepal.

1.7.2 Sources of Primary Data

As the primary data are concerned, it has been collected using structured questionnaire from the tourists visiting Nepal and the experts related to the tourism sector comprising government officials, academicians and businessman. For this purpose, two sets of questionnaire were prepared, one for tourists and other for the experts.

The questionnaires were either closed ended or scaled questionnaire. Perception of tourists was sought in respect of tourism product of Nepal, services extended and satisfaction with the various factors and the overall visit. Motivating factor to visit, choice of airlines, selection of accommodation and trekking and mountaineering sites, questions were also included to know the perception of tourists on multi faceted impact of tourism on the inhabitant of Nepal.

Similarly, the questionnaires for experts were aimed at knowing their view regarding the growth percent of tourist, tourists satisfaction, pace of tourism growth, visitor's expectation from Nepal and rank of tourism industry in Nepalese economy. The motive of questionnaires was also to collect the information on the importance of tourism and its economic, socio-cultural and environmental impact on the economy of Nepal. The sample of tourists was taken at the departure lounge of Tribhuvan International Airport on the eve of their departure. Likewise experts were interviewed at their residence and their concerning department where they are employed.

1.7.3 Sources of Secondary Data

Secondary data and information were collected from the sources stated below.

- ❖ Ministry of Culture, Tourism & Civil Aviation, Annuals Statistical Report.
- ❖ Ministry of Finance, Economic Survey.
- ❖ National Planning Commission, Various Plans.
- ❖ Nepal Tourism Board, Annual Operational Plan, Tourism Products of Nepal, Tourism for Rural Poverty Alleviation Programme (TRPAP) Annual Report.
- ❖ Department of Nepational Parks & Wild Life Conservation Annual Report.
- ❖ Central Bureau of Statistics, Statistical Year Book of Nepal.

- ❖ Nepal Rastrya Bank, Annual Bisesanka.
- ❖ World Tourism Organisation, Year Book of Tourism Statistics.
- ❖ Tourism Related Books, Seminar Reports, Tourism Oriented Research Articles and Publications.
- ❖ Websites, www.welcomenepal.com, www.denpc.govt.np.

1.7.4 Sample Size & Sampling Techniques

Two categories of respondents have been selected while collecting primary data. The first categories of respondent were tourists visiting Nepal at the time of the survey in 2009. The total 72 tourists were interviewed at the departure terminal of Tribhuvan International Airport. The second category of respondents consists of tourism experts. The total 26 experts from tourism sectors which includes academician, government officials, who are directly concerned with tourism planning and monitoring selected for the study. Simple random sampling and judgement technique have been adapted to select the respondent while gathering primary data.

1.7.5 Data Processing

While processing the secondary data, annual growth rate percentage, compound growth rate, annual average growth rate, and ratios like foreign exchange earning, foreign exchange earning from tourism to GDP, government revenue from tourism and employment generation, etc, are computed in order to seek the impact of tourism industry

The primary data are processed in a microcomputer using a base programme. Mean values for the scaled questionnaire were computed and those values were tabulated and interpreted. The questionnaire and interviews were tabulated along with frequency and percentage. Other computations were clearly specified in the table.

1.7.6 Structure of Research

The study has been organised in eight chapters. The first chapter deals with introduction of study. It spells out the problems and objectives of the study and hypothesis to be tested in the study. It also includes review of literature on tourism related to the Nepal and other country.

The second chapter provides brief accounts of the Genesis of Tourism, definition and other related concepts. It also presents the

survey finding and included presentation and evaluation of the performance and effect as perceived by tourists/ experts on the performance and effects of tourism industry in Nepa.

Chapter third deals with the problems and prospects of Wildlife Tourism in Nepalese context and floor the suggestion and recommendations to develop Nepal as an international wildlife tourism destination.

The chapter four represents a brief discussion on the potentialities of adventure tourism and the challenges remain in the development of adventure tourism in the national economy of Nepal

Chapter five deals with the prospect of ecotourism in Nepal and assesses the effort made for its sustainable development.

Chapter six deals with the Socio-cultural & Environmental impact of tourism in society & culture with special reference to Nepal

Chapter seven represents a brief study of the performance of tourism industry and assesses its economic impact in the National economy of Nepal. An attempt has made to assess the impact of tourism through its contribution to the foreign exchange earning, employment generation and its contribution to GDP

Finally, the summary, recommendations and conclusions that emerged from this study are presented in chapter eight.

CHAPTER 2



CAPTER – 2

GENESIS OF A TOURISM INDUSTRY

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- 2.2. Ancient Travels and Travelers
- 2.3. The Idea of Pleasure Travel
- 2.4. Middle Ages and Religious Travel
- 2.5. The Grand Tour
- 2.6. Industrial Revolution and Development of Travel
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 - 2.9.1 Defining Tourists and Tourism
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CHAPTER 2

Genesis of a Tourism Industry

2.1 Introduction

Man is known as a ceaseless wanderer since his very appearance on the earth whether we call it mysterious appearance or evolution. And traveling is a nomadic urge inherent in every human being. Pre-historic man was nomadic by nature. Being an agent of collecting economy, he was by occupation a hunter as well as gatherer of vegetables and fruits in those early days. Earliest type of agriculture was shifting agriculture (Boserup, 1981). Such nature of man and his curiosity for searching food perhaps gave birth of travel and travel led to tourism.

Tourism in its present form is of rather recent origin but man has been engaged in travel one way or the other from the very beginning of history. While getting through Paleoanthropology or prehistory or protohistory or archeology we will come to know that humanlike beings have been moving from place to place for about 1 million years. The early ancestors of human beings 'Homoerectus' originated in eastern and southern Africa. But remains of these same forms of early humankind have also been found in China and Java (Indonesia). It has been estimated that migration of this type took about 15,000 years. Various theories have been proposed regarding the motivation for such amazing journeys. Foremost is that these wanderings took place in search of food and to escape from danger. Another theory is that people observed the migration of birds and wanted to know where the birds came from and where they were going. Recently in the most dramatic discovery of its kind ever made, the preserved body of a man dubbed the 'iceman' who died 5000 years ago was found in the ice in mountainous northern Italy. Some of the scientists studying his body and accoutrement have concluded that he was returning to his home in what is now Switzerland from a journey to the south of what is now Switzerland. This reveals that the subject of travels is quite exciting and fascinating (Goeldner *et.al*, 2000). Gradually with the development of civilisation man became more and more curious about this unique world. Passing through different phases of time it has now changed in its form as well as purpose. Tourism has a multi-pronged history throughout its entire course of development. The shape, form, mode, objectives and contents of travel and tourism have always been changing. With regard to the development of tourism

Burkart and Medlik, 1980 have developed three principal epochs of tourism. In the first epoch, there comes the story to the early days of railway age that is to about 1840 in Britain, a little later elsewhere. The second epoch covers railway age itself. The years between the two World Wars which witnessed the significant development of the private motorcar, bus and coach, and the period after Second World War, when civil aviation came to share with the transport role in tourism form together third epoch. Transport is the necessary precondition of tourism. All three epochs are to be identified with particular modes of transport. Mechanised transport has made the travel possible at least for a significant part of the populations of the developed countries. An attempt is made to discuss the genesis of tourism under the following headings.

2.2 .Ancient Travels and Travelers

Travel is an ancient phenomenon. From the earliest historical period travel has had a fascination for man. History fully demonstrates that man has traveled from the earliest times as a wanderer and explorer. Early man always moved in search of his food and shelter. Slowly and gradually he recognised the resourcefulness of land and water and began to spend sedentary life especially in river valleys.

Travel in those days was largely self-motivated and unconscious and simple affairs. No travel formalities existed. Travel in distant past was not a thing of pleasure as is the case now. The traveler in the past was a merchant, a pilgrim, a scholar and even a curious wayfarer looking forward to new and exciting experiences (Bhatia, 2000). Trade and commerce were however the strongest motivators in the ancient time. The invention of money by Sumerians (Babylonia) and development of trade and commerce around 4000 B.C. perhaps marked the beginning of the era of travel. Sumerians first grasped the idea of money and used it in their business and commercial dealing. 'Shulgi' the rulers of ancient Babylonia had protected many roads and constructed rest houses for respectable wayfarers about 4000 years ago. The Phoenicians were probably the first real travelers in the modern sense to go from place to place as traders. Early travel in the Orient particularly in China and India was also largely based upon trade (McIntosh, 1972).

Homer's 'Odyssey' records the wanderlust of the ancient Greeks. However the oriental world particularly India and China attracted many ancient travelers as both the countries enjoyed the reputation of possessing fabulous

wealth. India had attracted a series of invaders starting with Alexander of Macedonia who traveled from Greece to India in 326 B.C. discovering new routes between Europe and India. When Alexander the Great reached India, he found well-maintained roads, lined with green trees, wells for water, police stations and rest houses. Along one highway, twelve hundred miles long and sixty-four feet wide, the Greek historians recorded that men traveled in chariots, bullock carts, on elephant, camels, horses and oxen. Chinese travelers Fahiyen (40 AD) and Hiuen Tsang (629 AD) came to India and have left accounts of their well-known and extensive travels within the country. The great traveler Vasco-da Gama reached India via Capes of Good Hope in 1498. Columbus set out to invent a new route to India in the process discovered the New world (1492). Philosophers-Thales, Pythagoras and Plato all traveled to Egypt. Aristotle visited Asia Minor before starting his peripatetic school for wandering students. Greek traveled to spas, festivals, and athletic meets and to consult the oracle at Delphi and the Asclepiads at Epidaurus.

Trade and commerce remained a strong for many travelers to set out for a long journey. This was followed by an urge to explore new lands and to seek adventurous experience. There were many great explorers in the distant past who spent their whole life in this quest. In fact these great explorers can be credited with the distinction of being the pioneers who subsequently paved way for modern tourism. After Alexander the Great, Young Marco Polo was the most famous traveler who invented many countries. He left Venice in 1217 and traveled through Persia, Afganistan and unknown 'Pamir plateau'. After crossing the Gobi desert he reached China and remained there over twenty years. On his way back home he stopped in Sumatra, Java, India and Cylone. Benjamin of Tudela (1160 A.D) was the first medieval traveler who reached the oriental world. He wrote a detailed account of his thirteen years journey through Europe, Perisa and India. Ibn Batuta (1304-1324 A.D) was another famous traveler who visited various countries in Africa and West Asia, he wrote a detailed diary of his travel experience. The Chinese Buddhists traveled long distances to visit Lumbini, the birthplace of Buddha in Nepal and other Buddhist places in India, ending many hardships.

Traveling in those days was considered to be rather hard and not a thing of ultimate pleasure. The land traveling was done by foot, on horse back, yokes, donkey, camel and pony and also through river crafts, boat in Europe, Asia and

Africa and the very limited exploration by rafts and primitive vessels moved by tides oar and sail (Sharma, 1996).

2.3 The Idea of Pleasure Travel

The concept of travel for pleasure was ready to take off during 200 years of peace when the Roman Empire was at its peak. Probably Roman were the first pleasure travelers in the world. Travel became quite sophisticated by the time Christ was born. There are reasons to believe that pleasure travel also developed at the same time in China, India and Japan. Wherever the Romans went they constructed a fine network of roads and developed good communications system. Travel literature was published extensively during this period. The Romans used to travel up a hundred miles a day by using relays of horse, taken from the rest posts five to six miles apart. They traveled to see the temples in the Mediterranean area and, pyramids of Egypt. Medicinal baths and seaside resorts later named, as 'Spas' were very popular among the Romans. The patients using the spas required certain diversions and gradually they were provided various types of entertainment and amusement facilities various types of entertainment and amusement facilities like theatrical productions, athletics competition, festivals, etc. at the Spas sites. Subsequent development of Spas and seaside resorts by Romans played a great role in the development of pleasure travel all over the world. The fall of Roman Empire in the fifth century was a great setback for pleasure travel as well as for trade and commerce. In the absence of a prosperous community with incentive to travel for pleasure, traveling ceased to exist for its own sake.

2.4 Middle Ages and Religious Travel

Travel for religious purpose assumed significance during the middle ages. By the end of the middle ages large numbers of pilgrims were traveling to the main shrines in Europe and travel again gained popularity. However, it was dominated by religious motivations. Pilgrimages strengthened religious bounds. It served as a powerful means of forging unity and understanding among people from widely different regions. The adoption and expansion of Christianity in Europe and later in America and Hindusim, Buddhisim and Islam in Asia had played and continued to play a crucial role in tourism.

2.5 The Grand Tour

Evolution of Grand Tour in England in the seventeenth century marked the next important stage in the history of travel. During these period three types of people traveled Europe due to different circumstances. According to Fairburn, it was initially an Elizabethan concept. He pointed out that (i) the end of the wars of the Roses and the gradual achievement of law and order under the strong Tudor monarch sent a mass of out of pocket gallants into Europe as travelers and mercenaries.(ii) Next the development of the printing press and the arrival of renaissance learning from Italy encouraged more students to travel.(iii) The evolution of a rich and stable monarchy helped to create a class of professional statesmen and diplomats. Increasing number of potential diplomats, men becoming rich through England's growing foreign trade, and scholars in search of European learning, began to legitimise the gallants' jaunts which thus imperceptibly merged into the educative and political institution known as the Grand Tour.

By the middle of the eighteen-century it had become fashionable to take up continental tour. One of the interesting aspects of the Grand Tour was its conventional and regular form. A generally accepted itinerary was also laid down which involved a long stay in France, especially in Paris, almost a year in Italy visiting Genoa, Milan, Florence, Rome and Venice, and then a return by way of Germany and the low countries via Switzerland, of course, there were variation to this itinerary but this was the most popular route; it was generally believed that there was little more to be seen in the rest of the civil world after Italy, France and the low countries.

The eighteenth century is conventionally considered the golden age of the Grand Tour. It seems to have reached its peak in years immediately following the Seven-year War (1756-63). But after few years, French Revolution and the wars of Napoleon, which plunged the whole Europe into turmoil, brought a sudden end to the Grand Tour.

2.6 Industrial Revolution and Development of Travel

The concept of modern tourism came into existence in the second half of the nineteenth century with the development of the industrialised societies of Western Europe and North America. Industrial revolution has brought tremendous changes in society. Travel before the industrial revolution was largely a matter of pilgrimage or business. During the Roman Empire only the

rich and leisured class indulged in pleasure travel. But the industrial revolution brought a remarkable change in the trend. The gradual introduction of regular holidays and better wages made it possible for large numbers to indulge in a holiday always from home. As the industrial momentum gathered and the concentration of population in towns and cities increased, the need for escape became even more acute. Industrialisation also brought in an increase of material wealth and certain improvements in transport and communications. Until the First World War, the pre-eminent mode of transport was the railway; the motorcar was still in its infancy. This has the enough effect on concentrating development at particular points along the coast. Moreover, easy accessibility was important and this tended to stimulate regional development.

While in the beginning, the seaside resorts developed because of their natural resources, i.e. the sea and the beach, but soon the more popular thriving resorts turned their attention towards additional amenities and recreational facilities, or what may be termed created-resources. There was substantial investment by both municipalities and individuals in the provision of these created resources.

2.7 The Post-War Era and Modern Tourism

The Second World War marked a watershed in tourist movement. There was considerable decline in tourist travel not only within Europe but also all over the world. But after the hostilities of war a new philosophy of holiday making had begun to emerge and many of the old traditions had started declining.

Most striking feature of post-war era was the spectacular development in transport and communication facilities. Thomas Cook, the pioneer travel agent, is considered as father of modern tourism. He conceived the idea of running a special train from Leicester to Loughborough, a distance of 12 miles on the 5th of July 1841, the train for which Mr. Cook had bargained carried 570 passengers for this trip from Leicester to Loughborough and back. This is believed to be the first publicly advertised excursion train, which was run in England. Historically this can be credited as the beginning of first commercial travel enterprise. Thus, Thomas Cook can rightfully be recognised as the first travel agent whose pioneering efforts were eventually to be copied widely in other parts of the world. Moreover, introduction of air transport for commercial travel has certainly been a key factor in the growth of modern international tourism especially in respect of long distance and international travel. The

removal of war time restrictions on international travel and the tremendous increase in speed, safety and comfort provided by the new aircrafts, expanded the tourism in those region where it had been practically unknown earlier.

Post-war era also saw a rise in the standard of living of the working and the middle classes in America and in some European countries. This period also saw the first attempt to build a 'package holiday' around air transport, the model for most of today's global tourism.

Perhaps the greatest and most significant development in modern tourism has been the quite spectacular growth of holidays abroad. In Britain also near about 8 million people annually are holidaying abroad. It is chiefly due to the extraordinary development of the inclusive (package) tour which has transformed the holiday habits of millions .The motor car too has had a big impact on holiday making and been responsible for the rapid growth in the touring, camping and caravanning type of holiday which largely, if not entirely, ignores the traditional resort tours.

Likewise the introduction of railways and sea transport made significant contribution to travel during the nineteenth century. The concept of mass tourism emerged along with the introduction of holiday with pay. Introduction to paid holiday had led great mobility of the population, created new industries, resulted in the certain and growth of many towns of distinctive function and broadened the horizons of millions of people. In fact the introduction of paid holidays can truly be associated with development of modern mass tourism. Now paid holiday has got universal recognition and established all over the world. The duration of such holiday has become one to three weeks which is specified either by law or by collective agreements between employed and the workers. Similarly the development of road, air transport and advent of the Jet again boost up the international tourism in the global basis.

2.8 The Genesis of Tourism Development in Nepal

Nepal is one of the richest countries in the world in terms of bio-diversity due to its unique geographical position and latitudinal variation. It is famous for ancient and modern art, beautiful landscape, archeological and historical places. Since ancient time Nepal was known as the abode of God (Satyal, 2000). Many people from India and China came to Nepal to make long pilgrimage. For example, the great explorer Ashoka came to Nepal and made several Stupas in the Kathmandu Valley. He also entered matrimonial alliance

with Nepalese prince. Poudal (2059) noted that Fa Hein (403 A.D), Huen Sang (366 A.D) Both from China visited Lumbini, which is very important. Religion has been a powerful force which has a long caused to travel to religious centers in many parts of the world. Pilgrimage is the opening of tourism in Nepal. Pilgrimage by Hindu and Buddhist saints to different parts are examples. Similarly many Buddhists from China used to come to Nepal for religious purpose. The follower of Buddha never hesitated to go as far as Lumbini, a long traveling of millions of miles of difficult land. The people of India make journey to pay homage to Lord Pashupatinath, Muktinath and Barahachetra.

In commercial point of view, ancient Nepal was very famous for lure type of wool, which also impelled the merchants of India and China to make distant journey to seek rare and sought after product. During that time Nepal was divided into many states. Many dynasties ruled over those states likewise Gopal dynasty, Kirat dynasty and Shah dynasty. The first ruling dynasty in Nepal was Gopal dynasty. In that period, no history recorded about tourist came to Nepal. When Kirat dynasty came into power, Lord Gautam Buddha visited Nepal (Kathmandu valley) during the period of seventh kirat king Sthungo. Afterwards, this golden age of Nepal was stated in 400 A.D. when Lichhavis came into power. In this period the tourist visiting Nepal was negligible except pilgrimages.

In Malla dynasty, there was a significant development of arts and culture. So many Hindu temples and stupas of Buddhist built in Malla period in Nepal. Today these ancient temples and stupas are still famous for the attraction of tourists in Nepal. Shrangchang Gampo, the great Emperor of Tibet married the Nepalese princess Bhrikuti, the daughter of king Ansuvarma who ruled over Kathmandu. The Chinese visitor Huen Tsang described in his travel accounts the Kailaskut Bhawan, Mangriha of Lichhavi dynasty. At that period, the Shah dynasty ruled over Gorkha in west Nepal king Prithivi Narayan Shah conceived the dream of integrating the whole of Nepal under one crown. To this end, he invaded Kathmandu valley and owned complete victory after 25 years in 1767.

After the death of king Prithivi Narayan Shah, Nepal was ruled by his son king Pratap Singh and then king Rana Bahadur Shah and then king Girban Bikram Shah. The process of territorial expansion towards the south king Girban Bikram Shah put Nepal on a collision course with British East India Company, which was extending its hold over India. The war that took place in 1814 was concluded in 1816 under the treaty of Sugali. A British Resident was

appointed in Katmandu. Dr. Wallich visited Nepal in 1817 and carried on his botanical researches for a year (Daniel, 1877).

During the Rana autocratic regime Nepal was completely isolated from the world. The door of Nepal was not opened to all foreigners except some British personalities who had to ask for permission from the government before their arrival. Meanwhile, Mr. Schlagintweit was permitted to visit the country in 1856 to carry out some scientific research in Nepal. Some other personalities like King George V came for his famous shoot in Nepal Tarai in 1911 and the Prince of Wales (Duke of Windsor) in 1921. Nepal has a rich fauna and is famous for big game shooting. 'It is well mentioning the details of big game shooting in Nepal' as described by Mr. E. A. Smythies; B.A. Oxon CIE in the book 'Big game shooting in Nepal' 1942 (Smytheies, 1942).

From the point of view of tourism the great revolution against the autocratic family regime of Rana in 1950-51 was a boom for Nepal (Satyal, 2000). Because the century long isolation from the outside world was finished and the sky of Nepal became open for the lovers of tourism. The tourism was never even dreamt of as a phenomenon, which could have generated substantial resources to sustain the economy of the country. The foreigners who came to Nepal in those days came mostly for adventure and with focal interest upon scaling the challenging peaks, which had by then claimed an identity all by themselves. This was the singular attraction of the day. The expedition team who came to Nepal would be more or less on a transit to Katmandu and would be spending most of their period on the trekking routes. This therefore, led to a snails pace in the development of tourism in the early 1950s. There were numbered hotels which were of reputed. Nepal Hotel (which has now been converted into administrative staff college) probably the first quality hotel established in Katmandu in the early 1950s. The 'Rendevou' restaurant was the only popular joint where the foreign crowd (especially the diplomats and the tourists) could assemble to have food outside their residences. When Jawaharlal Nehru visited Nepal in 1951 along with his daughter Indira Gandhi, he was placed in the Royal Palace where His Majesty King Tribhuvan had very courteously offered his royal suite (Chand, 2000).

One of the most remarkable events that brought Nepal into the tourism perspective was the coronation of His Majesty King Mahendra in 1956, on May 2 which was filmed by the famous Cinerama and attended by 60 foreign correspondents. High-level dignitaries and maharajas and Indian princes

attended the coronation as well. The coronation also witnessed a conspicuous presence of the king of Sikkim H.M Chogyal. There were envoys from 15 nations formally attending the auspicious ceremony. Indian President Dr.Rajendra Prasad was also present on the occasion. Chains of hotels had been built trying to accommodate this event. Central Hotel, Royal Hotel, Snow View, the Green Hotel had already started functioning. It is said that the royal guests who had come to attend the royal ceremony were placed at Singh Durbar and some were even accommodated at Shah Mahal. During that time the condition of transport and communication was very critical. In lack of motrable roads it would have very difficult to go one place to another within the nation (Pradhanang, 2000).

Realising the great importance of tourism in the country, a 'Tourist Department Board' was established in 1956 under the department of industry to develop tourism industry throughout the nation. To boost up the tourism industry, a separate 'Department of Tourism' came into existence during the first five year plan in 1957. Nepal launched its 1st five year development plan in 1956. Since then many programmes and policies have been formulating for the development of tourism industry in the country. During the plan period, Nepal acquired membership of different tourist organisation. On request from the government, two tourist advisors from France, Mr. George Lcbrec and Dr.A.lth from Switzerland had come to Nepal to develop tourism in a planned manner. The setting up of hotels of various standards, establishment of travel agencies, development of Tribhuvan International Airport and tourist guide training are some of the achievements of the first plan.

In the second three year plan (1962-65), the sightseeing services, trained guides, publicity of Nepal tourism in international market, etc. were prioritised. The enactment of the tourism Act 1964 was a notable development for tourism during second plan.

The third five year plan (1965-70) focused on the establishment of hotels of international standard in Kathmandu, Pokhara and Biratnagar During the plan period, international marketing films on Nepalese attractions of tourism and tourism literature were produced and distributed. The steps were taken to preserve and maintain temples and historical places including art and architectures.

The fourth five year plan (1970-75) assumed tourism as the prime source of foreign exchange earnings in the economy. This plan was actually the turning

point in the history of tourism development in Nepal. In the same year a master plan was prepared for the growth and development of tourism. A team of experts under the guidance of the Government of the Federal Republic of Germany was formed in the chairmanship of Mr. Himalaya Bir Bikram Shah in 1971. Nepal Tourist Development Committee was constituted to formulate policies and develop tourism. Similarly Hotel Management and Tourism Training Centre, Travel Agencies, Tribhuvan Airport, Foreign Airlines, Royal Nepal Airlines Corporation came into operation (CNPC, 1970).

Seeing greater demand of tourism infrastructure, this sector had given first priority in the fifth five-year plan (1975-80). The Ministry of Tourism was set up in 1977 and Nepal received the membership of the International Union of Official Travel Organisation (IUOTO) and other organisation. Similarly, for the rapid development of tourism industry various programmes for tourism development were implemented during the sixth plan (1980-1985), such as Tribhuvan International Airport, Tourism Spots, temple and architectural places have been improved and preserved. To carry out tourist projects and programmes, a sum of Rs 60 million was spent. The plan had the policy to attract investment from both the public and the private sector in tourism. Emphasis had been laid to develop mountaineering and trekking tourism.

During the Seventh Plan period (1985-1990), the budget for tourism development was estimated Rs 74.4 million. It was also expected to give impetus for the growth of the inter-regional tourism in Nepal. Some progress was also made possible in tourism development. In 1990, 2,54,885 tourists arrived in Nepal as compared to 89,838 tourists in 1974. The growth in tourism during the period was 183.7 percent.

In 8th Development Plan (1992-1997), the government level in Nepal had carried out a number of programmes. It includes the development of trekking tourism, international contacts and market management, tourism research and survey, the production and distribution of campaign materials, the development of cultural and religious tourism, the expansion of tourism services, the setting up of the tourism manpower development project, the extension of major air fields, the construction of a deluxe hotel under Taragaon Development Committee, the expansion of flight information and control services, the expansion of fire control and rescue services, the production of technical personnel and feasibility study and initiation of construction for a second international airport. During the same plan period, the number of tourist arrivals

was estimated to increase by 8 percent per annum and increase of foreign exchange earning by 17.1 percent. A number of programs were carried out for promotion of tourism such as international contact, market management, production and distribution of publicity materials, publicity through satellite media, taking part in fairs, seminars and conference. The eighth plan had spell out the leading role to be played by the private sector in tourism. Rs. 3719 million was allotted in the eighth plan for programmes related to tourism sector including civil aviation.

To establish tourism and culture sector as one of the important sectors of the national economy, the ninth plan (1998-2002) had targeted the development of forward and backward linkages, and conservation of existing and purposed world heritage sites and their promotion as tourist destinations. During the plan period, with the help of international donar agencies, various infrastructures were added in the hilly and the busiest local airports. "Visit Nepal Year" was launched as a national campaign for the first time for the development of tourism sector. It played a crucial role in generating awareness on tourism, drawing attention and local investment on tourism related areas, bringing new tourism destinations to the forefront on tourism related contacts worldwide and re-establishing Nepals' tourism image in the world. New aviation agreements were reached with the friendly countries and existing ones were renewed adding a number of air seats and air routes. Similarly, Nepal Civil Aviation Authority was set up and Tourism department was dissolved to establish Nepal Tourism Board with the participation of the private sector. Cultural issue was brought under the tourism sector and the ministry was renamed as the Ministry for Culture, Civil Aviation and Tourism. The world Buddhist conference was convened in Lumbini, significant construction works and reconstruction of Maya Devi temple started in the area. Lumbini area has also been enlisted in the new world Heritage list. Similarly the improvement of the physical infrastructures and renovation works of other areas enlisted in the world heritage list such as Swoyambhu and Changunarayan.

The tenth plan (2002-2007) has targeted an integrated approach to the backward and forward market linkages in the tourism economy. Effective marketing, re-establishment of Nepal's tourism image, employment opportunities, increase in foreign currency earning and to channel the benefits derived from tourism sector to the rural areas are the major targets of the tenth plan.

The current three-year interim plan (2007/08-2009/10) has aimed to develop tourism sector as a major segment of the national economy by developing Nepal as a major tourist destination of the world through development of tourism related infrastructure as well as promotion, diversification and expansion of tourism. The plan also aims to develop healthy and competitive air service through the expansion of the domestic and international air service and involving private sector in construction, development expansion and operation of infrastructure related to air transport (Three year Interim Plan, 2007).

The development efforts of tourism both through the government and the private initiatives show that Nepal is deeply interested in developing its tourist industry by encouraging foreign capital investment and meeting the desire for knowledge about this country. Keeping in view the international tourism which is large and steadily expanding industry. Nepal is playing a tremendous role in the development of tourism in the country. Nepal government has made surprising progress in the field of tourism by creating tourist centres, hotels and catering industries, issuing of licenses for running hotel establishment, inspecting hotel activities with a view to liberalisation of frontier formalities and encouraging adherence to international convention in favour of tourism (Satyal, 2000).

2.9 Tourist and Tourism

2.9.1 Defining Tourists and Tourism

It is very difficult to define the term 'tourism'. It has, in fact, in the process of evolution. From time to time it has gone drastic changes. So there cannot be any single, clear, comprehensive definition of the word 'Tourism'. In this context 'O' Dris'll and person have rightly remarked, 'The whole concept of pleasure and travel has been revolutionised over the twenty years. The former concept of 'travel' which was concerned with 'leisured' and comfortably off travelers who were content to enjoy scenery, work of art and the general atmosphere of being abroad' has been replaced by something quite different" (Sharma, 1996).

Etymologically, the word 'tour' is derived from the Latin word 'tornare' and Greek word 'tornos' meaning 'a tool' for describing a circle or a turner's wheel. The suffix 'ist' is defined as an action or process; typical behaviour or quality; while the suffix 'ism' denotes 'one that performs a given action' when the word 'tour' and the suffixes 'ism' and 'ist' are combined; they suggest the action of movement around the circle. One can argue that circle represents a starting point, which ultimately returns to its beginning. Therefore like a circle ,

a tour represents a journey that is a round trip, i.e. the act of leaving and then returning to the original point, and therefore, one who takes such a journey can be called a tourist ((Thebold, 1997). 'Travel' after all, has etymological connections 'travel 'with work and activity while tourism represents a packaged form of experience in which passivity prevails and contact with the alien and the real is avoided or prevented (Rapport and Overing, 2000). The tourism was for the first time described in the Oxford English dictionary in 1811 (Cellabos, Lascurain, 1996). This reveals that the word 'tourism 'did not appear in the English language until the early nineteenth century, and the word 'tour' was more closely associated with the idea of a 'voyage' or 'peregrination' or a 'circuit'. Then, with the of an individual being temporarily away from home for pleasure purposes a significant feature of the use of the word 'tourist' came into being.

The concept of tourism is not a new phenomenon for Hindus. In Sanskrit literature different terms of tourism was derived from the root 'Tirthata' which means leaving home for sometime to other places (Negi, op. cit). They had different types of tourism known as Paryatan (going out of home for pleasure and knowledge); Desatan (going out of the country primarily for economic gain); Tirthatan (going out of places of religious importance). Over the years the definition of both 'tourism' as well as 'tourist' has undergone significant changes in their approach and understanding.

According to Robert W, Macintosh "Tourism is the sum of phenomena and relationship arising from the interaction of tourists, business suppliers, host governments and the host communities in the process of attracting and hosting these tourists and other visitors" (Macintosh, 1986).

R, de Meyer defined tourism as "A collective terms of human movement and its attendant activities caused by the exteriorisation and fulfillment of the desire to escape that is more or less latent in everybody" (Kaul, 1985). This definition received the first prize by Academic interaction de Tourism at Montecarlo in 1952. But, it seems lack of precision and is not very useful for analytical purpose.

In accordance with the W.T.O.'s definition "A tourists is a person who travel to a place other than his usual place of residence and stay at hotels or other accommodations or establishment run on a commercial basis (or in any rent free places) for a duration of not less than 24 hours and not more than 6 months at a time, for any of the following purposes (a) pleasure (holiday, leisure. Sports,

etc.); (b) pilgrimage, religious or social function ;(c) study and health ;(d) meeting and (e) business.

No doubt, the definition made by UNO is broader and widely accepted definition, which involves every aspect of tourists (Chattopadhyay, 1995).

Apart from this, there are some authors who attempted to define the term 'tourism' as an activity in several senses. Some of them are dealt under the following.

2.9.2 Technical Definition

Tourism planners have different interpretations of tourism in accordance with their individual need and orientation. Swiss Professors Walfer Hunziker and KurfKrapf in 1942 defined the term 'tourism' in technical sense. In their opinion "Tourism is the sum of phenomena and relationship arising from the travel and stay of non-resident, in so far as they do not lead to permanent residence and are not connected with any earning activity" (Hunziker, 1942). This definition was subsequently adopted by the International Association of Scientific Expert of Tourism (AIEST).

Above definition deals that the tourist is a composite phenomenon which embraces the incidence of a mobile population of travelers who are strangers to the places they visit.

The most widely accepted, but technical definition of the tourist was purposed by the International Union of Official Travel Organisation (IUOTO) in 1963 and approved in 1968 by the World Tourist Organisation (Leiper, 1979). It states that' tourist is a person traveling for a period of 24 hours or more in the host country other than in which he normally works and resides (Rai, 1998). This definition is very useful for the statistical purposes at international level but is unsatisfactory for most socio-logical work.

In view of British Tourist Authority a 'tourist trip' is defined as "a stay of one or more nights away from home for holidays, visits to friends or relatives, business conferences any other purpose, except boarding education or semi-permanent employment". (Ryan, 1991, op. cit.).

2.9.3 Conceptual Definition

L.j. Lickorish presented conceptual definition of the term 'tourism'. According to him 'Tourism embraces all movement of people out side their community for purposes except migration or regular daily work. The most

frequent reason for this movement for holidays, but it will also include, for example, attendance at conference and movement on sporadic or infrequent business purposes (Lickorish, 1958).

Burkart and Medlik state "Tourism denotes the temporary and short-term movement of people to destinations outside the places where they normally live and work and their activities as those destination" (Burkart & Medlik, 1974).

2.9.4 Economic Definition

Technical and conceptual definition apart, tourism can be defined from a strictly economic standpoint as a business or an industry. By far the most comprehensive understanding of tourism as a business activity is found in Lundberg's, 'The tourist business'. Considering tourism as an "Umbrella Concept", he presents a series of economically related business beginning from advertising and promotion, development of destination area, including development of condominiums park and shop, traveling agency and tour operation; travel modes-air, railways; business catering to vacationers like photography, gasoline station; hospitality field-hotel, motel restaurants, and a host of other activities. Some of the segments of the tourist business are obvious although the economic importance of the segments depend upon the particular destination. There is also considerable permeability; i.e., spilling over into business not ordinarily identified as tourism (Lundberg, 1972).

Viewing tourism as an economic concept, Ryan views it primarily as an industry like any other industry. According to him tourism is "a study of the demand for, and supply of, accommodation and supportive services for those staying away from home, and the resultant pattern of expenditure, income creation and employment"(Ryan, 1991). Nielsen although, comments that this is a rather bland definition. It is to be noted that it excludes any reference to employment and leisure. It does, however cover other key ingredients such as demand and supply, and stay away from home (Nielsen, 2001)

One of the earliest views on 'tourism' brought in 1910 by an Austrian economist, Herman Von Schularck who defined the tourism in economic point of view. According to him, "tourism is the sum total of economic operations, which is directly related to the entry, stay and movement of foreigners inside and outside a certain country" (Bhatia, 2000). This definition highlights the economic aspect of tourism. It includes the whole business activities to provide facilities for tourists like hotel travel, trekking agent and other related activities.

Professor Edmond Picard defined 'tourism' as "the function of tourism is to import currency from foreign resources in to country. Its impact is what tourist expenditure can do to the different sectors of the economy and in particular the hotel keepers" (Satyal, 2000).

2.9.5 Sociological Definition

Beside the economic definition discussed above, a few viewpoints are highly illustrative from the social science perspective. A concise summarisation of the definition and scope of tourism is found in a recent work, by Mathieson and Wall. They state "Tourism is the temporary movement of people to destination outside their normal place of work and residence, the activities undertaken during their stay in these destination, and the facilities created to cater to their needs, The study of tourism is the study of people away from their usual habits, of the establishment which respond to the requirements of the travelers, and of the impacts that they have on the economic, physical and social well-being of their hosts, It involves the motivations and experience of the tourists, the expectation of the adjustment made by residents of reception areas, and the role played the numerous agencies and institutions which intercede between them (Mathieson and Wall,1982).

Cohen also defined the term 'tourism' in view to implicate in sociological research. In his opinion 'tourist' as a voluntary, temporary traveler traveling in the expectation of pleasure from the novelty and change experienced on a relatively long and non-recurrent round trip'(Cohen, 1974). On this basis, it can be said that there are four fundamental factors of tourism such as motive, mode, period and distance.

In the modern age tourism is being treated as an instrument of creating mutual human trust and love. In this connection the definition of Gustave Dias Ordaz would be more appropriate as he says," The world should no longer regard tourism merely as a business, but as a means by which man may know and understand one another human understanding being so essential in the world at this time".

2.9.6 Component of Tourism

Different elements which attract 'tourism' are called the components of tourism. Tourist will not be motivated to visit any particular place if these components are absent. The basic components of tourism are categorised in three sections, which are as follows.

i Transport ii Location and iii Accommodation

The development of tourism is not possible without a convenient and comfortable mode of transport. The mode of transport may be a motor car, a deluxe coach, an aeroplane, a ship or a train which enables a tourist to reach his decided place of destination. The term 'Locale' reveals the holiday destination which may offer natural attraction like sunshine, scenic beauty or sporting facilities, etc. Another basic component is of accommodation. After having reached his destination, a tourist must have some kind of accommodation which provides him food, rest and sleep. Location is the most important component out of these three components. It has its own attractions and amenities. Without these basic facilities, the tourist will not be motivated to go to a particular place. However, since interest and taste of tourist varies widely, the attraction of one place to some people may be different to others. Tourist demands also vary with the change in fashion. Tourist may decide to visit somewhere else only due to change in fashion. Peter has made an inventory of various attractions, which are of significance in tourism (Peter, 1969). His five categories are given below.

- i Culture: Sites and areas of archaeological interest; historical building and monuments; place of historical significance; museum culture; political and education institution and religious, institutions.
- ii Traditional: National festival arts and handicrafts, music folk, native life and customs.
- iii Scenic: Outstanding panoramas and areas of natural beauty, national parks; wild life, flora and fauna; beach and mountain resorts (Peters. M, 1969).
- iv Entertainment : Participation in viewing sport, amusement and recreation park, zoos and oceanariums, cinemas and theatres, night life, cuisine.
- v other attractions: Climate, health resorts, unique attractions not available else where.

Geographical attractions (components) according to Robinsion are the significant factors which promote tourism growth in an economy. Such as

location and convenience of place, landscape, water and vegetation have an esthetic and recreative value. Similarly climate condition, sunshine, temperature and precipitations are of special significance (Robinson, 1976). In addition, wildlife, hunting and fishing, tourists' cities, villages, historical monuments, cultural ethos like the way of life, folklore, arts, artistic impression, etc. provides a unique and memorable attraction to many tourists.

2.9.7 Element of Tourism

Besides the three basic components of tourism there are certain other element too, that play major role in the promotion of tourism. Some of these are pleasing weather, scenic attractions, historical and cultural factors, accessibility, amenities and accommodation.

Pleasing weather is naturally one of the important factors which promote tourism. Good and favourable weather is the main source of joy and pleasure. Millions of people from countries of extreme weather conditions visit sea beaches for having clear sky and bright sunshine. Countries like Italy, Spain and Greece in Europe and California, Florida and Hawaii Island in the United States attract a number of tourists only because of pleasant weather in summer. Beautiful sea beaches in India, Srilanka, Thailand, Indonesia, Australia, and some other places are yet more examples of what good weather can do. All these areas take full advantage of the good weather and thus they have become some important tourist spots. Scenic attractions are perhaps, the second most important factor in tourism. Beautiful landscape with mountains, lakes, etc. always attracts tourists. The magnificent mountain ranges with their snow clad peaks provide calm and tranquil atmosphere to the tourists. Great natural wonders such as Grand Canyon in United States, the Giants' causeway of Northern Ireland, the Niagara Falls the geysers of Iceland, Mount Everest and other highest peaks of Nepal, etc. are a source of great interest to many tourists and have become the key source for tourist industry.

Historical and cultural factors also largely add to the tourist interests. Stratford –on- Avon draws a number of people because of its association with Shakespeare. Similarly, Taj Mahal in India, Leaning Tower of Pisa in Italy and pyramids of Egypt attract millions of tourists. Cities of London, Rome, Venice, Paris, Moscow, Delhi, and Kathmandu are famous for their historical background. Many countries which are still developing tourist industries are using the legacy of their historical past as their major tourist attractions.

Accessibility plays a very crucial role in the development of tourism. Tourist attraction of whatever kind would be of little worth if locations were inaccessible by normal means of transport. Physical isolation and inadequate transport facilities are clearly handicaps to tourism. So the nearness, easy accessibility, good roads and motorable highway facilities encourage holiday makers. Availability of amenities is equally very important for tourism development. Amenities are the factors which provide comforts to the holiday makers while enjoying the attraction of the destination. Amenities comprise both natural and artificial facilities like beaches, sea bathing, fishing, climbing, trekking, dancing, recreation and amusement, sheltered with bright sunshine, having palm and coconut trees, banking and so on draw large number of visitors.

Similarly accommodation is basic necessity to any tourist destination. However, the concept and types of accommodation have changed considerably during the last two decades. In recent years some of big suites have closed down as there has been a growing demand for more informal types of accommodation e.g., holiday village, apartment houses, camping and caravan sites and tourist cottage ,etc. have become very popular.

Apart from the factor discussed above, there are a variety of other factors which may influence the choice of tourist destination. Hospitality is one such factor. A friendly and warm attitude of local people certainly will make the visitor feel at home and help him enjoying his holiday better. Many tourists, because of the inhospitable attitude of the host country will be discouraged from making a return visit to such a country. A tourist, who is happy and satisfied with his tour, will prove an asset to promote and patronise tourism and the tourist destination.

Establishment of information bureau is another step in the directed of welcoming a visitor, who is unfamiliar with the country and cannot speak or understand the language of the country. So he can get information about places of interest and the various facilities available there immediately.

A trained and competent guide who can speak local language as well as tourists' language, are also essential and are a great help to the tourists. A part from certain essential formalities, the various formalities to be completed by the tourist should be reduced to the minimum. The United Nations Conference on Tourism held in Rome in the 1963 had recommended the gradual elimination of barriers, restriction and formalities to promote and facilitate the international tourism. It is noted that some countries have already gone a long way in doing away with certain formalities for visiting tourists. Many countries in Western

Europe have abolished the system of visas between themselves and have abolished the system of entry permits for the nationals of all countries on a unilateral basis. India and Nepal have also removed such superfluous formalities in order to encourage tourism in the region. Thus it is suggested that formalities be reduced to the minimum.

2.9.8 Classification of Tourism

As it is directly connected with the different motives of travelers, tourism can be classified on the basis of several factors such as geographical location, purpose of visit, movement patterns, sociological aspect, numbers of persons traveling, duration, etc. Basically, tourism is classified into two broad sections e.g., domestic tourism and international tourism. In domestic tourism, people travel outside their normal domicile to certain other areas within the country as compared to traveling outside the boundaries of a country in international tourism. The basic differences between domestic and international tourism is that of jurisdiction of travel. Since the travel takes place within the limits of the boundaries of a country, the various travel formalities which are necessary in international tourism are not to be observed and travel becomes an easy affair. The barriers of currency exchange, language and passports, visas, health documents, etc. are not faced by domestic tourists, But in international tourism, all the formalities such as passport, visas, health certificate, language .etc, are to be faced by international tourists.

As far as the purpose of visit is concerned, a broad distinction has been made according to the motivation of travels such as holiday tourism, business tourism and common interest tourism. Holiday tourism has been subdivided into recreational tourism, health tourism, sports tourism and cultural tourism. Recreational tourism aims at the relaxation of physical and mental capacities through rest and relaxation in resort areas. Health tourism on the other hand refers to the need to improve health and vitality by visiting those places which offers warm climate, spas, hot springs, mineral water, treatment, etc. Cultural tourism enriches knowledge about different people and their culture which involves visit to places of historical, archeological and monumental values. Sports tourism which satisfies people's hobby such as fishing, trekking, and mountaineering, rafting and hunting which is considered as a part of adventure tourism. At present, sport tourism also covers the international event of different games held in different countries.

The holiday tourists have the freedom of choice about where to go and when to go, thus their demand for travel is highly elastic as small change in the price of tourism products and facilities affects much for their choice of the destination.

Presently, business has become consideration form of tourism because due to economic globalisation their traffic is increasing and at the same time they are considered to be higher spender than holiday tourists.

Business and commercial tourism refers to a journey from one place to another to form or renew the business connections. Such journey is always determined not by the choice of the tourist but is determined primarily by the business consideration through which he may often mix business with pleasure. Presently business has become important form of tourism due to economic globalisations. Their traffic is increasing and at the same time business tourists are considered to be higher spenders than holiday tourists. Common interest tourism is different type of tourism rather than holiday and business tourism. It can be categorised under various forms. Some of them are dealt under the following heads.

- **Social Tourism**

A type of subsidised tourism practiced by low income group who could not able to meet the cost without social intervention. The subsidies may be provided by the state, local authorities, trade unions, employers, clubs or other associations to which the travelers belong.

- **Ethnic Tourism:** Visit of a group of people from particular race.
- **Group Tourism:** A type of journey held in group for common interest.
- **Mass tourism:** Large scale movement of travelers.
- **Youth tourism:** Represents the young traveler basically interested in cheap airfare, train fare and other attractions provided by travel agents and accommodation units.
- **Rural tourism:** Rural tourism is a form of tourism taking place in rural areas or settlements. Providing employment and income to local population, and offering individualised holiday products to consumers. Rural tourism is based

on accommodation service which is complemented by additional services / facilities according to the principle of sustainable development.

- **Cultural Tourism:** Tourism activities related to human history and wondrous doing of man i.e., archaeology and cultural heritage resources.
- **Village Tourism:** A form of tourism activity where tourists can book houses in village and stay as guests providing a substantial part of tourist revenue directly to the villagers.
- **Ecotourism:** Environmentally friendly tourism where both host and guest are aware of environmental degradation as a result of participation in tourist activities. Protection and preservation of natural resources as well as socio-cultural environment while travelling has attracted the attention of all concerned with tourism. Although it is a new concept, it has become quite popular in tourism literature and tourism activity.
- **Highway Tourism:** Especially popular in that country where highway infrastructure is well developed and accessory services, motels and gas station are well developed. Automobile is the mode of transport used by tourists.
- **Urban Tourism:** Involves the visit to capital cities, metropolitan cities, historical towns, that was popular from the very beginning.
- **Farm Tourism:** Charms of agriculture and farming attracts visitors to farms. Buying and ownership of second home in rural areas has become popular to urban dwellers as a result of increased income, more leisure time and the wish to escape from the pressure of urban life have made farm tourism popular these days.

2.10 Tourists and Experts Response on the Performance of Tourism in Nepal

This chapter highlights the tourists' response in regard of tourism development in Nepal who visited Nepal in middle of the June 2009 as well as the experts representing businessmen from tourism industry related to government officials and academicians. This representation is based on the sample of 72 tourists and 26 experts drawn on the basis of random sampling. The main objectives of the questionnaire were to collect the views of tourists on

different aspects of tourism in Nepal including their perception on the multifaceted impact of tourism in the economy. The sample of the tourists was taken at the departure lounge of Tribhuvan International Airport on the eve of their departure from Nepal. Similarly the questionnaire administered for the experts were related the performance of tourism in Nepal and its purpose was to get their views to know its effect and to develop Nepal as a popular international destination.

2.10.1 Tourist Response

Here, presenting an interview of the tourists visiting Nepal during April 1999. The main ingredients of the interview included the composition of Nepalese tourism, products, services and facilities available and its effects on Nepalese society and culture. The responses of the tourist coming from different countries are presented and analysed below in table 2.1

Table 2. 1: Visitors by Nationality

Nationality	Number	Percent
Thailand	1	1.39
Belgium	2	2.78
Austria	3	4.16
Poland	1	1.39
United Kingdom	5	6.94
France	13	18.05
Germany	8	11.11
Canada	3	4.16
UAE	3	4.16
Russian	2	2.78
New Zealand	2	2.78
Serbia	2	2.78
Dutch	5	6.94
Bangladesh	2	2.78
Japan	2	2.78
Finland	2	2.78
Israel	2	2.78
USA	7	9.72
India	2	2.78
Spain	3	4.16
Others	2	2.78
Total	72	100.00

Source: Field Survey, 2009

Tourist arrivals from different corner of the world are presented in table 2.1 Tourists from more than twenty countries are included in the sample. Of the total sample of 72 visitors, 18.05 percent are from France, 11.11 percent from Germany and 9.72 percent from USA. The United Kingdom and Denmark shared 6.94 percent of the total sample and the country like Austria, Canada, UAE and Spain comprise 4.16 percent each. The arrivals from Belgium, Russia, New Zealand, Serbia, Bangladesh, Japan, Finland, Israel and India have been registered at 2.78 percent each whereas Thailand and Poland comprise only 1.39 percent each of the sample. The other 2.78 tourist arrivals from rest of the world like Srilanka, Pakistan, Argentina, etc. are also involved in the study. The data presented in the table reveals that Nepal is not an unknown tourist destination in the world. Therefore, to attract more tourists from other corner of the world it requires to adopt promotional marketing approach instead of reducing dependency on other market.

Table 2.2: Attraction of Visiting Nepal

Attraction	Number	Percent
The Country of Mt.Everest	49	68.05
The birth place of Lord Buddha	13	18.05
The Land of BraveGorkha	11	15.27
The Land of Scenic Beauty	36	50.00
Other, Specify If Any	14	19.44

Source: Field Survey, 2009

Note: Percent is calculated on the basis of frequency of response of each item to total samples.

Table 2.2 represents the view of tourists (respondents) in regard of attraction which attracts them to visit Nepal. Among the options, respondents were asked to choose some of them to say that what attracted them to visit Nepal. 68.05 percent of the respondents replied that they attracted to Nepal as a country of Mount Everest. Similarly, 50.00 percent perceived Nepal as the land of scenic beauty and other 19.44 percent respondents observed Nepal as a shopping centre and the country of friendly people and exotic culture.

Basically the visitors from Japan, Srilanka, Singapore and few Europeans attracted to visit Nepal because of the birth place of Lord Buddha. 18.05 percent of the respondents observed Nepal as the birth place of Lord Buddha and 15.27

percent respondents perceived Nepal as the land of brave Gorkha. Overall response of the visitors liked Nepal as a country of Mt. Everest.

Table 2.3: Reasons for Selecting Nepal as a Tourism Destination

Destination	No. of Response	Percent
Pleasure and sight seeing	31	43.05
Mountaineering	6	8.33
Trekking	35	48.61
Pilgrimage	3	4.16
Business	2	2.77
Official	3	2.16
Study	-	-
Shopping	2	2.77
Rafting	1	1.38
Other Specify If Any	5	6.94

Source: Field Survey, 2009

Note: Percent is calculated on the basis of frequency of response of each item to total samples.

Table 2.3 represents the view of tourists in regard of the reason for selecting Nepal as a tourism destination. 48.61 percent of the visitors have chosen Nepal as a trekking destination. Another 43.05 percent visitors have the reasons to select Nepal as a pleasure and sight seeing destination and 8.33 percent gave their opinion to choose Nepal as a mountaineering destination. Similarly, 6.94 percent of the visitors had the reasons to select Nepal as a tourist destination due to friendly and hospitable people. 4.16 percent of the tourists perceived Nepal as an important destination for pilgrimage.

The reason for selecting Nepal responded by 2.77 percent of the tourists, is the centre for business and shopping whereas 2.6 percent respondents are found to visit Nepal for official purpose. A very few respondents (1.38 percent) have the opinion to select Nepal as the rafting destination. The above table represents a clear picture to select Nepal as a tourist destination by the respondents. Their view in this context may be proved as an important clue for developing tourism products and services in the country.

Table 2.4: Accommodation Selected by Respondent in Nepal

Accommodation	No. of Restaurant	Percent
Star	29	40.27
Non-Star	20	27.77
Lodge	35	48.61
With Friends & Relatives	4	5.55

Source: Field Survey, 2009

Note: Percent is calculated on the basis of frequency of response of each item to total samples.

Accommodation is one of the important tourism infrastructure which leads to tourism development in the country. 48.61 percent respondents have been to stay in lodge and 40.27 in star hotel. It is also observed that other 27.77 percent have stayed in non star hotel rather than star hotel (Table 2.4). Some visitors are also found to stay with friends and relatives have been registered 5.55 percent. It is to be noted that the visitors who come to visit Nepal, they do not always attach to only one type of accommodation but are found to shift star to non star hotel and lodge or shift with friends and relatives in Kathmandu and outside of it. Therefore it is advisable to be developed various types of accommodation facilities in different tourism sites of Nepal.

Table 2.5: Tourism Site Visited by the Respondent

Tourism Sites	No. of Response	Percent
Annapurna	33	45.83
Kathmandu	59	81.94
Helambu	7	9.72
Khumbu Everest	22	30.55
Pokhara	39	54.16
Gosaikhunda	7	9.72
Lumbini	5	6.94
Bardia National Park	2	2.77
Langtang	10	13.88
Janakpur	-	
Karnali	-	-
Dolpa	2	2.77
Kanchanjunga	8	11.11
Chitwan	25	34.72
Muktinath	6	8.33
Other Specify, if any	4	5.55

Source: Field Survey, 2009

Note: Percent is calculated on the basis of frequency of response of each item to the total samples.

Table 2.5 represents the view of tourists in the context of tourism sites visited by them. The majority of visitors (81.9 percent) have been found to visit Kathmandu and then prefer to visit other tourism sites of Nepal. In the sample 54.16 percent visited to Pokhara whereas 45.83 percent visited to Annapurna tourism site. The Chitwan wildlife reserve and Khumbu Everest have been visited by 34.72 and 30.55 respondents respectively. The Bardiya National Park and Dolpa have attracted 2.77 percent visitors respectively. There are some important tourism sites in Nepal which could be marketed by a negligible number of visitors e.g. Janakpur and Karnali etc. Thus it is advisable to make tour operators of Nepal more active on the one hand and marketing promotional activities to be diversified in abroad and other parts of world on the other.

Table 2.6: Selection of Sites for Trekking by Respondent

Trekking Sites	No. of Response	Percentage
Sgaramatha National Park	13	18.05
Annapurna Conservation Area	35	48.62
Langtang National Park	7	9.72
Royal Chitwan National Park	10	13.88
Kanchanjunga Conservation Area	5	6.94
Other Specify, If Any	2	2.78
Total Respondent	72	100.00

Source: Field Survey, 2009

The selection of trekking sites by the tourists is very helpful in developing the desired type of tourism products. Table 2.6 presents the view of respondents regarding the trekking sites of Nepal which they choose to visit during the present trip to Nepal. The majority of tourists (48.62 percent) have been preferred to visit Annapurna Conservation Area rather than Sagaramatha National Park whereas 13.89 percent visited to Royal Chitwan National Park. The Langtang National Park and Kanchanjunga Conservation Area are although very popular among the trekkers but it couldn't attract a large number of trekkers due to the lack of proper trekking and physical facilities. A total 9.72 percent have selected Langtang whereas 6.94 percent moved towards the Kanchanjunga Conservation Area for trekking. Thus the tourism department and concerned authority should adopt some measures to increase facilities in the trekking sites where physical as well as other trekking related facilities are seen to be scarce.

Table 2.7: Choice of Airlines to Travel within Nepal

Airlines	Number	Percent
RNAC	7	9.72
NEOCON	9	12.5
Everest Airways	-	-
Yeti Airlines	17	23.62
Shree Airlines	2	2.78
Buddha Airways	13	18.05
Lumbini Airways	5	6.94
Agni Air	6	8.33
Sita Airways	3	4.16
Other Specify If Any	10	13.83
Total Response	72	100.00

Source: Field Survey 2009.

When the private airlines were not being operated in Nepal the tourists had to rely only on RNAC for traveling within Nepal. Presently the tourists have a choice to travel by several airlines. Altogether 62 visitors out of 72 have been travelled by various airlines, The Yeti Airlines ranked first for domestic travel comprising 23.62 percent of the respondents (table 2.7). In the sample 18.05 percent tourists have chosen Buddha airways whereas 12.5 percent entertained NEOCON to travel within Nepal. The 13.89 percent respondents are found to travel by bus inside Nepal. Thus, 86.11 percent of the total visitors are found traveling within Nepal by air which indicates that there is a greater scope for expanding air transport in Nepal especially for the speedy development of tourism.

Table 2.8: Decision Making Process to Travel within Nepal

Decision	Number of Response	Percentage
Organised Tour	19	26.39
Semi-organised Tour	15	20.84
Self Guided Tour	30	41.66
Other Specify If Any	6	8.33
Not Response	2	2.77
Total Respondent	72	99.99

Source: Field Survey, 2009

The above Table 2.8 reveals the decision- making process of the respondents while traveling Nepal. Among the visitors to Nepal 41.66 percent have made self- decision to travel Nepal whereas 26.39 percent have found to visit Nepal through tour agents for their respective countries and 20.84 percent are found to tour Nepal through their tour operators or they themselves or in a semi-organised tour. Similarly 33 percent of visitors are found to be motivated with their friends in regard of making decision of touring Nepal whereas other 2.77 percent have not responded at all in course of their present trip to Nepal.

Overall response of the visitors indicates that the majority of tourists have made plan at their own to visit Nepal. Their friends and tour operators have also the power to influence decision making process of choosing the destination. Therefore, the tour operators of tourist generating country should be mobilised in order to attract the tourists to Nepal.

Table 2.9: Response Regarding the Quality of Service of Domestic Airlines

Quality of Service	Number of Response	Percent
Very Good	20	27.78
Good	36	50.00
Satisfactory	11	15.27
Not Satisfactory	2	2.77
Not Response	3	4.17
Total Respondent	72	99.99

Source: Field Survey, 2009

When the tourists were asked to express their views regarding the service of domestic airlines, all 72 respondents have shared their experience which reveal that out of 72, 36 (50 percent) replied service to be good whereas 27.78 percent responded very good. The 15.27 percent experienced quite satisfactory and 4.17 percent didn't response (Table 2.10.1.9). Few tourists, (2.77 percent) showed their dissatisfaction about the domestic air services in Nepal whereas 93.05 percent are being found satisfactory with internal air service of Nepal. This definitely shows a significant development of domestic air services in Nepal.

Table 2.10: Perception of the Respondent Regarding the Facilities and Services Available at Airport

Facilities	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Don't know/can't say	No. Response	Total
International Airlines	38 (40.9)	22 (28.6)	6 (23.7)	1 (7.1)	5 (3.3)	72 (20)
Domestic Airlines	19 (20.4)	17 (22.0)	6 (23.7)	5 (35.7)	25 (16.7)	72 (20)
Immigration	16 (17.2)	17 (22.0)	8 (30.7)	- -	31 (20.7)	72 (20)
Customs	18 (19.3)	15 (19.5)	3 (11.5)	4 (28.6)	32 (21.3)	72 (20)
Others	2 (2.1)	6 (7.8)	3 (11.5)	4 (28.6)	57 (38)	72 (20)
Total Response	93 (25.8)	77 (21.4)	26 (7.2)	14 (3.9)	150 (41.6)	360 (100)

Source: Field Survey, 2009

Note: Percentage is calculated on the basis of total number of responses rather than total samples.

Regarding the facilities and services available at the airport in Nepal, 25.8 percent tourists have been found quite satisfied and 7.2 percent are dissatisfied. As far as the international airlines are concerned, 40.9 percent are satisfied whereas 23.7 percent are dissatisfied and 7.1 percent did not respond because they might have not traveled by air within Nepal (table 2.10). Similarly, 20.4 have shown their satisfaction with the domestic airlines in Nepal whereas 23.7 percent are found dissatisfied and 35.7 percent didn't respond. Perhaps they traveled within Nepal through land route. Approximately, more than 52.4 percent respondents do not seem to have traveled within Nepal by air. In regard of the immigration service 17.2 percent are found to be quite satisfied whereas the highest number of respondents (30.7 percent) are dissatisfied and 20.7 percent have not responded. Likewise, 19.3 percent respondents have been found to be satisfied with the customs facilities and 11.5 percent are dissatisfied, 28.6 percent have found unknown and 21.3 percent didn't have

responded. In connection with other facilities, only 2.1 percent are found to be satisfied whereas 11.5 percent are dissatisfied and 38 percent have not replied.

Looking at the dissatisfaction row, the respondents have shown their dissatisfaction regarding the facilities of international airlines (23.7 percent) followed by domestic airlines (23.7 percent), and immigration (30.7 percent).

Therefore, it is advisable to improve all the facilities in the way so that it could meet the international standard. Moreover the immigration and custom procedures should be made simple and systematic for international visitors.

Table 2.11: Perception of the Respondent Regarding the Facilities and Services Related to Tourist Activities

Service and Facilities	Satisfied	Neither Satisfied nor Dissatisfied	Dis-satisfied	Don't know, can't say	No. Response	Total
Trekking and Camping	16 (20.8)	11 (20.4)	1 (6.7)	10 (32.2)	34 (18.7)	72 (20)
Sight Seeing	20 (26)	15 (27.8)	3 (20)	2 (6.4)	32 (17.6)	72 (20)
Rafting	9 (11.7)	3 (5.6)	3 (20)	9 (29)	48 (26.4)	72 (20)
Shopping	14 (18.2)	17 (31.5)	5 (33.3)	5 (16.1)	31 (17)	72 (20)
Guides	18 (23.4)	8 (14.8)	3 (20)	6 (19.4)	37 (20.3)	72 (20)
Total Response	77 (21.4)	54 (15)	15 (4.2)	31 (8.6)	182 (55.5)	360 (100)

Source: Field Survey, 2009. Figures in parenthesis represent percentage of total.

Note: Percentage is calculated on the basis of total number of responses rather than total samples.

Regarding the facilities and services related to tourist activities 21.4 percent respondents have been found to be satisfied whereas 4.2 percent have shown their dissatisfaction and 8.6 percent reported as "don't know/ can't say". The highest no of respondents i.e. 55.5 percent have not responded (table 2.11).

It seems that either the visitors have not involved themselves in these activities or they don't wish to share their experience. In regard of the individual

facilities 26.0 percent are satisfied with sight seeing facilities followed by facility of guides (23.4 percent) trekking and camping (20.8 percent) facilities. 18.2 percent respondents are satisfied with the facilities of shopping and 11.7 percent are experienced to be satisfied with rafting facility. Looking at the dissatisfaction row, the highest (33.3 percent) of the number of the respondents have been found dissatisfied with shopping facilities in Nepal whereas 6.7 percent with trekking and camping and so on. It has been reported that the harassment made by hawkers and beggars, lack of conservation of ancient monuments, environment pollution are some obvious reasons which disappointed the visitors in Nepal. Therefore an attention should be given to beggar behaviours, less bargaining practices in the shops and improvement in trekking and camping facilities in Nepal.

Table 2.12: Perception of the Respondents Regarding the Facilities and Services of Miscellaneous support

Facilities & Services	Satisfied	Neither Satisfied nor Dissatisfied	Dis-Satisfied	Don't know/ Can't say	No. of Response	Total
Local Transport	17 (20.5)	23 (27)	13 (23.6)	4 (13.3)	15 (8.4)	72 (16.7)
Quality of Transport	6 (7.2)	17 (20)	20 (36.7)	2 (6.7)	27 (15)	72 (16.7)
Currency Exchange	19 (22.9)	16 (18.8)	5 (9)	3 (10)	29 (16.2)	72 (16.7)
Acceptance of Credit Cards	9 (10.9)	14 (16.5)	7 (12.7)	7 (23.3)	35 (19.6)	72 (16.7)
Impression of Host Population	26 (31.3)	9 (10.6)	1 (1.8)	3 (10)	33 (18.4)	72 (16.7)
Extension of Visa	6 (7.2)	6 (7)	9 (16.4)	11 (36.7)	40 (22.3)	72 (16.7)
Total Response	83 (19.2)	85 (19.7)	55 (12.7)	30 (6.9)	179 (41.4)	432 (100)

Source: Field Survey, 2009. Figures in parentheses represent percentage to total.

Note: Percentage is calculated on the basis of total number of responses rather than total samples.

Table 2.12 presents the perception of respondents regarding miscellaneous support such as local transport, quality of transport, currency

exchange facilities, acceptance of credit cards, impression of host population and extension of visa, etc. Looking at the table out of 432 responses, 83 respondents (19.2 percent) have been satisfied with various support services whereas 12.7 percent of them have expressed their dissatisfaction regarding these facilities. 41.4 percent of the total has not responded and 6.9 percent have expressed as “don't know or can't say” about the support services available in the destination. Impression of host population has been found very impressive, 31.3 percent of the respondents have been satisfied whereas 1.8 percent only are found dissatisfied with the behaviour of the host population which has become the positive sign of tourism development of Nepal. About the impression of currency exchange 22.9 percent have expressed their opinion as quite “satisfied” followed by local transport (20.5 percent) facilities.

Similarly as regard the acceptance of credit cards and extension of visa, 10.9 percent and 7.2 percent of the respondents are found to be satisfied whereas the percentage of dissatisfaction in both the cases has been found 12.7 and 16.4 percent responding which is higher than the percentage of satisfaction. Likewise in the case of local transport and its quality, 23.6 and 36.7 percent respondents have been found dissatisfied having low standard of transport and its quality. Therefore it is an urgent need to improve the quality of support services like local transport, acceptance of credit card and extension of visa; etc. for the promotion of tourism in the country.

2.10.2 Experts' Response

Here, an attempt has been made to present the views of the experts on the importance of tourism industry in Nepal. On the basis of their views it enabled us to deal with the multifaceted impact of tourism industry in Nepalese economy. Almost all the experts who are involved in the tourism industry have realised that international tourism is of great importance in Nepalese economy. This is shown in table 2.13

Table 2.13: Experts' View on the Importance of Tourism in Nepal

Source	No. of Response	Percentage
Foreign Exchange Earning	26	99.9
Employment Generation	23	88.46
Government Revenue	21	80.76
Regional Development	17	65.38
Environment Conservation	5	19.23
International Understanding	23	88.46

Source: Field Survey

The experts have been asked; why is tourism so important in Nepal? All the respondents put forward their views that international tourism is of great importance for all round development of Nepal. They perceived its importance because of foreign currency earning. Similarly, 88.46 experts have viewed its importance for generating employment and increasing international understanding whereas 80.76 percent realised its contribution as an important source of government revenue and 19.23 percent experts observed its importance for regional development. Therefore, the development of tourism industry in Nepal is indispensable for the economy as a whole.

Table 2.14: Experts' Satisfaction with the Pace of Tourism Growth

Response	Number	Percent
Yes	3	11.54
No	22	84.62
No Response	1	3.84
Total Respondent	26	100.00

Source: Field Survey, 2009

The experts were asked about the pace of tourism development in Nepal and 84.62 percent of them gave their negative reply whereas 11.54 percent have showed their satisfaction with the present pace of tourism development in Nepal. Thus, it is essential to sort-out the problems in order to develop tourism sector at a desirable pace.

Table 2.15: Experts' Perception Regarding the Present Growth of Tourism

Status	Number	Percent
Rapid Growth	-	-
Normal Growth	10	38.46
No Satisfactory Growth	16	61.53
Total Response	26	99.99

Source: Field Survey, 2009

Regarding the growth of tourism industry, the majority of experts (respondents) are not satisfied with the present growth of tourism in Nepal as expressed by 61.53 percent of experts. The 38.46 percent of the experts perceive it as the normal growth. No experts have viewed that tourism in Nepal has developed rapidly as shown in table 2.15

Table 2.16: Experts' View Regarding the Satisfaction of Tourists

Response	Number	Percent
Yes	21	80.76
No.	50	19.23
Total Respondent	26	99.99

Source: Field survey, 2009

80.76 percent experts have expressed their satisfaction regarding the visit of tourists in Nepal whereas 19.23 percent have expressed that tourists do not return with satisfaction due to various reasons. The system for dumping litters and garbage along the road of major city of Nepal and annoying behaviour of roadside hawkers, taxi drivers and beggars are some of the major reasons which disappoint the visitors to Nepal.

Table 2.17: Tourism as an Important Sector of Nepal Economy.

Response	Number	Percent
Yes	25	96.15
No	1	3.84
Total	26	99.99

Field survey, 2009

Regarding the status of tourism industry in Nepalese economy 96.15 percent experts recognise tourism sector as an important sector of the economy whereas 3.84 percent experts deny telling that tourism sector as an important

sector of the economy. They are of the opinion that tourism sector in the context of Nepal is less important than the sector like agriculture and electricity in the country.

Table 2.18: Rank of Tourism Industry in Nepalese Economy

Rank	Number of Response	Percent
I	-	-
II	20	76.92
III	4	15.38
IV	2	7.69
Total Sample	26	99.99

Source: Field survey, 2009.

In regard of the ranking of tourism industry in Nepalese economy 76.92 percent of the respondents have ranked it in the 2nd whereas 15.38 percent respondents have accorded it in 3rd rank. Only the 7.69 percent of the experts categorised the tourism industry in 4th rank. No experts have placed it in 1st position in the Nepalese economy.

Table 2.19: Experts' View on the Visitors' Expectation from Nepal

Category of Expectation	No. of Response	Percent
Exotic scenes	25	96.15
Shopping Facilities	15	57.69
Adventure Activities	19	73.07
Ethnic Culture	18	69.23
Wildlife	24	92.30
Snowy Himalaya	16	61.53
Casino	17	65.38
Other Specify, If Any	1	3.84

Source: Field Survey, 2009

Note: The percent is calculated on the basis of frequency of response of each item to total Samples.

Visitors' expectation regarding the destination differs from each other. 96.15 percent of the visitors, according to the experts, expect, exotic scene whereas 92.30 percent viewed in favour of wildlife. Similarly, 73.07 percent expect adventure activities and 69.23 percent look for ethnic culture. The experts express their concern that the visitors who come to Nepal also expect to have

the proper facility of casino as well as market for shopping. In the response 65.38 percent tourists expect casino and 57.69 percent shopping whereas 61.53 percent are found in favour of snowy Himalaya and 3.84 percent look for good hospitality and services.

Table 2.20: Purpose to Select Nepal as a Tourism Destination

Destination	Number of Response	Percent
Mountaineering	26	99.9
Trekking	22	84.6
Wildlife	21	80.76
Historical and Cultural Attraction	23	88.47
Cheap Destination	13	50.00
Friendly and Hospitable People	23	88.46
Other Specify If Any	5	19.23

Source: Field Survey, 2009

Note: The percent is calculated on the basis of frequency of response of each item to the total samples.

Nepal is one of the famous tourist destinations in the world. Tourists from the world visit Nepal for different purposes. Almost all the experts choose Nepal for mountaineering whereas 84.6 percent for trekking. Historical and cultural attraction and friendly and hospitable people are the factors which attract the visitors to decide Nepal as their tourism destination. In the response 88.46 percent of the experts gave their opinion for each of them. Likewise, they also view that 80.76 percent visitors come to Nepal for the propose of wildlife and due to cheap destination in the world as expressed by 50 percent of experts. 19.23 percent tourists make their tour to Nepal for the purpose of sightseeing and pleasures as expressed in the table 2.20.

Table 2.21: Experts View on the Economic Impact of Tourism

Nature of Impact	No. of Response	Percent
Job Opportunities	24	92.30
Tourist Enclaves	5	19.23
Inflationary Trend	17	65.38
Tax Income	21	80.76
Foreign Exchange	25	96.15
Souvenirs	14	53.84
Privileged Treatment of Tourists	6	23.07
Improved Standard of Living	22	84.61
Introduction of Cash Economy	7	26.92
Uneven Economic Development	9	34.61
Regional Development	9	34.61
Better Infrastructure	16	61.53
Other	4	15.38

Source: Field Survey, 2009

Note: The percent is calculated on the basis of frequency of response of each item to total samples.

Experts are asked about their perception on the economic impact of the tourism in the inhabitants of Nepal. Their reply was positive. 96.15 percent of the respondents have opined that tourism has a great impact on the foreign exchange earnings. Similarly, 96.15 percent perceives its economic effect because of job opportunity whereas 84.61 and 80.76 percent respondents realised its economic effect on the improvement in the standard of living and government revenue. Likewise 65.38 percent are of the view that economic effect of tourism is to lead inflationary trend in the economy and 61.53 percent have viewed on the better infrastructure. Other economic impacts of tourism as indicated by the respondents are souvenirs (53.84 percent), uneven economic development (43.61 percent), regional development (34.61 percent),

introduction of cash economy (26.92 percent), privileged treatment of tourists (23.07 percent), tourist enclaves (19.23 percent) and 15.38 percent did not perceive any economic impact of tourism in Nepal.

2.11 Conclusion

The tourists' perception in the context of tourism industry in Nepal is obviously being quite beneficial for the further development of tourism in the country. Tourists appreciate Nepal as a country of Himalaya. Its natural scene and scenery, adventure activities, cultural heritage, people and historical monuments, etc. are some of the attractions which are unforgettable for the tourists who come to visit Nepal. They are found very desirous to get more facilities to enjoy such potentials of tourism. The trekkers and mountaineers have showed their ever interest to visiting Nepal reputedly and found satisfied with their travel experience. However, a large numbers of respondents are found annoyed with the acute problem of litters and garbage in major cities of Kathmandu, Chitwan and Pokhara, lack of proper facilities of sanitation and cleanliness, trained guides and services regarding the immigration and customs. They are also found very much disappointed with the instable political situation of the country which enables them to fulfill their purpose of visit due to regular band and strike throughout the year. In their view, quick solutions of these problems are absolutely necessary for attracting the greater number of tourists in the country.

Nevertheless, the tourists visiting Nepal are quite happy even though the facilities provided are not as per their need and expectation. To give a pace of tourism in Nepal, the respondents have equally emphasised developing adequate tourism infrastructure like roads, airport, capacity at airports, sufficient toilets in tourists' area and en route and in the trekking trails, different standard of hotels, etc. They also emphasise the need to improve marketing efforts about Nepal tourism at the international market.

Similarly, the opinions of the experts are very important in order to accelerate the rate of tourism growth in the country. The experts are of the view that although, a number of barriers are there in the field of tourism development in Nepal but political instability and disturbance in the present context is one of the main hurdles in the promotion of tourism development in the country. Most of the experts are not satisfied with the present growth of tourism in Nepal. In their

view unhealthy competition, tourism centres concentrated only in certain areas, lack of joint efforts from the government and the private sectors and efficient market strategy, an acute shortage of air seat in international level and less air connectivity, regular bund and strikes, pollution and dirt in major cities , negative impact of image of Nepal and concentration of tourism benefit in limited hands, etc. are the other factors which impacted inversely the rapid growth of this industry in Nepal

Likewise, some of the experts (respondents) also opinion that since the peace accord was made between the Maoist ant the government of Nepal, a sliver sign has been seen in the path of tourism development in Nepal. The government as well as the people of Nepal has given an outmost priority for promoting the tourism sector as an engine of growth.

CHAPTER 3



CHAPTER – 3

WILDLIFE TOURISM IN NEPAL : PROBLEMS AND PROSPECTS

- 3.1 Introduction
- 3.2 Wildlife Tourism as a Concept
- 3.3 Nepal, a Hotspot in Wildlife
- 3.4 Forest Resource
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 - 3.4.3 Temperate Evergreen Forest
- 3.5 Protected Areas and Wildlife Reserves
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- 3.9 Suggestions and Recommendations
- 3.10 Conclusion

CHAPTER 3

WILDLIFE TOURISM IN NEPAL: PROBLEMS AND PROSPECTS



3.1 Introduction

Wildlife tourism is an important component of the international and domestic tourism industry. Overall depending on the region, wildlife tourism accounts for 20 to 40 percent of international tourism (Fillion et al, 1992; Giongo et al. 1993, CEP 1994). The scale of wildlife tourism is even larger if domestic wildlife tourism is taken into consideration. However, statistics are often not available to determine what proportion of wildlife tourism is domestic in origin, but it is likely to be very high in some countries. For example, nationals make up around 15 to 25 percent of wildlife tourists in Canada (Filion et al, 1992), and some 90 percent of visitors to the national park in Thailand, India and South Africa (Ceballos-Lascurian 1996). Wild tourism currently accounts for 10 percent of international tourism (Pleumarom, 1994) with its global value in 1988 estimated as US \$1 Trillion (Filion et,al 1992)

As with tourism generally, wild tourism is likely to increase in importance and scale (Gingo et al. 1993,). Furthermore, it may also attract an increasing market share, as suggested by a number of surveys indicating an increasing interest in wildlife among tourists. A 1994 Gallup survey found that the employment of wildlife was a priority for 90 percent of UK holiday makers, while a 1992 study for the Canadian wildlife service of a variety of destinations found

that wildlife was a prime attraction for 32 percent of tourists to Australia, 80 percent to Kenya and Zimbabwe, 30 to 64 percent to North America; 9 to 60 percent to Latin America (Mexico, Belize, Dominica, Costa Rica and Ecuador) and approximately 50 percent to Europe (Jackson, 1996).

Now, Wildlife tourism has become a valuable asset for many localities. For example, around one of five US residents listed bird watching as one of their recreational activities, and almost forty percent traveled away from their homes to view birds. According to a major survey conducted in the US during 2001 (Tapper,2006) overall the direct expenditure of US residents on wildlife watching in the US was around US \$ 32 billion, including nearly US \$ 7.5 billion on food, transport and accommodation linked to wildlife watching trips. One study has estimated that twenty to forty percent of all international tourists have an interest in some forms of wildlife watching (Ecotourism Statistical Fact Sheet, 1998). In East Africa wildlife watching is one of the attractions for international tourists, and the basis for the majority of their national income from tourism.

In 2000, the Kenya, Tanzania and Uganda received 9, 43,000, 4, 59,000 and 1, 51,000 international arrivals which generated the international receipts of US\$ 304, US\$ 739 and US\$ 149 million respectively. In total, the region received over one and a half million international arrivals and generated more than US\$ 1 billion in foreign exchange receipts from tourism (Tapper, 2006). Much of it is based on wildlife watching tourism. Between 2003 and 2004, an another study found that the number of people watching whales in and around Sydney, Australia doubled, and total expenditure linked to whale watching increased more than four-fold (Ifaw,2005). However, in some areas, growth of wildlife watching may be much greater as for whole watching in Sydney. No doubt, wildlife tourism is a newer attraction that helps diversify tourism and promote community development in remoter areas. The main objective of this chapter is to examine the problems and prospects of wildlife tourism in Nepal, focusing the measures to mitigate the current problem of the national park and wildlife reserve of Nepal.

3.2 Wildlife Tourism as a Concept

According to Malcom Hunter's lively short history, the term, "wildlife" is less than a century old and was not included in major dictionaries before 1961 in the United State and before 1986 in the United Kingdom (Hunter; 1990). Ominously, its first use was in a book published in 1913 called 'Our Vanishing Wildlife' which foreshadowed the conversation crisis apparent during the second half of the 20th century while this work defined wildlife primarily in terms of game species. It also includes vertebrate species not regarded as game but perceives as subject to human harvesting or culling. Later definition of wildlife often emphasizes game animals while other includes all non-domesticated vertebrate and in some cases, invertebrates and plants. In general, it is used in various senses. Strictly speaking, it should denote the entire flora and fauna of the region aquatic as well as terrestrial, including the whole range of plants from fungi to forest trees and invertebrate as well as vertebrate life (H, Julian, 1961).

The tourism industry tends to use the term 'wildlife tourism' rather than wildlife watching tourism. In many cases, the two terms are identical, but wildlife tourism is sometimes used to refer to hunting or fishing tourism and in a few cases to the viewing of captive wildlife in zoos or confined parks where the animals no longer live a wild existence (Tapper, 2006). The terms wildlife watching tourism and wildlife tourism are used interchangeably, and are defined as tourism that is undertaken to view or encounter wildlife in a natural setting. This definition is intended to include wildlife watching on large game ranches such as in Southern Africa where species are able to roam widely over relatively large ranges. In general, wildlife tourism encompasses all forms and scales of tourism that involves the enjoyment of natural areas and wildlife, e.g., bird watching, wildlife viewing, photographic and walking safaris, reef diving, whale watching, trophy hunting and sport fishing. Wildlife tourism may be achieved through many different forms of transport, including on foot, by vehicle, boat or ballon.

It is often based on relatively low levels of tourism in an area and is therefore particularly suited to organised tours for some small groups, and also for independent travelers. Wildlife tourism can also include appropriately operated mass tourism activities. One example is the 'Penguin Parade' on Philip Island, Australia, where over 425,000 visitors a year watch Little

Penguins come up the beach each evening to their nesting sites on the island. Undoubtedly, wildlife watching has links a wide range of different types of tourism and tourist participation is highly dynamic and recent years have seen a blurring between various types of tourism.

3.3 Nepal, a Hotspot in Wildlife

Nepal, a land locked mountain country nestling among the Himalayas, is the lure of tourists and travelers of all kinds. It is located between 26°22' and 30°27' North latitude and 80°4' and 88°12' East longitude. About 77 percent of total land area is covered by mountain hills and, rest 23 percent areas lay in the Tarai region (CBS, 2004). Nepal is one of the richest countries in the world in terms of bio-diversity due to its unique geographical position and latitudinal variation. The elevation of the country ranges from 60m above sea level to the highest point on earth, Mt' Everest at 8,848m all within a distance of 150 km with climatic conditions ranging from subtropical to arctic. The wild variation fosters an incredible variety of eco-systems, the greatest mountain range on earth, thick tropical jungles teeming with a wealth of wildlife, thundering rivers, forested hills and frozen valleys (NTB, 2003).

The country like Nepal has abundant nature based and man made resources to promote wildlife tourism in the country. Though it occupies only 0.1 percent of earth but it shares 2 percent of all the flowering plants in the world; 8 percent of the world's population of birds (more than 848 species); 4 percent of mammals on earth; 11 of the world's 15 families of butterflies (more than 500 species); and the home of 600 indigenous plant families and 319 species of exotic orchids (NTB, 2003). Nepal's bio-diversity is a reflection of its unique geographical position, and altitudinal and climate variations. Nepal's location in the centre of the Himalayas makes it a traditional zone between the Eastern and Western Himalayas, representing the palaeoarctic and the Indo-Malayan biographical regions and the major floristic province of Asia. It is also well-known for its greenery as well as natural habitat which attract a large number of biologists and ecologists for study. Tourism is one of the fastest growing industries in Nepal. It is an important source of foreign exchange earning as well as a source of employment opportunity. It was recorded that tourism sector provided direct employment to 80,000 people in 2001 and was contributed 12 percent and 3.1 percent to the total foreign currency earning and in total GDP respectively in the same year(Tenth Plan,2002-2007).

The history of wildlife conservation though, started since Rana regime (1846 – 1950) in the Chitwan Valley as a privileged class hunting ground but Nepal embarked upon modern era of wildlife conservation with the enactment of National Parks and Wildlife Conservation Act in 1973. The Department of National Parks and Wildlife Conservation presently work with a network of sixteen protected wildlife areas including 5 buffer zones around national park covering a total of 26,971 sq. km. of the country's total land. It was established to conserve, restore and manage the rich and varied fauna, flora and the landscape of the mountainous country of Nepal.

Altitudinal variances in short distance give Nepal's biogeography variety that range from lush forests and sparse alpine deserts to luxurious grasslands in lowland Tarai. The Himalayan country also shelters some of the world's rare animals. Sagarmatha (Mt. Everest) National Park and Royal Chitwan National Park with typical natural, cultural and landscape characteristics were listed as World Heritage Sites in 1979 and 1984 respectively. The Koshi, Tappu Wildlife Reserve, a wetland of international significance, was declared a Ramsar site in 1987.

3.4 Forest Resources

The forest is one of the main sources of wildlife tourism in Nepal. It can be classified into three major types on the basis of altitude and composition, which comprises about 29 percent of total land area of the country (CBS, 2007).

3.4.1 Tropical Deciduous Monsoon Forest

This includes the Tarai and the broad flat valleys or Duns found between successive hill ranges. The dominant tree species of this area are Sal, Semal, Asna, Dalbergia spp and other species, and Pinus Roseburg occurring on the higher ridges of the Churia hills, which in places reach an altitude of 1800m. This tropical zone is richest area for wildlife, with gaurs, buffaloes, four species of deer, tigers, leopards and other animals found in the forest areas rhinoceros; swamp deer and hot deer found in the valley grassland and two species of crocodile and the Gangetic dolphin inhabiting the rivers. The principal birds are the peacock, jungle fowl and black partridge, while migratory duck and geese swarm on the ponds and lakes and big river of Tarai.

3.4.2 Subtropical Mixed Evergreen Forest

This includes the Mahabharat Lekh, which rises to a height of about 2400m and comprises the outer wall of the Himalayan range. Great river such as the Karnali, Narayani and Sapta Kosi flow through this area into the broad plains of the Tarai. Among the tree species characteristics of this region are *Castenopsis Indica* in association with *Schima Wallichii*, and other species such as *Alnus nepaiensis*. The variety and abundance of the flora and fauna increase progressively with decreasing altitude and increasing luxuriance of the vegetation. This zone is generally poor in wildlife. The only mammals, which are at all widely distributed, are wild bear, barking deer, serow, ghoral and bears. Different varieties of birds are also found in this zone.

3.4.3 Temperate Evergreen Forest

Northward, on the lower slopes and spurs of the great Himalayas, Oaks and Pines are the dominant species up to an altitude of about 2400m above which are found dense conifer forests including *picea*, *Tusage*, *Larix* and *Abies* spp. The wildlife of this region includes the Himalayan bear, serow, ghoral, barking deer and wild bear, with Himalayan Tahr sometimes being seen on steep rocky faces above 244m. The red panda is among the more interesting of the mammals found in this zone. It appears to be fairly distributed in suitable areas of the forest above 1800m. The rich and varied Avifauna of this region includes several spectacular and beautiful Pheasant, including the Danphe, Nepal's national bird. Nepal, therefore, is unique in being a blend of three distinct types of fauna, which reflects enormous potentiality of wild tourism.

3.5 Protected Areas and Wildlife Reserves

Protected areas are perhaps the prime sites for wildlife tourism since they offer some guarantee of maintaining their attraction in the long term through a strong legislative regime. Nepal's rich bio-diversity renders to deal as an eco-tourism as well as wildlife tourism destination. The 18.33 percent of the country's total land accounts for its sixteen protected wildlife areas across the country. Among these, nine are designated as national parks three are wildlife reserves, three are conservation areas and one is a hunting reserves (NPWC, 2003), which is shown in map 3.1 as under.

Map Protected Areas and Wildlife Reserves



- | | | | |
|----------------------------------|-------------------------------|------------------------------|-----------------------------------|
| ① Shukla Phanta Wildlife Reserve | ⑥ Dhor Patan Hunting Reserve | ⑪ Parsa Wildlife Reserve | ⑬ Koshi Tappu Wildlife Reserve |
| ② Khaptad National Park | ⑦ Mustang Conservation Area | ⑫ Shivapuri Wildlife Reserve | ⑭ Kangchenjunga Conservation Area |
| ③ Royal Bardiya National Park | ⑧ Annapurna Conservation Area | ⑬ Langtang National Park | ✈ International airport |
| ④ Rara National Park | ⑨ Manaslu Conservation Area | ⑭ Sagarmatha National Park | ✈ Major domestic airport |
| ⑤ Shey Phoksundo National Park | ⑩ Royal Chitwan National Park | ⑮ Makalu-Barun National Park | ✈ Domestic airport |

• Royal Chitwan National Park

The Royal Chitwan National Park offers a wilderness of rich ecosystem that includes mammals, birds, reptiles and water animals of several kinds. It is little surprising that this is one of the most popular and most frequented parts of the country. Owing to its rich adornment of nature, the park was declared **UNESCO Natural Heritage Site** in 1979, covering an area of 932 sq.km, the park includes hilly areas of Shivalik range covered by deciduous forests. One fifth of the park is made up of flood plains of the Narayani, Rapti, and the Renu rivers.



There are around 600 plants, 50 mammals, 526 birds and 49 amphibians, reptiles found in the park. The highlights, of course are the 500 Asian one-horned rhinoceros and some 100 nocturnal Royal Bengal tigers that live in the dense forests of the park. Sharing home with these are other animals like

rhesus monkey, grey langur, deer, leopards, wild boar, wild dogs and wild cats, the white Sockinged gaur (the world's largest wild cattle) and many other smaller animals. The swampy areas and numerous oxbow lakes of Chitwan provide a home for marsh crocodile. In a stretch of the Narayani River is found one of the few remaining populations of the rare and endangered fish-only eating gharial, or Gangetic crocodile. A rare attraction is world's fresh water dolphins variety sometimes seen in river Narayani.

- **Shey Phoksundo National Park**

It is the largest national park and covers 3,555 square kms, sitting astride the Dolpa and Magu districts of Western Nepal. The park was established to protect the trans-Himalayan ecosystem found only in few areas of kingdom. The unique park includes the Kanjiroba Himal, with many peaks of over 6,000m, as well as the famous Shey Monastery, the Phoksundo Lake and the Langu Gorge. The wildlife of Shey-phoksundo includes a good population of blue sheep and ghoral, muskdeer, leopard, wild dog, wolf, marmot, weasel, mouse hare, rhesus and langur monkeys. The adjoining Tibetan region is home to such rare animals as the great Tibetan sheep, Tibetan wild ass, Tibetan gazelle and antelope, and wild yak. Bird species of the park include the Impeyan and cheer pheasant, chough, raven, Tibetan snow cock, Tibetan tit, brown dipper, Himalayan griffon and lammergeyer

- **Langtang National Park**

It is one of the most unspoiled national parks of Nepal. Situated to North of Kathmandu, it is the most easily accessible highland sanctuary from the capital. Langtang covers 1,710 sq. km, forming the upper catchment areas of two of Nepal's largest river systems- the Trishuli and koshi. The animals, common to these forests are wild boar, Himalayan black bear, ghoral, grey langur monkey and leopard. The rare Himalayan honey guide has been sighted here and the park is also the home for Impeyan, Tragopan and Kalij Pheasants among others. Larch, a rare deciduous conifer, is also found in the forest of lower Lantang valley. Further-up, Himalayan taur, musk deer and snow leopard are also found in this park.

- **Makalu-Barun National Park and Conservation Area**

It is situated in the Sankhuwasabha and Solukhumbu district in West Nepal. The park covers 2,330 sq. kms and one of the prime attractions for

visitors to the park is its offer to experience the unique Himalayan bio-diversity. There are 47 varieties of orchids, 67 species of bamboos, 15 oaks including Arkhoulo, 86 species of food fodder trees and 48 species of primrose. Over 400 species of birds have been sighted in the Makalu-Barun area, including two species never before seen in Nepal, the spotted wrenbabbler and the olive ground warbler, wildlife includes the endangered red panda, musk deer, Himalayan black bear, clouded leopard and possibly Snow leopard, in addition to more substantial populations of ghoral, thar, wild boar, barking deer, Himalayan marmot weasel, common langur monkey and the serow.

- **Royal Bardia National Park**

It is situated on the Eastern banks of the Karnali River, about 400 kms, west of Kathmandu. The park is 968 sq. kms. in area and extends from the Churia hills Southward to the gentle slopes of the 'Bhabhar'. Bardia is the home of a wide variety of animals, many of which live in and around the phants. The most conspicuous of which is the spotted deer. Other ungulates include block buck, hog deer, samber deer, wildboar and barasingha or swamp deer. The park is famous for its small herds of wild elephants which are rarely seen. The park also boasts a small population of the rare gharial, the marsh mugger crocodile and the Gangetic dolphin. The karnali and Babai rivers attract a large number of wintering waterfowl along with resident species such as herons, kingfishers and wall creepers. More than 350 bird species have been recorded in Bardia, truly a bird watcher's paradise.

- **Sagarmatha Nation Park**

This park was declared a **World Heritage Site** in 1979 which includes Mt. Everest (8,848 M.) and other high peaks such as Lhotse Shar Cho oyu Ama Dablam, Pumori Kangtega etc. Sagarmatha National Park is 1,148 square kms. in area and consists of the upper catchment areas of the Dudh Koshi, Bhothe Koshi and the Imja Khola rivers. Much of the park lies above 3,000m. Sagarmatha is rugged, with deep gorges, glaciers and unnegotiable ice and rock faces. Tree such as rhododendron, birch, blue pine, juniper and silver are found upto an altitude of 4,000 meters. Wildlife most likely to be seen in Sagarmatha is the Himalaya tahr, ghoral, musk deer, pikka (mouse hare), weasel and occasionally jackal. Other rarely seen animals are Himalayan black bear, wolf, lynx and snow leopard, Birds commonly seen are Impeyan

pheasant, blood pheasant, snow cock, snow pigeon, red billed and yellow billed chough, Himalayan griffin vulture and lammergeier.

- **Khaptad National Park**

A newest park area is in the middle hills of the Far-West of the country. The 225 square kms, area of the park is situated where the districts Bajhang, Bajura, Doti and Achham meet. Khaptad is plateau of grassland and forest cover at an elevation of about 3,000 meters. This habitat provides good cover for bear, leopard, barking and musk deer, as well as birds like the Impeyan, Kalij and Kokals pheasants. At the north eastern corner of the park, a small serene lake and swampy area called Khaptad Daha is a religious site where Hindu pilgrims come to worship Shiva on the full moon of July-August each year.

- **Rara National Park**

This is Nepal's smallest and most scenic national park situated about 370 kms, north - west of Kathmandu. It covers the area of 106 sq kms. Lies at an altitude of about 3,000 meters forested by conifers. The biggest lake in Nepal, which is known as Mahendra Tal also lies here. The habitat supports animals like the red panda, black bear, yellow-throated martin, goral, serow and musk deer. The lake attracts migrant wildfowl like teals, Pochards and mallards. Resident birds include the Impeyan, Kalij and blood pheasant as well as others like chukkor partridge.

- **Shivpuri National Park**

The Shivpuri Park (144 sq. kms) is the major watershed supplying drinking water to the capital city of Kathmandu. Lying in the transition between the subtropical and temperate climatic zones, its diverse vegetation is composed of pine, oak, rhododendron and others. The park is rich in wild mushrooms (129 species). The wildlife found in the national park includes Himalayan black bear, leopard, jungle cat and rhesus monkeys. The park is home to over 177 species of birds including 9 threatened species, over 100 species of butterflies including rare and threatened.

- **Royal Sukla Phanta Wildlife Reserve**

The wildlife reserve is situated in the extreme south-west of Nepal. The name of the park is derived from the largest grassland which is known as Sukla-phanta. The park area is 155 sq. kms and would be 305 sq. kms after the completion of its extension. The reserve now shelters almost 2,000 swamphens.

deer, around 50 wild elephant and 30 tigers. Other animals found here are spotted deer, blue bulls, barking deer, hog deer, wild boars, leopards, jackals, langurs and rhesus monkeys. Among the birds the reserve provides habitat to sarus crane, swamp francolin, grass owl and the endangered Bengal Florican. Reptiles' species include marsh mugger, crocodile, cobra and python.

- **Parsa Wildlife Reserve**

The Parsa Wildlife Reserve provides a rare opportunity to experience the nature and culture to Nepal's terai. The reserve covers 499 sq. kms, spread over parts of Chitwan, Makawanpur, Parsa and Bara districts. The vegetation is tropical and subtropical mostly covered with Sal forests while the hills are covered with chir, pine, khar, silk cotton are found along water areas. The reserve provides good habitat for animals like wild elephant, tiger leopard, sloth bear, blue bull and wild dog. Other common animals in the reserve are sambar, chital, hog deer, jungle cat, langur monkey etc. There are 527 species of birds in the reserve; one being the endangered great hornbill found in certain parts of the forest. Other bird species include peafowl, red jungle fowl, and wood peckers. Birds and animals apart the reserve also habitats snakes like king cobra, common cobra, krait and Python.

- **Koshi Tappu Wildlife Reserve**

This wildlife reserve has carved a place for itself as a birdwatcher's paradise. The reserve covers the area of 175 sq. kms and spreads over Saptari and Sunsari districts in East Nepal. The reserve had been recognised as a wetland site from 1987. The vegetation of the reserve is mainly grassland with patches of scrub and deciduous reverie forests. The reserve has recorded around 439 species of bird variety, some of which fly all the way from Siberia during winter. A wide variety of ducks, herons, storks, egrets, and ibis are seen on the riverbanks. Koshi Tappu Reserve also has one of the few elephant statbles of Asia. Other animals found here are wild buffalo, wild boar, hog deer, spotted deer, blue bell and jackals, Gharial Crocodile and Gangetic dolphin are other attraction.

- **Annapurna Conservation Area**

This conservation area has been claimed as one of the best trekking areas in the world. It is also the most visited trekking area in the country. Beginning 790 meters, the area reaches as high as 8.091 meters of Mt.

Annapurna. Ghandruk is the first experience and further down is Ghorepani that provides fantastic panoramic view of the Annapurna ranges. The vegetation in this region includes various species of orchids and rhododendron, wildlife includes around 100 different kinds of mammals including rare snow leopards and blue sheep. The region also boasts of around 478 species of birds including multi coloured Impheyan kokals and blood pheasants. In addition, the region is also home to 39 species of reptiles and 22 species of amphibians.

- **Kanchanjunga Conservation Area**

This conservation area belt lies below Mt. Kanchanjunga. The region with its alpine grasslands, rocky outcrop, and low river valleys, temperate and subtropical forests is situated in Taplejung district that borders with the Tibetan Autonomous Region of China. The KCA has been selected as one of the 200 global eco- regions recognised by world wildlife fund. Ten species among Nepal's 20 indigenous gymnosperms species and 15 among Nepal's 28 endemic flowering plants are found in this region. Wildlife includes endangered snow leopard, Himalayan black bear, musk deer, red panda, blue sheep and rhesus macaw. About 202 species of different birds including impheyan pheasant, red billed blue magpie, are found in the area.

- **Manaslu Conservation Area**

The Manaslu area in Gorkha district is a classic setting to experience pristine mountain nature and culture. The conservation area starts at 600 meters and is crowned by the eight highest peaks in the world Mt. Manaslu at 8,163 meters. The region is home to 29 species of mammals including snow leopard, musk deer and Himalayan Tahr. There are over 20 species of birds and three species of reptiles. Vegetation includes 200 species of plants, more than 50 of which are useful for various purposes.

- **Dhorpatan Hunting Reserve**

It is the only area in Nepal where licensed hunting is allowed. The reserve adjoins Myagdi district and Baglung district, spreading over an area of 1,325 sq. kilometers, the reserve begins at 3,000 meters reaching as high as 7,000 meters. One of the prime attractions for hunters is blue sheep, which is abundant in the area. Hunters also get pheasants and partridges in viable populations for hunting. Other animals found here are leopard, ghoral, serow,

Himalayan black bear, barking deer etc. Endangered animals in the reserve are musk deer, wolf, red panda, cheer pheasant and Danphe (Lophophorous).

3.6 Bird Watching Nepal

Nepal, unlike any parts of the world is considered as a paradise for bird lovers and ornithologists. Nepal only accommodates more than 848 species of the birds in the world. It is more than 8 percent of the world total. The Kathmandu valley and the surroundings, which has historic as well as the cultural value has almost 500 species. The major sites popular for bird watching could be counted as shivpuri conservation area, Nagarkot, Phulchoki area, Godavari area, Nahgarjun area, Bagmati River side, Taudaha among others in Kathmandu valley. Among them, Phulchoki hill, the highest peak of the valley rim situated 20 kms southeast of Kathmandu is the most popular bird watching spot with some 265 species recorded. Regularly recorded species include Besra, Black Eagle, Mountain Hawk-Eagle, Kalij pheasant, common Hill Partridge, Ashy Woodpigeon, Mountain scops owl, Collared owlet, Golden throated Barbet among others and a further 55 species have been known to visit the area as migratory or occasional visitors. Outside of Kathmandu valley, Chitwan National park, Bardia National Park and Makalu Barun National Park & Conservation Area are considered as the best places for the same. Chitwan National Park offers more than 450 species of birds including the endangered birds are the Bengal florican, Giant horn bill, lesser florican, black stork. Moreover, more than 45 species of amphibians and reptiles are visible into park. Chitwan National Park offers many finest lodges for the accommodation inside as well as outside the park area. One can stay as per his requirements to enjoy the bird watching.

Bardia National Park, which is considered as the best National Park after Chitwan National Park is truly a bird watcher paradise. Similarly Makalu-Barun National Park & Conservation Area, Shuklaphanta Wildlife Reserve, Koshi Tappu Wildlife Reserve, Shey- phoksundo National Park are equally rich in many species of birds. Phewa Tal and Begnas Tal and the surrounding areas in Pokhara are highly famous for the bird lovers. Terraced hills and light forest surround the lake. One should spend time on the slopes and wet fields. Birds sighted here are Ducks, Pheasant-tailed jacana, Hoppie Grey Bellied Tesias, common pintail snipe, bulbuls, etc.

3.7 Status of Tourists Visiting Protected Areas

Nepal's National Park and protected areas are the major wildlife tourist destination in Nepal. Table 3.1 shows the number of tourists visited to the protected areas during 2004/2007. A total of 74,010 tourists visited to several national parks and wildlife reserves during 2004. This number has increased to 74.9 (129,429), 13.7 (147,024) and 38.2 (203,275) percent in the year 2005, 2006 and 2007 respectively. Between the years 2004 to 2007, the annual average growth of visitors was recorded to 37.2 percent per year. While observing the data of country-wise visitors, third country visitors recorded 99.9 percent in 2004. Not even a single visitor from SAARC country and Nepal visited any park in the same year. SAARC countries recorded lowest share having fluctuated trend whereas trend whereas third country share was highest of 50.2 percent during 2007 (Table 3.1). Nepal's visitor was recorded highest share of 49.8 percent in the preceding year, 2006.

Table 3.1 Country wise Visitors to National Park & Protected Areas, 2004 - 2007

Year	National Parks and Wildlife Reserves															Share of Visitors %			
	SNP	RCNP	LNP	KNP	SPNP	BNP	RNP	DHR	PNP	KTWR	SPWR	MBNP	KPA	SNP	TOTAL	Growth rate %	Third country	SARC	Nepal
2004	20051	43061	3020	0	275	1004	7	0	0	549	19	131	388	5505	74010	-	99.9	-	-
2005	19522	52512	2735	0	113	1204	29	0	170	3990	43	70	81	48910	129429	74.9	48.9	2.9	48.2
2006	20693	60126	4562	1	159	2415	23	0	55	4342	136	115	365	54032	147024	13.6	47.8	2.4	49.8
2007	26511	86433	8165	9	368	3637	87	27	189	2166	136	261	328	73958	203275	38.2	50.2	2.8	47.1

Estimated

Source: Nepal Tourism Statistics, 2004, 2005, 2006, 2007, Govt. of Nepal

The Royal Children National Park recorded higher pressure of visitors of 86,433 in 2007, in comparison to other national parks whereas the Shivpuri National Park received second highest number of visitors as 74, 958 in the same year. In terms of visitors' attraction, the Sagarmata National Park (SNP) occupied third highest number of visitors as 26,511 during 2007. It is clear that the visitors' attraction for the parks of Nepal has been increasing day by day in a faster rate which indicates a higher prospect of wildlife tourism development in the country.

3.8 Problems and Challenges

It is obvious from the fact that the wildlife and natural habitats of Nepal are the major sources of wildlife tourism in the country. Its wildlife and natural beauty, unique in abundance and variety, is the wonder of the rest of the world but it was gravely affected in the past due to deforestation which caused soil erosion and landslides. Rapidly growing population with their subsistence socio-economic conditions exerted tremendous biotic pressure in the remaining forests. About 3, 00,000 people live in the 37 villages Development Committee around Royal Chitwan National Park owing to habitat loss and human induces activities, the population of tiger, rhinoceros and elephant has been gravely threatened (National Park, Wildlife Conservation Report, 1998/99).

Despite this, some national parks and wildlife reserves are not fully managed as per the requirements of international standard. Scarcity of trained guide or a tour operator and trained biologist staff etc. are drawbacks in the development of wildlife tourism in Nepal. Such guides who have operated tour for the tourists in different national parks and wildlife reserves are ill trained and less skilled in their activities due to which a few national parks and conservation areas could have marketed (Table 3.1) in Nepal. Since few years back the park of Nepal have been facing a lot of challenges in the preservation and conservation of its natural habitat and wildlife that includes soil erosion, flooding, wild poaching, livestock and crop depredation, pollution, plant succession and invasion by alien species and unregulated tourism etc.

Another major challenges for wildlife tourism as a whole is how to ensure that the protected areas are financially self- sufficient without detracting from their primary function of preserving biodiversity and natural value (Child, 1996). In this regard, Wells (1994) noted that 'there is growing consensus that Nepal's protected areas, despite their high economic value are entering a stage of crisis.

Several of the most important parks are experiencing serious problems as a result of (i) inadequate resources for the poor management, (ii) poor relation between protected areas and local communities and (iii) environmental degradation in and around parks related to tourism.

3.9 Suggestions and Recommendations

- To cope up with the threats and problems of wildlife and natural habitat, first and foremost measure is to check on the process of deforestation. Deforestation destroys the natural beauty, climate, rare animals and birds of the economy and, ultimately it will have bad impact on tourism.
- For the promotion and conservation of wildlife tourism in Nepal, all the National Parks including wildlife reserves, conservation areas and bird watching resorts should have facilitated with all the amenities for visitors. Such as Jungle lodge, safari park and resort and creative enrichment of drinking, feeding, dwelling sites and camping ground and trekking facilities etc. will be helpful to provide wildlife experiences, if possible include photographic darkrooms and information and advice centre is highly desirable. There should have some parks for small animals like reptiles and butterfly that would be a welcome experience for the tourists.
- National parks should provide modern equipments and adequate staff to carry out their function efficiently. The good access road for motorists is an essential feature of a national park. Properly planned and sited, access roads can introduce visitors to new aspects of a country's scenery and natural beauty. The road from the Kenya coast to the Tsavo park was planned to give over the Chyulu hills, with view so beautiful that they aroused enthusiasm among the staff and workers, both African and European(Huxley, 1961). Road system within parks also needs careful planning. It must be adequate to give visitors a good chance of seeing wild animals, but should leave considerable areas roadless and undisturbed.
- All national parks should also have a museum with maps and relief-models, explanatory diagrams and pictorial charts, study collections, exhibition collection of the main interesting animals and plant, fossils, geological specimens and diagrams, meteorological, historical, archaeological material, and a sector devoted to various aspects of conservation. Such museums, if well arranged, and if a curator or a park warden is available to answer questions and give advice, can be of the greatest service to visitors, and can

act as a valuable adjunct to the country's educational and museums system as well as a logical base for research. 'Treetops' venture in Kenya is an excellent example of such a venture where visitors can spend the night in a tree shelter with the certainty of seeing and hearing a variety of wildlife at close quarters (Huxley, 1961).

- A professionally trained guide or a tour operator is also an important ingredient of successful wildlife tour. The tour operator must know how to make detailed records of animals sighted for creating a research database. Such a database will not only be interesting for tourists, but also help for planning and managing wildlife encounters. The tour guides should also be able to highlight the importance of wildlife in terms of conservation and ecosystem function, interesting features of wildlife natural history, conservation threats faced by wildlife, current wildlife management issues for important species and day to day activities. Moreover the guides and tour operators should be familiarised with modern technology as it has enhanced dramatically to our capacity to provide real life experience to the visitors. For all this, at least one centre should be set up within the region to train men and women for such position.
- Similarly, all park systems (and equally all wildlife departments) should have at least one trained biologist on their staff. They should carry out research themselves and should provide research facilities for visiting scientists. A beginning in this direction is being made in Uganda, where the two national parks are being provided with small laboratories as field research centers.
- In addition to the management of the park, the following steps are necessary to be taken into consideration for the protection natural habitat and wildlife from the threats facing by them in different national park of Nepal.
- Special anti- poaching programme should be operated to combat the poaching.
- Live-stock and crop depredation by wild animals are required to be addressed to resolve the park people conflict
- Conduct various studies to understand ecological process or threats.
- Conduct studies to understand visitor's carrying capacity.
- Private sectors' investments as well as local community with a vested interest in wildlife tourism should be encouraged.

3.10 Conclusion

Wildlife tourism, in the context of Nepal is a recent phenomenon. Nepal is fortunate in being endowed by nature the unique resources of its wildlife and natural habitats. It is incredibly diverse, its greenery and biodiversity are of

international importance. The sixteen protected wildlife areas are designated across the country in a view to conserve them so that it can yield profit in the form of foreign currency. But those National Parks and wildlife reserves except few are either ill managed or not in a way to afford accommodation and basic amenities for the visitors due to the lack of financial resources. If the national parks and wildlife reserves of Nepal are efficiently managed and intelligently developed, they could become chosen places of world pilgrimage, where people of every race, creed and colour will come to learn, admire, and enjoy.

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Chapter 4

CHALLENGES AND OPPORTUNITIES OF ADVENTURE TOURISM: THE CASE OF NEPAL HIMALAYA



4.1 Introduction

Tourism is the world's largest, most diverse and fastest growing industry. Many nations rely on tourism as a primary source of generating revenue, employment, investment and infrastructure development. Travel and tourism directly and indirectly account for 11.7 per cent of world's Gross Domestic Product, generating US\$ 3.5 trillion revenue in 1999. A preliminary report released by the WTO shows that international tourist arrivals grew by 3.2 percent in 1999 to reach an estimated US\$ 657 million. Earning from international tourism also rose by 3.2 percent to reach US \$ 455 billion (Singh & Rana, 2006). Thailand during the recent Asian economic crisis, used travel and tourism as a catalyst for economic recovery, whereby international tourists bring in foreign exchange to stimulate economic growth and job creation, 200 million jobs which formed 8 per cent of world's total work force in 1999 were created through travel and tourism according to world Tourism and Travel Council's (WTTC) report. WTTC also forecast that it would continue to generate an approximately 5.5 million new jobs per year until 2010. International tourism is the world's largest export earner and an important factor in the balance of payments of many countries. Foreign currency receipts from international tourism reached US \$ 423 billion in 1996,

outstripping exports of petroleum products, telecommunication or any product or services.

Among the different categories of tourism, adventure tourism has already been identified as the most important recourse in recent decades (WTTC, 2003) and there is a substantial and growing literature on the development of adventure tourism (Beedie and Hudson, 2003; Cloutier 2003; Morgan 2001; Uriely et al., 2002). Defining adventure tourism is a difficult task because of its complex and multi-dimensional nature. However, some researchers have attempted to develop definition that can be used by academics and practitioners. Tourism Canada (1993), for example, defined adventure travel as an outdoor leisure activity that takes place in an unusual, exotic, and remote or wilderness destination. Similarly, Sung, Morrison & O'Leary (1997) suggested that adventure travel is "a trip of travel with the purpose of activity participation to explore new experience, often involving perceived risk or controlled danger associated with personal challenges in a natural environment or exotic outdoor setting." Hall & Weiler (1992) argued that adventure tourism is "a broad spectrum of outdoor touristic activities, often commercialised and involving an interaction with the natural environment away from the participants' home range and containing elements of risk in which the outcome is influenced by the participant, setting and management of touristic experience". It brings together travel, sport, and outdoor recreation. This experimental engagement makes it distinctive within the broader context. Attractions such as mountains, lakes, oceans, desert, island, and other wilderness areas represent escape locations that offers excitement, stimulation and knowledge.

Adventure tourism activities can also be differentiated according to risk continuum of 'soft' and 'hard' adventure (Lipscombe, 1995). Hard adventure is usually high risk, high involvement, challenging for participants, and participants often need to be physically fit (Mallett, 1992; Peterson, 1989; Rubin, 1989). Such activities include mountaineering, abseiling, caving, skydiving and scuba diving. Successfully meeting the challenges and dealing with the uncertainties and risk of such situations reinforce participants' feelings of confidence and competence. Soft adventure, however, are usually relative novices at the activity and setting and are looking for a carefully planned level of novel activity that provides excitement and emotional release (Lipscombe, 1995). Such adventure experiences are generally passive and rarely involve physical discomfort (Butler

& Waldbrook, 1991). Such activities include bush walking, hiking, horse riding, canoeing and snorkeling.

4.2 As an important Market Segment of Tourism Industry

Recently, there has been explosive growth in adventure tourism, with large numbers of consumers seeking novel, challenging and exciting adventure experience while on holiday. In fact, it is argued that adventure tourism is the fastest growing sector of the outdoor tourism market with an estimated annual growth of 15 per cent (Burak, 1998). Approximately one-half of US adult (98 million) has taken an adventure vacation within the past five years (Tsui, 2000) and this is predicted to grow in the future. Many travellers today prefer to experience a vacation, particularly those of beaten track, rather than spend their vacation sitting passively on a tour bus (Black & Rutledge; 1995; Tourism Canada, 1995; Vellas, 1995). Mallett (1998) finds that the total value of the NEAT Sector (Nature, Eco- and Adventure Tourism) in the United States has been estimated at \$ 220 billion per annum, or about half the size of the tourism industry as a whole. In particular, adventure tourism can be seen as a distinct NEAT Sector (Buckley, 2000), which exerts significant impacts on regional and national economies. Sir Edmund Hillary has observed that "Adventure tourism has blossomed into one of the world's most important economic activities (Hillary, 1991). Growth in the number of adventure travellers has been explosive in the last half of this century and can only be expected to increase (Kohl, 1988).

Meanwhile, the destination makers are excited about this growth market and suppliers are investing heavily into adventure products and services to capitalise on consumers' relatively high spend and environmentally sensitive nature (Wight, 1996; Ewert & Shultis, 1997). With a huge growth in this niche market of adventure travel, websites, books magazines, clothing suppliers, outdoor stores, travel agents and tour operators are proliferating- all catering for the specific needs of adventure tourism customers. The scope and diversity of adventure activities would seem to indicate that this niche market is relatively long term proposition for tour operators.

4.3 Aims of Study and Sources of Data

Despite its growing popularity and rapid expansion in the tourism industry, little systematic investigation has been attempted of adventure tourism (Sung et al, 2000). There is an immediate need for empirical research to provide useful information for both the industry and management. The majority of research focuses on the demand side of visitor needs and wants while neglecting the supply side of characteristics of adventure destinations. Analysis of adventure destinations for the purposes of tourism development and policy evaluation is still an underdeveloped research field (Weber, 2001). The purpose of this paper is to briefly review the challenges and opportunities associated with adventure tourism in Nepal and propose recommendations to improve the development of adventure tourism in the country. This study is based on the secondary data. The data and information are obtained from the statistical Year Book, Nepal, Tourism Statistical Report, 2004 and from other published documents of the Ministry of Culture, Tourism and Civil Aviation, Tourism Board, Nepal. Some other information related to the adventure tourism has also been collected from the journals, books and websites.

4.4 Nature of Adventure Tourism in Nepal

Mountaineering, trekking, nature tours into the lowland Tarai jungles and white water rafting are the main forms of adventure tourism in Nepal. These derive from a much longer list of adventure travel activities offered worldwide by US based adventure travel firms which is shown in table 4.1. River rafting is relatively new in Nepal but it has earned the reputation of one of the best destinations for white water rafting while several river offer rafting opportunities, 89 percent of all rafters in 1988 went on the Trisuli River, which is most accessible from Kathmandu. Jungle Safaris, although less developed in Nepal than in the African game parks (Rajotte, 1987), are popular in the lowland Tarai regions where exquisite habitat still remains for wildlife viewing. Nature tourism must, however, contend with the fact that wild habitat in Nepal is commonly sacrificed for national modernisation purposes. One of the goals of nature tourism is to call attention to the problems of habitat loss and endangered species and to provide economic support for their management (Boo, 1990; Laarman, et al., 1989).

Table 4. 1: U.S. Based Adventure Programmes Worldwide

Programme type	Destinations
Trekking	Argentina, India, Nepal, Pakistan, Peru, Turkey.
Vehicle Overland	China, Egypt, Malawi, Mongolia, Sahara region, Tibet, Tunisia, West Africa.
Natural History	Antartica, Brazil, Costa Rica, Ecuador, Gulapagos, Madagascar.
Wildlife Safari	Central Africa, Kenya, Tanzania
Archaeology	Egypt, Tunisia
Kayaking/Rafting	Mexico

Source: Author's U.S. Adventure Travel Industry Survey, 1989-90.

Mountain trekking is the most important adventure activity in Nepal. Group trekker are arranged and paid for abroad or in Kathmandu. Alternatively, individuals may trek without group service, relying instead on the village route for food and lodging. The purpose of mountain trekking is to pass slowly through the landscape allowing time to explore both nature and village life.

4.5 Nepal, a Paradise for Adventure Tourists

Nepal has mountains, hills and, even more important, the people to provide both the adventure and walking tour holidays that cannot be matched anywhere in the world. The small Himalayan country and over 1, 47,181 sq. kms of area is situated on the lap of Central Himalayas. The country has 79 per cent of its area under mountainous topography (Chauhan, 2004). The towering massive series of the mighty Himalayan ranges separated by some of the deepest gorges provides a picturesque scene for tourists.

In Asia, the Himalayas are the home of adventure tourism. Nepal is a trekker, rafter and mountain biker's 'paradise', whatever is one's level of competence or thirst for adventure tourism, Nepal has something for everyone. The majestic Himalayas are home to 8 of 14 highest mountains in the world above 8000 meters in height. Himalayan flora and fauna untouched for centuries, thrives here in abundance, adding a rare visual treat to one's adventure trip in Nepal. The great ridges carpeted in alpine flowers, forests of rhododendrons, exotic birds and animals are unforgettable sights while trekking.

Nepal has many rivers originating in the glaciers of the Himalayas which are the early tributaries of the mighty rivers of the plains. They offer opportunities for

various tourist attractions like white water rafting, canoeing and kayaking at different levels of difficulties. One can glide on calm water, drinking in the beauty of the surroundings or tumble through the roaring rapids. The pristine river banks offer crystal clear water for swimming and bug - free beaches for camping. Climbing, mountaineering, biking and trekking of different degrees of difficulties await one on every tour. Adventure tourism in Nepal also offers an opportunity to meet with likeminded people from all over the world who share a thirst for adventure, seek new places and want to learn how the rest of the world live. Further, travellers have the privilege and the joy of interacting with simple village folk who possess nothing by western standards but a life full of love.

4.6 Adventure Tourism Potential and Attraction

The Himalayan landscape of Nepal offers a multitude of diverse adventure-based tourism activities such as trekking, mountaineering, rafting, ballooning, bungee jumping, paragliding etc., which have made Nepal famous in international arena.

- **Trekking**

Among the many tourist adventure activities in Nepal, trekking is by far the most popular. The natural diversity of Nepal and a range of exotic culture make this country ideal for trekking. Most treks go through areas between 1,000 to 3,000 meters, although some popular parts reach over 5,000 meters above sea level. Protected regions along the Himalayas, like Shey Phoksundo National Park, Annapurna Conservation Area Manaslu Eco Tourism Area, Langtang National Park, Sagarmatha National Park and Makalu Barun National Park provide excellent trekking option in Nepal, which offer the unbeatable combination of natural beauty and cultural diversity ranging across easy walking excursions to the strenuous scaling of of the snowy peaks. Annapurna and Everest (Khumbu) are the two most popular trekking areas in Nepal in terms of visitors while Langtang is in third position. It is estimated that a total of 69,442 trekkers who visited Nepal in 2004 have been recorded. Out of them 42,347 or (61.0 percent) visited Annapurna area while those visiting the Everest and Langtang regions accounted for 20,051 or (28.9 percent), 3,020 (43 percent) respectively (NTS, 2004).

- **Annapurna Region**

The Annapurna region lies toward the north of Central Nepal. The region has been recognised as one of the world's best trekking trials according to recent survey (Bichsel *et al.*, 2002). The highlights of this part of Nepal are Annapurna peaks, Mt. Dhaulagiri, River Kali Gandaki and several other peaks. The most prominent ethnic groups of Annapurna region are Grung, Thakali and Manangha. Animals found here are Pika, blue sheep and Himalayan Tahr and vegetation ranges from tropical species to temperate forest of oak, beech and rhododendron. The popular trekking routes of this region are Jomsom, Annapurna circuit and Annapurna Base camp, Annapurna foothills, Sikles, Lamjung, and Dhaulagiri etc.

- **Everest Region**

The Everest region is located in the northeast of Nepal. It is a renowned tourist destination in Nepal and was declared a 'World Heritage Site' in 1980. It has a unique position in global mountain tourism; it has 5 of the world's 10 highest peaks and is the main centre of tourism within the region. This region is dominated by the mighty but hidden Mount Everest (8,848 m). The major ethnic groups that live in the Everest region are Sherpas, Rais, Tamang, Brahmins and Chhettri. Animals to be sighted in this region are goat, musk deer and barking deer, etc. Popular trekking areas are Everest Base Camp, Gokyo valley, Lukla, Pike Danda, Dudh Kunda, Chiwong Circuit, Hongu valleys and Everest to Arun valley. Namche Bazar, Khumbu's main tourist hub, has the appearance of a small town but has much better facilities and services other much larger, hill town in Nepal appear less developed than Namche.

- **Lamtang Region**

Lamtang area is to the north of Kathamandu valley. The scenery here is spectacular, and the trek more adventurous as the area is visited by fewer tourists. To the west of Lamtang is Ganesh Himal with a range of 6,000 to 7,000 meters. The forest in this region has temperate and sub-alpine vegetation. The main ethnic groups living here are Sherpas and Tamang. Wildlife includes migratory birds, deer, monkey and Tahr.

- **Mountaineering**

Mountaineering is another prime adventure attraction of Nepal. The mountains of Nepal have stood as irresistible landmarks for the adventurous of the world

since Nepal opened its door to visitors in the 1950s. It has become a great arena of mountaineering activity and the drama of success and failures have provided impetus to thousands of men and women to meet the ultimate challenge. With eight of the highest peaks in the world, it is hardly surprising that Nepal has been the stage for some of the most outstanding achievements in the world of mountaineering. The dauntless icy peaks have since decades, challenged the bodies and spirits of those daring enough to conquer the hulks.

- **Rafting/Kayaking/Canyoning**

Few rivers in the world are able to compete with the thundering rivers of Nepal. These rivers originated from the snow melt-down and the rains in the Himalayan region. The rivers run through twisted canyons, slice through valleys and are untamed for most people other than rafters. A river trip is one of the best ways to explore the typical cross-section of the country's natural as well the ethno-cultural heritage accompanied by a high degree of excitement. An extremely popular sport in Europe, canyoning is now available in Nepal. There are numerous rivers in Nepal which offer excellent rafting or canoeing experience.

The government of Nepal has opened sections of 16 rivers graded on a scale of 1 to 5 for commercial rafting. For white water rafting, Sunkoshi is one of the most enjoyable rivers in the country. The Karnali river is some of the most challenging rapids in the world while Sunkoshi is a big and challenging Nepal's raftable river. The below has shown some major rivers of Nepal (Table 4.2) which provide rafting service in the country.

Table 4.2: Major Rafting Rivers

Name of River	Location	Distance in K.M.	Famous for
Trishuli	Central region	35	Rafting/Kayaking
Sunkoshi	Eastern region	270	White water rafting/Kayaking
Marshyandi	Western region	47	White water rafting/Kayaking
Seti	Western region	35	Rafting/Kayaking
Kali Gandaki	Western region	70	Rafting/Kayaking
Karnali	Mid Western region	180	Rafting/Kayaking

Source: [www: Nepalinformatin.com](http://www.Nepalinformatin.com)

- **Paragliding**

Paragliding is a recreational and thrilling modern flying sport. It is nothing but a free flying foot-launched aircraft. Paragliding in Nepal is a relatively new adventure sport. However it has become very popular among thrill seekers. The thrill it provides to the adventure seekers is uncomparable. Floating in the air high above the snowcapped mountains is an extremely thrilling experience. It is something which every adventure lover longs to have. Paragliding is done in Nepal mostly in Annapurna range more specifically the Pokhara valley because, it gives marvellous view of the world's 8,000 m peaks. Several training schools in Nepal offer training in paragliding.

- **Jungle Safari**

The tropical jungle of Nepal's Tarai preserve boasts of some of the best wildlife habitat in the subcontinent. Nepal has 16 national parks, wildlife reserves and conservation areas. Jungle safaris on elephant back or jeep rides are offered at the Parsa wildlife Reserve, Royal Bardia National Park, Royal Chitwan National Park and the Royal Shukla Wildlife Reserve, all located in the Tarai.

- **Bungy Jumping**

The ultimate thrill of a bungee jump can be experienced in Nepal as one of the best sites in the world. Nepal's first bungee jumping site is situated 160 meters over the wild River Bhote Koshi. This site is located close to the Nepal-Tibet border at Barahbise and is a three hour bus rides from Kathamandu. The thrill of bungee jumping surrounded by some of the highest mountains in the world is truly an opportunity not to be missed by the lovers of adventure travel.

- **Hot Air Ballooning**

It is one of the oldest and safest means of adventure activity. Propane gas is fired into the balloon which heats the air and causes it to rise and once the balloon is filled with enough hot air, it takes to the skies. Once the balloon is full and systems double, the lines are let loose and the passenger basket is carried up over the morning fog and into the sunlit skies. The balloon is float at about 1200 to 1500 meters above the Kathmandu valley. From this altitude, the entire Himalayan range will be in sight providing 360 degrees of visibility as well as fantastic downward views of the Kathmandu valley itself.

- **Rock Climbing**

Rock climbing is another challenging sport for outdoor lovers. Most of the areas for rock climbing are situated toward the north of Kathmandu valley in the vicinity of the Nagarjun forest and the Shivapuri Watershed and Wildlife Reserve. Since one is a National Park, and the other protected area, trips to this place can be combined with hiking, bird watching and other activities. Shivapuri is 9 kilometers away from Kathmandu valley.

- **Boating**

Nepal, a country rich in rivers, provides an array of options for boating. Both rivers in the Terai plains and glacier fed lakes both can be availed for recreational boating which is a very refreshing experience. Phewa lakes in Pokhara are in particular very popular among the tourists. Baidam is center of tourism activities in Pokhara. Begnas and Rupa are located in the outskirts of Pokhara. Narayani and Rapti River are also famous for boating.

- **Mountain Flight**

This is the most fascinating flight in the world. This flight offers a panoramic view of the Himalaya in just one hour. During flight one can see the mightiest Himalayas including Shishra Dangma (8,013), Dorje Lakpa (6966 m.), Phurbi Chyachu, Choba Bhamre (5933 m.). Mt. Gaurishankar and other important peak like Sagarmatha and the glimpse of Kanchanjunga. The Nepal mountain flight take one within the camera range of some of the highest peaks in the world and cruising so close to the awe-inspiring massifs of rock and ice, is a heavenly experience.

- **Mountain Biking**

Nepal is the world's number one adventure playground for mountain bikers. From the flat land to Tarai to the terraced hillside farms, the vertical landscape soars towards the snow clad peaks of the Himalayas, inviting the world to share the adventures associated with this awesome landscape. The tropical lush vegetation is a rich contrast against the stark, arctic regions where winds have swept, sculpting amazing forms on arid valleys of the Tibeta Plateau. Mountain biking is an exciting way to see the exotic sights of the country, such as ancient routes on Trans-Himalayan traders and rural village life of Nepal.

A number of other attractions such as, jet scooter riding, ultra light aircraft flight, fishing and angling, hunting and sight seeing of cultural heritage offer a magnificent views and experiences to the lover of adventure tourism. In addition,

there are several special interest tours like orchid tours, culture trek, honey hunting, village tours, gulf tours, fossile hunting, meditation courses and seminars, etc.

To promote the adventure tourism and tourism as a whole, a large number of manpower as well as agency have been involved to cater their service to the industry since 1999-2007, which is shown in table 4.3.

Table 4.3: Travel, Trekking, Rafting Agencies and Licensed Manpower Guide (1999-2007)

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
Travel Agency	563	637	691	738	788	877	948	1026	1078
Trekking Agency	475	537	580	611	645	705	740	793	872
Rafting Agency	87	87	87	87	90	91	92	92	94
Tour Guide	1691	1854	1900	2001	2071	2149	2202	2271	2282
Trekking Guide	1967	2155	2745	3094	3457	3930	4395	4663	5098
River Guide	174	174	174	174	180	182	182	182	182

Source: Annual Statistical Report 2004, Ministry of Culture, Tourism and Civil Aviation, Government of Nepal.

Table 4.3 shows a positive growth trend. The number of travel, trekking and rafting agency including all kinds of guides increased year to year since 1999 to 2007, which signifies future prospect of tourism development.

4.7 Tourist Arrival Pattern and Development Trend

It is obvious from the above fact that the tourism in Nepal has great potential. However, mainly because of internal conflicts and security uncertainable regarding security, Nepal's tourism has seen a varied growth and fall pattern which is indicated in table 4.4 below.

Table 4.4: Tourist Arrival by Purpose of Visit (1999 – 2007)

Year	Arrival (Total)	Annual Average Growth Rate (in %)	Trekking & Mountaineering	
			Total Arrival	Share (in %)
1999	491,504	-	107,960	22.0
2000	463,646	-5.7	118,780	25.6
2001	361,237	-22	100,828	27.9
2002	275,468	-23.1	59,279	-21.5
2003	338,132	22.1	65,721	-19.4
2004	385,297	13.1	69,442	-18.0
2005	375,398	-2.1	61,488	16.4
2006	383,926	2	66,931	12.7
2007	526,705	37	101,320	19.2

Source: Nepal Tourism Statistics, Government of Nepal; Ministry of Culture, Tourism & Civil Aviation.

In the above table, the pattern of tourists' arrival has been fluctuated during 1999-2007. The highest tourists arrival was recorded to 526,705 in 2007, representing an annual growth rate of 37 percent. Although, the share of adventure tourists arrival was recorded to 27.9 percent in 2001 which came to decline by 21.5 percent to 12.7 percent between 2002 and 2006. A strong recovery was noted in 2007, the share of adventure tourists arrival rose by 19.2 percent.

Although, the largest number of tourists visited Nepal for recreational purposes (41.4%), adventure tourists had the highest average length of stay in the country, which accounted for 11.96 days. A total of 162 expedition teams were granted permission to scale different Himalayan peaks during 2007 out of which only 86 teams were successful in their attempt. The number of mountaineers was 1,128 while expedition teams employed 4,823 persons.

Foreign exchange earning in convertible currency from tourism was accounted for US \$ 230.6 million in 2007, which represented an increase of 641.7 percent over the earning of 2006. The share of tourism to the GDP of the nation was 1.5 percent and it accounted for 4.5 percent of the total foreign exchange earning during fiscal year 2006-2007 (Economy Survey-2007-2008).

It can be noted that Nepal had witnessed more or less a steady growth up to 1999. The decline in the tourist arrival however started from 2000. The main reasons for the poor performance in tourism were the political instability, conflict,

general strikes, bands which gave rise to negative publicity factor in international market about tourism in Nepal.

4.8 Problems and Challenges

Nepal has abundant natural resources which are extremely varied and diverse in attraction. Its landscape and adventure based tourism products are unique and is wonder of the rest of the world. However, tourism has affected in recent years due to a number of factors including the followings:

(i) Political instability, insurgency and disturbance. (ii) Poor infrastructure and low air connectivity. (iii) Limited road accessibility and lower quality roads. (iv) Poor service quality including in the first point of contact on arrival that is customs, immigration and airport halls. (v) Inadequate promotion and development of natural, cultural and religious attraction. (vi) Inadequate financial resources. (vii) Inadequate marketing and research. (viii) Absence of co-ordination in programmes and action between private sector and government and within the private sector despite the establishment of the Nepal Tourism Board.

4.9 Strategic Initiatives

In order to cope with the challenges of adventure tourism and to develop Nepal a renowned international tourist destination, the following strategies could be useful, promoting tourism growth in the country.

- **Infrastructure Development**

Accessibility of tourist destinations is one of the most important components of tourism development. This is one of the major constraints for expanding tourism activities of the country. In Nepal road density is about one half of the average of the least developing countries. The Government's effort in infrastructural development is not satisfactory. Therefore, the following steps would be highly effective for infrastructural development. (i) Quality road construction has to be initiated on a priority basis. (ii) Accessibility schemes must be developed by examining different alternative like air, road, trekking trails or a combination of all three. (iii) Upgrading and proper maintenance of existing roads, again on priority basis has to be initiated. (iv) Access to and from India and China by road needs to be built, widened and improved to attract rapidly rising middleclass population of these countries. (v) Microhydro or solar energy should be developed and grid electricity should be expanded in major tourist destination.

- **Air Connectivity**

A large number of tourists arrive in Nepal by air. The cost of airfare is therefore, an important element in the marketing of Nepal vis-à-vis other destinations. Due to operational limitations, wide body aircraft of the kind used for long haul flight cannot take off from Tribhuvan International Airport. As a result, tourists from European and American origins need to transit in the Middle East or South East Asia before arriving to Nepal in a smaller capacity aircraft. This makes the cost of flying to Nepal more expensive compare to other similar alternative destinations. In the long run, a second international air port should be built with a capacity and operational parameters to accommodate bigger size of aircraft. In the meantime, regional airport should also be upgraded to receive international flights. Biratnagar, Bhairahawa and Pokhara would all qualify for a new airport that could accommodate flights that originate within the South-East Asian Region.

- **Services and Hospitality**

Tourists have to suffer a long wait in a disorganised queue to complete a number of Visa and entry related formalities. Visitors have to rush and struggle against a number of disorganised hotel touts and porters, while risking being run over by vehicles that pass directly across the point where passengers emerge. Moreover, tourists report the condition of green plate taxis operating from the airport a disgrace. Much could be done to improve facilities like signposts, toilets, security system, and immigration procedure and so on for tourists at TIA. The following improvements need to be done: (i) Improvement of TIA services including immigration and transportation. (ii) Strengthening quality of teaching at all hospitality and tourism training institutes and promoting in-service training. (iii) Developing service monitoring mechanism. (iv) Enforcing developed standards in the services to be provided in hotels and restaurants. (v) Strengthening and expanding tourism information centres. (vi) Developing and implement security services in the tourist areas, especially in the context of developing wilderness and adventure tourism. (vii) Developing consumer (tourist) service strategy based on exit survey of the tourists.

4.10 Product Enhancement and Development for Tourism Growth

Some of the tourist destinations which need to be developed on a priority basis are as follows. It includes conservation, promotion and development of the tourist destinations.

(i) There are a few destinations, which have strong potential. These destinations, if developed, cannot only become the destination for overseas and Indian tourists but also can promote domestic tourism such as Rara Lake National Park (Mugu), Phoksundo National Park (Upper Dolpa) and Buddhist Monasteries in Upper Dolpa, Bardia National Park and Bidahiya Tal in Bardia are some of the other major tourist destinations that need to be developed. (ii) Tansen, a hill station, if properly developed can prove to be an attraction to foreign, Indian as well as domestic visitors. (iii) The tourism potential is extremely high in view of rich natural resources, bewitching scenery and unique cultural and ecological heritage. Close proximity to the astounding Himalayan ranges of Annapurna, Dhaulagiri and Lamjung Himal with two peaks above 8000 meter. Annapurna and Dhaulagiri and Machhapuchhre, one of the most beautiful peaks in the world, overlooking Pokhara valley, are some of the major trekking and sightseeing attraction of the country. (iv) Museums (including the mountaineering museum of Nepal) and sports (paragliding, rafting, hang gliding and rock climbing) provide additional attraction. (v) The Annapurna circuit is among the best trekking circuit in the world (ranked in top 20). The upper Mustang regions, up to Lomanthang, accessible by surface transport from Tibet, also provide a further attraction. Other major and very popular route to go to Manang via Beshi Shahar, Ghandrung, Annapurna base camp and up to Kali Gaudaki to Kagbeni and Muktinath, the latter being a site of religious importance. (vi) Trekking routes are famous in Rasuwa and Sindhupalchowk district in Central region. Trekking routes exist from Dhunche to Kenjingompa in Langtang via Syafru, Sundarikal to Hilambu, Panchkhal to Helambu, Melamchi to Helambu and Dhunche to Melamchi. These routes attract the third highest number of trekkers after Annapurna Circuit and Everest treks. The natural resources include Himalayas and the region has Ganesh, Langtang, Jugal and Rolwaling Himalayan ranges. (vii) There are many hill resorts within or nearby the valley like Nagarkot and Dhulikhel. (viii) Chitwan National Park and Parsa Wildlife Reserve are major tourist attractions, the former having the third largest tourism inflow after Kathamandu and Pokhara. Other

resources include historical sites in Chitawan and Bara, and areas like Daman, which could be promoted as hill stations. (ix) The Eastern region has three major trekking routes though; many more are feasible and should be developed. The most important route starts from Lukla airport and goes to Everest base camp via Namche, Thyang boche, Dinboche, Pheriche, Lobuche and Kala Pathar. The two other routes also go from Namche, the first to Gorakchhep and the second to Thame. Gorakchhep Lake and rivers like Likhu, Dudhkoshi, Sunkoshi and Kamala provide further attraction. (x) There are cultural diversity spots like Sherpa culture in Solukhumbu, and Gurung culture in Hills of Rumjatar. (xi) Makalu-Barun National Park (east of the Everest area, at the borders of regions (7 and 8) and Kanchanjunga conservation Area in the vicinity of Kanchanjunga (third highest peak in the world) offer good treks. Neither routes are popular and attract only nominal numbers of visitors. (xii) There are many sites capable of development as hill stations in particular Illam, Shree-Antu, Pashupatinagar, Bhedetar, Dhankuta and Hile. (xiii) Rafting along the Sunkoshi River.

4.11 Tourist Promotion

In order to increase the tourism potential in the economy the following marketing promotional strategies need to be forcefully pursued.

(i) Reducing the seasonal nature of tourism, which is often founded on incorrect assumptions about weather pattern and improving the seasonal and spatial distribution of visitors? (ii) Expanding the volume and value of tourism by repackaging and promoting presently available tourism products. (iii) Promoting lesser known attraction that lie outside the common perception of Nepal as a trekking destination and enhancing the growth of new tourism areas. (iv) Promoting Nepal tourism band.

Government of Nepal, Nepal tourism Board, Travel Industry, local bodies and NGOs should all work in a coordinated manner to decide on strategies, agree on action programmes and implementation and monitoring responsibilities. This is an appropriate time for tourism development must not be lost.

CHAPTER 5



CHAPTER – 5

PROSPECTS OF ECOTOURISM IN NEPAL

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CHAPTER 5

PROSPECTS OF ECOTOURISM IN NEPAL



5.1 Introduction

Ecotourism is the fastest growing segment of tourism industry, with an annual growth rate between 10-30 percent. Ecotourism currently comprises about 20 percent of the world travel market (TIES 2000). On a global level itself, World Tourism Organisation has identified it as the segment that will nurture growth of the industry in a big way. According to the WTO study, areas such as national parks and wilderness areas cover more than 10 percent of earth's surface and play a vital role in promoting tourism (Caprihan and Shivakumar, 2004). Recent research conflicting claim over the importance of ecotourism in New Zealand and Australia (Hingham et al. 2001; Coventry 1997). Hingham et al's research identifies 247 ecotourism operations nationwide out of 400 nature-based tourism operators. Coventry (1997) argues that ecotourism comprises about 4-5 percent of the New Zealand market

According to the International Ecotourism society, a market demand assessment survey of North American tourists commissioned by the Canadian Government in 1994 indicates that experienced ecotourists are usually between 35-54 years of age; are equally male and female (50% male and 50% female) tend to be more educated, spend more money, have a higher than average income and are more frequent travelers than general tourists (TIES

2000). Ecotourism usually involves tourists from developed countries (e.g. North America, Europe, Australia) visiting ecotourists destination in developing countries, although developed countries also have natural areas which draw ecotourists. Well established ecotourism destinations include Central and South America, Asia and the Pacific. Costa Rica was on the top ecotourism destination in the world during the 1990s. Nepal has experienced an explosion of ecotourism with the number of trekkers increasing 255 percent from 1980-1991. (International Ecotourism Society's 'Ecotourism Statistical Fact Sheet, 2001). In fact ecotourism has come to be regarded as the panacea that enables us to aggressively seek tourism dollars with no obvious damage to ecosystems.

Infact, ecotourism is intended to support the protection of natural areas by generating economic benefits through employment and income opportunities for the local community and local organisation which manage the natural areas. The global importance of ecotourism, its benefit as well as its impact has been recognized by the United Nations, which has designated the year 2002 as the International Year of Ecotourism. The International year of Ecotourism (IYE) is intended to encourage the co-operative efforts of governments, international and regional organisation and non-governmental organisations to promote development and protection of the environment, particularly in developing countries through ecotourism. It also offers an opportunity to review ecotourism experiences worldwide, in order to consolidate tools and institutional framework that ensures sustainable development in the future (Syiemlieh et al, 2004). To this end, many regional conferences and seminars on specific aspects of ecotourism took place during 2001 and 2002 worldwide. In the same year, in 2002, the world Ecotourism summit was culminated in Quebec, Canada.

5.2 Objective of the Study and Methodology

In this chapter we would like to examine the prospect of ecotourism in Nepal and assess the effort made for its sustainable development. The study is based on the secondary data. The source includes published and unplied articles, journals, publication and books related to ecotourism. An extensive web search was carried out for more recent information on ecotourism. Some data were collected from the tourism concerned governmental and non governmental organisations, such as Ministry of Population and Environment, Govt.of Nepal, Ministry of Culture, Tourism and Civil Aviation, Nepal Tourism Board and Nepal Mountaineering Association, etc.

5.3 Ecotourism as a Concept

Ecotourism is a new concept in tourism industry. It is said that ecotourism is the outcome of environmental movement of 1970s and 1980s. It is an amalgamation of two separate concepts; ecology and tourism, but viewed jointly the coinage assumes great significance both for ecological conservation and development of tourism. It ensures satisfaction and is conducted for small homogenous groups. Its inspirational and emotional approach is valuable because it does not aim to looking at the nature as a consumable item but as something to be appreciated for its own sake ([www. Inianexpress.com](http://www.Inianexpress.com)).

It is an enlightening, participatory travel experience to natural environment. Ecotourism ensures the sustainable use of environmental resources, while producing viable economic opportunities for the host communities (CET, 2000). Ecotourism in simple words means management of tourism and conservation of nature in a way so as to maintain a fine balance between the requirements of tourism and ecology on one hand and the need of local communities for jobs, new skill, income generating employment and a better status for women on the other. The first formal definition of ecotourism is created by Ceballos Lascurain (1987). According to him, ecotourism is 'traveling to relatively undisturbed natural areas with specific objectives of studying ,admiring and enjoying scenery and its wild animals and plants as well as existing cultural manifestations (both past and Present) found in these areas (Ceballos Lascurain,1987). By this definition, nature-oriented tourism implies a scientific, aesthetic or philosophical approach to travel, although the ecological motivated tourism need not be a professional, scientific, artist or philosopher. The main feature of such tourism is that the person who practices ecotourism has the opportunity of immersing himself/herself in nature in a manner generally not available in the urban environment (Boo, 1990; Fillion et al, 1994).

Ecotourism has different connotations to different people in their varying relationship within the ecotourism industry, from tour operators to conservationists, to actual tourists. According to Scace (1993) natural travel is an experience that contributes to conservation of the environment while maintaining and enhancing the integrity of the natural and socio-cultural elements. He presents it as a new tourism strategy that balances development and economic gains by stimulating local economies. It is seen as a new force that can benefit both nature and developing destinations(Ross and Wall,1999),while it is also expected to be simply a travel to enjoy and appreciate nature (Fillion et al.1994).

Nature tourism frequently uses simpler facilities and less expensive and less sophisticated infrastructure. Thus it may be practical in cases where funds for large scale development are not available (Sherman and Dixon, 1991). Therefore, from an economic point of view, it is expected to be beneficial for both the hosts and the visitors.

Ecotourism differs from other forms of tourism particularly due to the opportunity for observation and learning it provides to tourists and its contribution to cultural conservation and long term sustainability of communities and natural resources. Therefore, it is a form of sustainable tourism that benefits the community, environment and local economy. This may be achieved through various means such as employment for local people or programmes where tourists contribute money or labour to community activities such as free planning or conservation of local monuments or sites (Netherlands Development Organisation, Nepal, 2003).

5.4 Nature of Ecotourism

There is now a large literature on ecotourism; a journal (Journal of Ecotourism) is devoted to the topic, an encyclopedia has been published (weaver,2001) and a variety of books are available on the topic (Buckley ,2004;Fennell,2003).At the same time, there are many definitions of ecotourism and non are universally accepted (Blamey ,1995;Buckley ,1994;Orams 1995).Although the definition of ecotourism continues to evolve, some features of ecotourism have been widely accepted. These are as follows.

- tourism activity is based on nature and should be educational,
- the motivation of tourists is to enjoy the environment,
- tourism activities should not damage the environment,
- tourist should respect the culture of local people, and
- the local community should gain benefits from tourism.

Ideally, if these components are in place, the ecotourism should be a sustainable activity. Tourism, including ecotourism if not well managed, can damage the environment (Mathieson and Wall, 1982; Briassoulis, 1992; Liddle, 1997). However ecotourism should provide opportunities to enhance environmental management and reduce damage to the environment (Kangas et al 1995). For example, Warner (1991) indicated that ecotourism protects rainforests in Costa Rica, and Duff (1993) suggested that ecotourism benefits Australian parks. Calvin (1994) described a situation in South Africa in which an

ecotourism project was managed by an aboriginal community. They allowed tourists to experience their life and culture but in order to reduce outside influences; the number and types of tourists were regulated. This project provided income for the local community and also protected the environment. Thus, ecotourism can both harm and be used to protect environment. The key is appropriate planning and management with local support (Ross and Wall 1999). Nevertheless, it is a challenge to balance the benefits gained from ecotourism and its impacts on environment.

5.5 Tourism in Nepal's Context

Nepal is one of the least developed country in the world with 38 percent of the population living below the poverty line (NTB, 2003/04). About 80 percent of the people are dependent on agriculture for income and employment. Agriculture sector contributes 36 percent of GDP. The industrial sector in Nepal is small and industrial development is still in an early phase. In terms of development and resources, Nepal has many problems, even compared with the other developing countries. Its rank 145th out of the 179 countries on the UNDP Human Index (Antarim Plan 2008-2011). The GNP percapita is US \$318 per annum (SPB, 2006).

Nepal started planned development in 1955. Tourism has always been its integral part. From just 6179 tourist in 1962 and foreign exchange earning of mere US \$78000, today the industry hosts nearby 5,26,705 tourists (NTS 2007), and becomes the single highest foreign exchange earning industry ranking around US \$170 million every year. Larger part of this revenue generated from tourism is being increasingly spent on national development. It is believed that tourism industry alone employs 500,000 people directly or indirectly cutting across urban and rural boundaries and is expected to reach 1 million within the next ten years. Its contribution to GDP is 3 percent (approximately). It both directly and indirectly influences export and import industry, transport industry, encourages the development of cottage industry and consumes agricultural production as well as generates employment and earning opportunities in ancillary industry.

Given its geographical diversity and natural beauty, there are very few places in Nepal that couldn't attract tourists. There are many more waiting to be opened, many destinations, many parks, many rivers, and many villages. Nepal has unlimited potential and seamless opportunities for tourism development that are

yet to be fully explored. Since the eighth five years plan (1992-1997), the government has recognised tourism as a priority sector and has regarded it as a driving engine for economic growth and poverty alleviation. The impact of tourism has been wide and diverse from the flat land of Tarai to the glacial lake of the Himalayas, from porter earning Rs.150-300 a day to diligent and hardworking Sherpa and Thakali entrepreneurs, from indigenous Tharu groups in Chitwan to professionally singing Ganes, from traditional pottery making Newars to culturally rich Gurungs of Pokhara, from Kathmandu based travel agencies and handicrafts retailers to farmers, transport and commodity entrepreneurs. Tourism can alleviate poverty and help in national goals may sound abstract to some extent. Until a thorough research is done and a reliable database is created, it is actually hard to evaluate the benefits of tourism.

No doubt, tourism industry has served as a backbone of Nepal's economy for decades as it is largest foreign exchange earner in Nepal. In fact, Nepal has pinned its development hopes on the development and promotion of tourism industry (National Daily, 2003). Both government and private sector are collaborating for its development in Nepal. The government has brought about necessary policies, rules and regulations to create more conducive atmosphere for the development of tourism sector. As a result, Nepal's tourism industry has made significant progress within a short period of time.

5.6 Prospects of Tourism

Nepal is one of the richest countries in terms of natural resources, cultural and traditional heritages. It has seven cultural heritage sites in her bosom. Though it is very small in size, occupied just 0.03 percent portion of earth and 0.3 percent of land mass of South Asia but has got the greatest and varied concentration of wildlife, biodiversity, landscapes and culture (Grandon, 2006). It has more than 59 ethnic groups possessing their own cultural heritages and 70 spoken languages represent various cultural practices. It is the second richest country after Brazil in water resources and is home to almost 25 percent of Hindukush Himalayas. There are till now, eight National Parks, four wildlife reserves, three conservation areas, one hunting reserve including five buffer zones around National Parks in Nepal but all of them have not been exploited from tourism point of view. Except for Annapurna, Everest and Langtang and Chitwan. Most of the other parks, despite their unprecedented potential to promote eco and wildlife tourism, are untouched by tourism experience. For instance, Suklaphanta and Bardia National

parks are home to rare deer and dolphins and offer the best prospect for ecotourism on intra-regional and international levels.

Similarly, out of more than 1300 identified peaks, only 326 have been opened for climbing. The Far West, Western and Eastern regions are still home to many virgin peaks and pinnacles, which is a growing prospect for attracting mountaineers, adventures lovers and ecotourists. As many of these are less than 6000 meters are easily accessible for trekkers. There are equal paraphernalia of caves, lakes and historical forts which could be another attraction for ecotourists.

Mountain trekking is the main tourism activity in Nepal. There are only three trekking areas (Annapurna, Everest and Langtang) which have been fully opened and easily reachable. The rest Mustang, Upper/Lower Dolpa, Humla, Manaslu, Kachanjunga trek are restricted areas. Again there are many more trekking routes waiting to be fully opened like Dudhkunda, Bhairabkund, Kavre-Banepa trek and Nuwakot trek that include activities like from one-day hiking to 15-20 days of trekking. Trekking is an activity which can directly influence rural livelihood by providing employment opportunities and creating a perfect balance between conservation and development. Likewise, NTB's model ecotourists areas including Ilam, Palpa, Basantpur, Dhonushadham and Khaptad also offer immense opportunities of diversifying our tourist products. The four new trekking areas developed by TRPAP namely, Taplejung in the extreme east, Dopa in the West, Lower Everest, and Rupandehi in the mid west are already opened for trekking.

Furthermore historical places like Rainaskot (Lamjung) where we can find Bahuris Balan, Grung's Soratti, Gandharba's Sarangi dances, Chelo Hanne (traditional archery) in Taplejung, Bhuvvanch in Bajura, folk dances of indigenous Ranas, Tharu and Dagoras and Darchula's Chailya and Dadeledura's Hudke are some important ecotourism sites need to be preserved. Likewise there are traditional dances like Jumra, Wadka, Sukora, Lathi, Musra dances of Tharus of Tharuhut, Garra dances of Dang, Jajarkot, dolphin festival in kailai are waiting to be packaged in a better and attractive way.

In addition to this Nepal's flora, fauna, pristine terrain, impressive diversity make it a natural ecotourism destination. Among the most popular ecotourism destinations in Asia and Pacific, Nepal's position is sixth. In South Asia too major interest lies in the Central Himalayan region and Nepal occupies the central Himalayan position in the Himalayan region. The region as a whole comprises 2720 km. long arc of alpine terrain (Weaver, 2001).

The potential ecotourism sites in Nepal are represented in the table 5.1.

Table 5.1: Potential Ecotourism Sites in Nepal

Potential Ecotourism Sites	Location	Biological and Cultural signification	Available Tourism Products
Antu Danda	Eastern Devt. Region, Ilam	Pineforests,terraces,slopes,fi -at lands with varying vegetation, lakes and pounds,subtropical,Tiger Hill	Electricity, communication facility, camping grounds, simple tea stalls, simple accommodation, earthen roads and trails.
Maipokhari	Eastern Devt Region, Ilam	Dense forest, ground ,white rhododendorn,musk deer,leopard,porcupine ,jackle,rarebirds khalji,Tibetan duck and rare insects, religious and cultural site	Camping grounds, tea stalls, earthen road, manmade cultural, religious attraction.
Sandakpur	Eastern Devt. Region, Ilam	.flora, fauna, endangered species, red panda	Exceptional environment and nature, earthen road and trails camping grounds, bus service but irregular.
Kanyam and Fikkal Bazaar	Eastern Devt. Region, Ilam	tea garden and its greenery is something special	Communication, electricity, travels service souvenir shop, camping grounds, standard tea stalls, lodging.
Gajurmukhi	Eastern Devt. Region, Ilam	Cultural and religious sites, cave with carved image of god and goddess	bus service, trails for trekking tea stalls,accommodation,local guide service, etc.
Tinjuri Danda	Eastern Devt. Regoin, Taplejung	green forest,34 varities of rhododendron	Graveled road, bus service, tea stalls, and trekking trails.
Milke Danda	Eastern Devt. Region, Taplejung	Rhododendron forest, differ panoramic view of Himalayan ranges.	Camping grounds trails with standard tea stalls, trekking and mountain biking.
Ramaroshan	Far-Western Region, Achham	religious and historical site	Rock climbing, pony riding, standard tea stalls.
Surmadevi and Surmasarovar	Far Western Regoin, Bajhang	religious site	boating, local guide service
Devghat	Central Development Region, Chitwan	aesthetic,social,cultural,religi ous and historical site (temple of Charkresware Mahadev)	Simple tea stalls, lodges.

Dhanusha Forest	Central Devt. Region, Dhanusha	Religious site, sal trees, bushes, ponds	camping grounds, boating facility, souvenir, shops, local cultural programmes/
Parashuram Kund	Central Devt. Region, Dhanusha	religious site	pound, boating, village tour
Ranighat	Palpa	cultural ,religious and historical site	Trails, camping grounds, bird watching, rock climbing, village tour.
Madan Pokhar	Palpa	well-preserved an unique site in terms of religious, language customs and behaviour, etc.	local cultural programme guide service ,standard tea stalls, lodges
Kali Gandaki River	Karnali		white water rafting, mountain biking, pony riding
Khaptad National Park	mountain region	religious site tribeni confluence of three rivers with temple of Lord Shiva, oak, coniferous forest, flora, fauna, 135 species of flowers, 224 species of medicinal herbs, 226 bird species, and endangered species.	Trekking facilities, electricity, travel service, camping grounds, simple tea stalls and trails.

Source: NTB Publication, 2002 & Asian Development Bank, Ecotourism Project, 2002.

5.7 Current Status of Ecotourism

As far the distribution of ecotourism activities and ecotourists are concerned, trekking tourism is concentrated mainly in the Annapurna, Everest, Langtang regions and terai, which are protected areas.

There are different types of trekkers in Nepal. It is categorised on the basis of purpose of visit and the permit issued for trekking .The primary purpose of trekkers are considered as the main trekkers and other category like mid altitude trekkers, wildlife tourists, high altitude mountaineers and professional hunters. The former two categories are usually related to the ecotourism. Trekkers who trek for primary purpose are the main portion of ecotourists while rafters are adventure tourists and high altitude mountaineers are a special non trekker category (Weaver, 2001), though it is very difficult to demarcate which tourists are ecotourist in Nepal (Carlson ,2001).

The estimated data show that the total of 62,092 or 24.11 percent registered trekkers (international stay over) visited Nepal in 1990. This number

reached to 1,18,789 (25.53%) in 2000 but due to various reasons it declined to 59,644 (21.51%) and (65721 (16.93%) in 2002 and 2003 respectively. In 2004, a positive sign was seen in the number of trekkers grew by 69,442 (18.02%) and 66,931 respectively (NTS, 2007). In 2007, a total of 5, 26,705 tourists were visited in Nepal out of which 1, 01,320 (19.23%) were registered trekkers who visited to different protected areas of Nepal. Out of this 60,237 (59.40%) visited Annapurna area while those visiting the Everest and Langtan region accounted for 26,511 (26.50%) and 8,165 (8.10%) respectively (NTS, 2007), which is shown in Table 5.2.

Table 5.2: Number of Trekkers in Different Trekking Regions (1990-2007)

Year	Annapurna	Everest	Langtang	Others	Total
1990	34,361	11,314	7,826	5,386	62,092
1991	39,107	11,862	9,603	4,186	65,770
1992	42,553	12,325	9,457	5,970	71,439
1993	39,764	12,475	9,187	5,485	69,619
1994	44,733	13,461	8,167	7,870	76,865
1995	50,012	14,997	8,427	8,291	84,787
1996	52,399	16,921	7,687	8,688	88,945
1997	54,078	18,187	8,201	8,175	91,525
1998	65,587	22,826	10,952	10,002	1,12,644
1999	67,371	26,788	8,612	1,054	1,07,960
2000	76,407	26,683	10,917	1,022	1,18,789
2001	65,313	22,029	9,148	984	1,00,828
2002	38,642	13,982	4,798	243	59,644
2003	40,668	18,812	3,119	757	65,721
2004	42,347	20,051	3,020	801	69,442
2005	36,224	19,522	2,735	293	61,488
2006	37,901	20,693	4,562	663	66,931
2007	60,237	26,511	8,165	1,080	1,01,320

Source: Nepal Tourism Statistics, 2007

Tourists visited to Chitwan National Park and other protected area in 2007 is shown under the Table 5.3 given below.

Table 5.3: Visitors to National Parks and Protected Area, 2007.

Serial No.	National Park	Third Country	SAARC Country	Nepalese	Grand Total
1.	Chitwan National park	58,423	5,046	22,964	86,433
2.	Khaptad National Park	9	-	-	9
3.	Shey Phoksundo National Park	368	-	-	368
4.	Bardiya National Park	1,700	229	1,708	3,637
5.	Dhorpatan Hunting Reserve	27	-	-	27
6.	Parsa Wildlife Reserve	6	-	183	189
7.	Rara National Park	82	5	-	87
8.	Koshi Tappu Wildlife Reserve	290	-	1,876	2,166
9.	Shukla Phat Wildlife Reserve	58	-	78	136
10.	Makalu Barun National Park	261	-	-	261
11.	Kanchanjunga Protected Area	328	-	-	328
12.	Shivpuri National park	6,196	-	68,762	74,958
Total		67,748	5,280	95,571	1,68,599

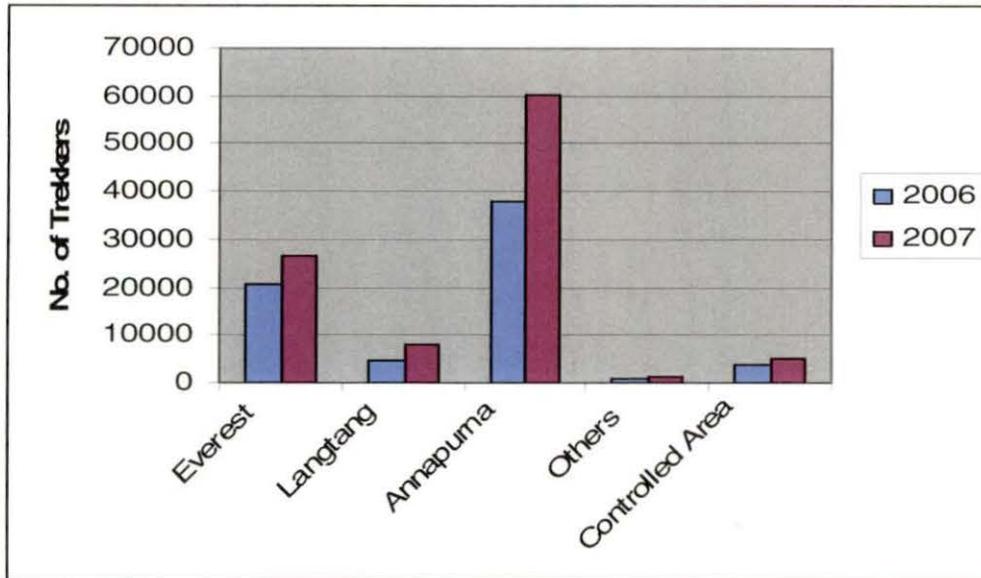
Source: Department of National Park and Wildlife Conservation, 2008.

The data for 2007 show that the highest number of tourists, a total 86,433 visited Chitwan National Park and 6196, and 1700 visited to Shivpuri National Park and Bardiya National Park respectively. Other, national park and reserves

could not receive sufficient number of tourists because of difficult terrain and so on.

Trekkers visited to different trekking area in 2006 and 2007 can be shown also with the help of a figure 5.1.

Chart 5.1: Number of Trekkers in Different Trekking Area, 2006/2007



5.8 Development Efforts for Ecotourism

Ecotourism in Nepal is a recent phenomenon. Although, some initiatives related to the conservation activities started in Nepal during early of 1970s. Royal Chitwan National Park established in 1973 and in the same year some protected areas were declared as the conservation zones. But the ecotourism activities started only after the inception of Annapurna Conservation Area Project (ACAP) in 1986, particularly after 1990s when a model ecotourism project 'Ghalekhark sickles' Ecotourism Project launched under the ACAP in 1992 was the first true ecotourism project in the country popularly known as 'Circuit Trekking Route and Ecotourism Development Project (CTREDP). During the same year Sagarmatha Pollution Control Committee (SPCC) started cleanup programme in Sagarmatha (Everest) region.

Similarly, various other ecotourism projects launched in different part of the country like Kathmandu Environmental Educational Project (KEEP), Upper Mustang Conservation and Development Project (UMCDP) (Under ACA), Manaslu Ecotourism Project (Under KMTNC) ADB Ecotourism TA (Technical Assistance) Project and Tourism for Poverty Alleviation Project, etc.

As it is stated above that the conservation initiatives got momentum in the decade of 1970s after the WWF (World Wild Life Fund) started its activities in

Nepal in 1967..The activities conducted by WWF helped a lot to the conservation process in the country. Trekking tourism which was almost in its infant stage during the decade of 1960s gradually developed during 70s and more quickly during 80s.In between 1985 and1995 trekking in Nepal took almost “U” turn. With the Development of trekking tourism and conservation activities, the tourism process picked up momentum and environmental concern of the tourism also brought under discussion which gave rise to various ecotourism activities in the country.

We will now discuss some of the important ecotourism projects of Nepal which has been playing a vital role in the promotion of ecotourism in the country.

5.8.1 Annapurna Conservation Area Project (ACAP)

In 1986, the King Mahendra Trust for Natural conservation (KMTNC) launched the ACAP, the first and largest conservation area in Nepal, covering 7629 sq. km.as an innovative concept in the protected area management system of the country (K.C.,2002).It occupied 5.8 percent of the total land area of the country and 28 percent of the total protected area. It is an area which was designed as an ICDP (Integrated Conservation and Development Programme) and is a well-known internationally recognised, best designed and well planned ICDP not in the Nepal but in the world. ACAP has been engaged in implementing ecotourism programme in the Ghaekharka sickles area funded by the government and the Asian Development Bank (ADB).

This project, comprising foot-trail construction, forest zoning, proper camping facilities for trekkers and other environmental conversation works, can be regarded as one of its kind for the promotion and development of ecotourism in Nepal. It follows the principles of maximum participation sustainability and a catalyst role. It is spread out in 5 districts of the Western Development Region of Nepal and covers 55 VDCs. It is divided into 7 unit conversation offices located in Jomsom, Manang, Lo-Manthang, Bhujang, Lawang, Sickles, and Ghandruck. ACAP carries out diverse set of activities since its beginning. It includes natural resources management and conservation, education and extension, community development, sustainable tourism management, women in conservation and development, agriculture and live-stock development, heritage conservation and reproductive and general health.

ACA is rich, not only in biological diversity but in cultural diversity as well. ACA, having ten ethnic groups, northern part of the area is dominated by Thakali

where as southern part is dominated by Gurung and Magars. The Gurung and Thakalis are famous for their hospitality. It is a leading trekking destination of the country, drawing more than 60 percent of the countries trekkers. It received around 60,237 trekkers in 2007. The number, however decline in 2000 onwards due to security problems in the the country. Similarly, the activities of ACAP are also influenced in recent years due to insurgency problems but it got pace after the peace settlement between Maoist and government of Nepal. Some distinguishing features of Annapurna Conservation Area have been shown in box 5.1.

Box 5.1: Some Distinguishing Features of Annapurna Conservation Area

- Annapurna Conservation Area comprises worlds deepest George Kali Gandaki, 3 miles long and .5 holes wide.
- A valley with fossils from the Tethys Sea dating back to 60 million years ago.
- The regions also contain world's largest Rhododendron forest Ghorepani.
- World's highest lake-Tilicho.
- One of the world's tallest peaks-Annapurna I and the sacred mountain Machhapuchhre 7 the stunning Trans-Himalayan zone of upper Mustang.
- It is the first protected area to allow the local residents to live within the protected area boundaries.
- Also unique in NGO managing a significant portion of tourism revenue.

Source: KMTNC, Profile of National NGO, ACAP, Two Years Retrospective Report 1998-2000

During the 1970s there were hardly any lodges in the Annapurna region, but the influx of hippies and budget trekkers changed the nature of tourism in the region, and the country as a whole. Today, the Annapurna region has over 1000 lodges and tea shops catering mainly to the independent trekkers and backpackers. Some of these lodges have been built in areas which had never been settled by local people, such as Ghorepani, Annapurna Base camp and Tolka. Even though the lodge settlements were illegal, the activities continued. Forests were cleared to build lodges and tea shops. Barren fields were used as campsites. Fuel wood was indiscriminately used. Local control over the use of

natural resources and tourism development in the region was lacking. Thus rapid deforestation, landslides, loss of topsoil, land and water pollution, and loss of wildlife habitats became very evident, threatening the environmental quality of the region and livelihood of the local people. Against this backdrop in 1986, the Government of Nepal assigned KMTNC to play an active role in tourism management. ACA is today a widely known conservation area and destination not only in Nepal but in other parts of the world as well.

5.8.2 Sagarmatha Pollution Control Committee (SPCC) and Sagarmatha National Park (SNP)

Sagarmatha Pollution Control Committee is one of the oldest ecotourism projects funded in 1991. With financial support of WWF and government of Nepal, it has been formed with a noble purpose of preserving the natural and cultural heritage of Sagarmatha (Mt. Everest) region. SPCC operates under the partnership of Tengboche Monastery, and has gained national and international recognition for its contribution to clean-up programmes. Initially, SPCC started some cleaning programmes in the Khumbu region along the trekking routes e.g., collection of bottles, plastic covers and other garbage left by visitors and remove it appropriately to clean the environment along the trekking routes. But later on activities of SPCC expanded and diversified that include tourism development community, cultural and environmental conservation. By expanding its activities, SPCC is gradually leading ecotourism conducting agency in the Everest region.

Sagarmatha (Mount Everest) is second major trekking route of Nepal after Annapurna Conservation Area which receives a significant number of tourists every year. In 2007, there were 25,511 (26.5%) tourist visiting the region also includes high mountaineer too. The Khumbu (Everest region) is world's famous trekking destination divided into three sub-regions. These are Solu, a hill area with moderate climate in the south; Pharak, (Pharag), a steep forested gorge stretching north wards along the Dudkosi River and Khumbu proper which includes five high valleys, leading north and west (Nepal, et al 2000). The trekking route from Namche to Kala Pathar is popular among tourists. Gokyo Lake and Chukung valleys also provide spectacular views.

Similarly, the Thame Valley is well recognised for Sherpa culture while Phortse is known for wild life watching (MOCTCA 2002). The region was declared Sagarmatha National Park in 1976. The region is very rich with well developed infrastructure particularly air strips and hotel, lodges restaurants as well as other tourist facilities. A significant portion of the local population has become tourism

dependent in the region, the notable positive tourism impact realised in the region is that Sherpa have emerged as one of the wealthiest ethnic groups in Nepal.

5.8.3 Langtang Ecotourism Area Project (LEAP)

Langtang is the third largest and most popular trekking destination covering an area of 1710 sq.km. It is divided over three districts. Rasuwa, Nuwakot and Sindhupalchok. This park was declared as a protected area in 1976. The region is unique in its natural resources, varied biodiversity and cultural heritage.

With view to support tourism management and local development activities in the region, Langtang ecotourism project was initiated by Langtang National Park in co-operation with the Mountain Institute (TMI). The main objectives of this project is to build capacities of the local communities as well as micro entrepreneurs along the major trekking routes of Langtang to manage environmental impacts of trekking in the region. The project carries out the activities like garbage management, pollution minimising as well as to promote cultural preservation.

5.8.4 Chitwan National Park Project (CNPP)

The terai region of Nepal constitutes a number of protected areas but ecotourism activities are centered mainly along Royal Chitwan National Park. The Park was designed at first in 1846 by the name of Chitwan Valley. Royal Hunting Reserves. The name of this park was again revised in 1959 as 'Deer Park' which was subsequently declared as the Royal Chitwan National Park in 1973 and extended to 932 sq km. in 1978. Chitwan was designated as a world Heritage site in 1984 (Roe 1997). The various projects that aim to generate awareness on ecotourism have been successfully run in Chitwan National Park, the biggest National Park in the country. The translocation of one horned rhinoceros, due to the increase in the numbers and to create a second viable wild population and preservation of Royal Bengal Tiger in Chitwan National Park as taken as example of successful operation of eco-tourism projects in Nepal (KC, 2002). Chitwan has supported a steadily growing tourist industry since 1974 and received some 58,423 visitors in 2007 (ASR, 2001).

5.8.5 Manaslu Conservation Area Project (MCAP)

The Manaslu Conservation Area was designated as conservation area in 1998. Occupying a total area of 1663 sq km., it lies in the Northern sector of Gorkha district adjoining the Tibetan Autonomous Region of China. It covers 7 VDCs of Northern part of the district. The region was opened for organised group

trekkers since 1991. Unlike the Annapurna conservation Area, the difficult terrain and limited access are major impediments in attracting more trekkers to the region. The eighth highest peak in the world Manaslu (8163 Mt.) is also an important attraction of the region. It has been handed over to KMTNC to be managed on the ACAP model. The main objective of the project is to facilitate and assist local people to better understand and realise their own skills for management of their resources in a sustainable and equitable manner while maintaining their culture and improving their traditional system.

The important activities carried out in MCAP are nature conservation, alternative energy, conservation education and extension, access improvement, community development, tourism development, women in conservation and development, agriculture development, health support and heritage conservation.

5.8.6 Kanchanjunga Conservation Area Project (KCAP)

The Kanchanjunga Conservation Area Project is another major conservation project in Nepal. It covers an area of 1650 sq. km, and later extended to 2035 sq.km. in 1998. The Project was initiated in March 1998 as a joint undertaking of DNPWC and WWF Nepal. Main aim of this project is promoting ecotourism on the basis of the conservation and preservation of natural as well as cultural resources and Community involvement.

Since, the project has been designed on ACAP modality and activities of KCAP are similar to that of ACAP. It includes formation of user groups, management committees. KCAP has further added its priorities as it insists to promote indigenous technologies in complement to poverty reduction, women participation and sustainable community development. The important activities of KCAP include mainly forest conservation, alternative promotion, tourism development, Community development and heritage conservation. The KCAP experienced tourism in 1988 for the first time, with 87 visitors. The number jumped to 328 in the year 2007. Although fewer than a thousand trekkers visit the area every year (Except for the year 2000), the flow of tourist in KCA has increased steadily.

5.8.7 Tourism for Rural Poverty Alleviation (TRPAP)

The TRPAP is an initiative of government of Nepal under the Ministry of culture, Tourism and Civil Aviation (MCTCA) with a technical and financial support from the United Nation Development Programme (UNDP) Department of International Development (DFID) and the Netherlands Development Agency

(SNV-Nepal). Basically the project is designed to promote rural tourism and to reduce rural poverty through the development of tourism. It focuses on rural poor, simultaneously integrating gender and environmental issues as well. The main features of the project are its poverty reducing programmes, tourism infrastructure development and environment protection activities.

TRAP is an important pilot programme which began in September 2001 in 48 VDCs of six districts Dolpha, Rasuwa, Solukhumbu, Taplejung, Rupandehi and Chitwan (Annual Report 2003).The Sagarmatha National Park component has been added to the six districts of TRPAP.

The main aim of this pilot programme is to support for the review and formulation of tourism development policies and Strategic planning. The programme will focus disadvantaged, approved and discriminated section of Nepal's rural women and men, lower casts and ethnic minorities. The programme will develop strong backward and forward linkages and will bring grass root participation in decision making process so that the benefits can reach to the poor in rural communities. It is expected that this programme will demonstrate tourism models for sustainable tourism development in Nepal. The policy outcome of this project guides to develop ecotourism policies in the future.

In addition to above there are other several conservation programmes such as the Tarai Arc Land and Shey Phokesando, Ghoda Ghod Tourism Management Plan, Bardia Integrated Conservation Programme, etc. were conducted in different parts of the country for the promotion of ecotourism in Nepal.

5.9 Role of Government in Promoting Ecotourism

For the development of tourism industry in the country, the government of Nepal has been playing a supportive role not only at the policy level but also in implementation. For example, it provides grant assistance for environmental protection activities on the one hand and makes institutional arrangements for the tourism sector on the other. In order to develop the industry as a backbone of national development and to maintain co-ordination and co-operation among the various agencies related with the tourism industry, a high level, Tourism council has been formed. The council performs such functions so as to remove difficulties for the sector, give policy level guidences to the sub-ordinate executive agencies such as Ministry of Tourism and Civil Aviation, Department of Tourism and Nepal Tourism Board to review plans or policies related to tourism. The Ministry of Tourism and Civil Aviation (MOTCA) designs policy and necessary

plan on the basis of the policy and guidelines of the Tourism Council and sees them implemented through the Tourism Board. Nepal Tourism Board is a National organisation, established by an act of Parliament in the form of partnership between the government and the private sector of tourism industry of Nepal. It started functioning as National Tourism Organisation (NTO) from January 1, 1999 (ADP, 2003/04).

The NTB is responsible for all the marketing activities aimed at promoting Nepal as premier destination. Although the initial phase of the functioning of the Board focuses on marketing and promotion, the ultimate aim of the NTB is to take over regulatory and product development activities as well. It is working towards repositioning the image of Nepal so as to market and promote Nepal aggressively and extensively both domestically and internationally. The NTB attributed to carry out various function for the promotion of ecotourism in the country as mentioned in Box No 5.2.

Box 5.2: Functions Of Nepal Tourism Board

- To develop and introduce Nepal as an attractive tourist destination in the International arena.
- To develop, expand and promote tourism enterprises, while promoting the natural, cultural and human environment of the country.
- To increase national income, to increase foreign exchange earnings and to create maximum opportunities of employment by developing, expanding and promoting tourism.
- To establish the image of Nepal in the international tourism community by developing Nepal as secure, reliable and attractive destination.
- To foster research related to the reforms to be made in tourism enterprises in order to provide quality services.
- To assist to establish and develop institutions necessary for the development of tourism enterprises.
- To develop Nepal as a tourism hub for South Asia.

Other key government agencies are the National Planning Commission (NPC) and the Department of National Parks and Wildlife Conservation (DNPWC). The National Planning Commission has strong influence on tourism policy. Tourism is included as major sector in NPC's five year plan. The Ninth plan 1998-2002 has recognised high prospect of Tourism, the plan proposed to developed tourism in accordance with the natural, socio-cultural and religious

environment of the country (Dahal 2007). In tenth plan, (2002-2007) the role of government was focused on effective marketing, re-establishment of Nepal's tourism image ,employment opportunities, increase in foreign currency, earning and to channel the benefits derived from tourism sector to the rural areas (Tenth Plan, 2008-2011)

The primary objectives of the DNPWC are to conserve the countries major representative ecosystems, unique cultural heritage and give protection to the valuable and endangered wildlife. The DNPWC has taken ecotourism development as an essential in its various project activities, whether it is Makalu Barun National Park or Bardia Integrated Conservation Project. District Development Committee (DDCs) and Village Development Committee (VDCS) are functioning under the Ministry of Local Development (MOLD) which play key role in promoting ecotourism in destination areas.

In addition to the line agencies, other agencies, organisation such as World Wildlife Fund (WWF) and the King Mahendra Trust for Nature Conservation (KMTNC) are responsible for tourism, especially ecotourism promotion. And other International Organisation such as the World Conservation Union, International Union for Conservation of Nature and Natural Resources (IUCNN) ,and International Centre for Integrated Mountain Development (ICIMOD) have also been helping in the development or ecotourism through their various conservation and development works.WWF has been supporting programme in Nepal for the last 30 years. Initially it focused on endangered species preservation and later expanded to include programmes in capacity building, conservation education and institutional support for the effective management of protected areas. WWF has given due consideration to tourism and more specifically ecotourism. It mostly provides financial and technical assistance to the implementing agencies like DNPWC and KMTNC. WWF has recently assisted DNPWC with producing detailed tourism plans for six National Parks and Conservation Areas.

KMTNC is an autonomous, non-profit organisation mandated to work in the field of nature conservation. A network of international partners supports the trust. Currently there are seven KMTNC partner organisations active in the UK USA, Canada, Germany, France, Netherlands and Japan. In two decades, KMTNC has undertaken over 100 small and large projects on nature conservation, biodiversity protection, natural resources management, tourism and sustainable community development.

Similarly an uncountable number of national and international NGOs are active in Nepal, many have identified ecotourism as a means to achieve their goals of poverty reduction, community development, environmental preservation and conservation. The Mountain Institute (TMI) is a INGO that has been working on integrated conservation and development programmes in Makalu-Barun since 1983. More than 20 fairly private sectors or associations have also been working in promoting the ecotourism industry in Nepal. The leading ones include the Trekking Agents Association (TAAN), Hotel Association of Nepal (HAN), Nepal Association of Travel agents (NATA), Nepal Association of Rafting Agents (NARA) and Tourist Guide Association of Nepal (TURGAN).

5.10 Conclusion

The Protected Areas (PAs) of Nepal are the major ecotourism destinations in the country. A lot of visitors are attracted to this area because of its biodiversity. Ecotourism is growing in several countries because of increasing visitors' interest in natural areas. A similar trend can be seen in Nepal. Despite the notable success of some projects in Nepal, ecotourism is mostly used as marketing strategy by tourism promoters. However, the success and long term sustainability of tourism in general and ecotourism in particular depend on careful management of the environment and natural resources and reasonable benefits for local communities. Therefore, these aspects need to be carefully considered in designing any future ecotourism project in the country.

As is evident from the discussion on National parks and conservation projects, some areas have high tourists' pressures while others are rarely ever visited. This indicates that ecotourism can be expanded to many other areas in the country thereby supporting economic growth in these areas. There is pressing need to change the current pattern of tourism flows and current concentrations in some highly publicised destination. Efforts are also needed to ensure equitable spread of benefits among the people in host areas by reducing over dependency on Kathmandu based goods and services.

Nepal hosts large number of ecotourism potential sites some of these sites are more accessible than others. Despite this obvious Potential, limited efforts have been made to link them with mainstream tourism development in the country.

The role of government institutions and other private institutions in promoting ecotourism is vital resulting in a successful operation of Annapurna conservation Area Project (ACAP). Now ACAP has become a model for conservation and development, not only for other part of the country but also for the rest of the world. It has been observed sometimes a number of organisations are engaged in running the conservation and development programmes in a single area which have ecotourism as major component. So owing to the lack of co-ordination there is duplication of activation resulting in unnecessary loss of scarce resources.

CHAPTER 6



CHAPTER – 6

TOURISM AND ITS SOCIO- CULTURAL AND ENVIRONMENTAL IMPACT IN NEPAL

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CHAPTER 6

TOURISM AND ITS SOCIO-CULTURAL AND ENVIRONMENTAL IMPACT IN NEPAL

6.1 Introduction

Tourism is, no doubt an important social and economic phenomena of modern times. It has become the preferred growth mechanism for many developing nations to promote and modernise the pace of development within the country. In the process of development, it is often the economic indicators that draw the most attention and tourism is seen as attractive as it generates foreign exchange, increases employment, attracts development capital and promotes economic independence (Britton, 1982). As tourism creates jobs and generates income 'tourism is therefore said to promote a level of economic development conducive to increase social well-being and stability' (Weaver&Oppermann, 2000). Tourism has always been regarded as a means of economic modernisation, but has not been seriously considered as a means of social and cultural modernisation. The concept of socio-economic modernisation emphasises improvement in various indicators, including improvement in living conditions and the quality of life and well-being of populations. Often these indicators include decreasing mortality rates, increase literacy rates, access to healthcare and clean water supplies as well as broader socio- political aims such as improving freedom of choice, increasing political autonomy, promoting the opportunity for endogenous decision making and the encouragement of self-reliance.

To what extent tourism can contribute to these indicators is difficult to say. Socio-cultural change in destination areas occurs not only through tourism but also due to a range of other reasons such as globalisation forces and the international media. In examining socio-cultural change, sociology, for example, tend to emphasise different aspects of life such as social structure. Action, culture and power functions (Calhoun, 1995). However, changes in these social conditions have been recorded long before tourism development became a major issue. Ancient Greeks recorded the social and cultural differences among their city states due to the exchange of social and cultural elements with various other people who came in contact with them (Calhoun, 1995). Exposure to different culture, people and social practices in form of long distance trade, military

movement, tributary legations, labour migration, pilgrimage, and so forth, has had a gradual influence and resulted in subsequent change in the host societies. Tourism as a new form of exposure to different cultures and social practices in recent years can influence social change, but its extent has never been clearly determined.

Nevertheless, tourism development in many developing countries is the major means of economic development. The magnitude of socio-cultural change is in part, determined by the extent of the difference between the host and guests. Inskip(1995) suggest that these differences include basic values and logic system , religions beliefs, traditions, customs, lifestyles, behavioural patterns, dress codes, sense of time budgeting and attitudes towards strangers. In addition, the speed at which tourism is developed and the form that the tourist development takes can also have an impact on the rate of socio-cultural change.

The main purpose of this chapter is to examine and reappraise the social and cultural impacts that have been associated with the rapid growth of tourism in Nepal. The impact of tourism on socio-cultural tradition and values is difficult to assess. In the short run, impact may be observed to be negative (positive) and in the long run, these impacts may be positive (negative).

6.2 Impact of Tourism on Society and Culture

Tourism is genuinely powerful and unique force for changing in the community structure. In addition to visible impact on the economy and the physical environment, tourism can contribute to social and cultural changes in host societies including changes in value systems, traditional lifestyles, family relationship, individual behaviour, or community structure. While staying in the destination, tourists interact with the local people and the outcome of their relationship reflects not only in the host individuals but also in the community's quality of life, value system, behaviour pattern, labour division, ceremonies and creative expressions (Cohen, 1984; Pizam and Millman, 1984). The larger the cultural and economic differences between tourist and local residents, the more obvious and more significant changes are taken place (Mathieson & Wall, 1982).

Changes in the host community's life are influenced by two major factors, the tourist host relationship and the development of industry itself. The main impact affected by the tourist- host relationship is the demonstration effect, when the hosts' behaviour is modified in order to imitate tourists (Boissevain, 1979; Dufield & Long, 1981; McElroy & Albuquerque, 1986; Greenword, 1989; D. G.

Pearce, 1989). For example, in Indonesia, an average tourist spends the equivalent of an average Indonesian's annual wage for a few nights in hotel and in Tunisia; a tourist spends the equivalent of a Tunisian's annual wage in one week (Tsartas, 1989, cited in Leontidou, 1994). The impacts of tourist host relationship are also reflected in the change in the language usages in the destination (White, 1974; Nettekoven, 1976; Brougham & Butler, 1977; Jeffs & Travis, 1989); the growth of alcoholism, crime, prostitution and gambling (Young, 1973; Gay, 1985; O'Grady, 1990) and the transformation (revitalisation or commoditisation) of the material and nonmaterial forms of local culture (Andronicou, 1979; UNESCO, 1976; Evans, 1994).

Besides the physical appearance of tourists and their encounters with local residents, the development of tourism industry also brings some changes in the host destination like changes in the quality of life, social system and social organisation while rapid and intensive tourism development results in different and usually less favourable impacts than organic impacts than organic and small scale development (Krippendorf, 1987; Pearce, 1989, Peck & Lepie, 1989). Moreover, the development of tourism industry also creates an opportunity for generating new employment in the destination (Crandall, 1987). Some other significant impacts of tourism on society and culture are the changes in the size and the demographic characteristics of host population (de kadt, 1979; Duffield & Long, 1981; Getz, 1986); alteration of the community structure (Haukeland, 1984), increased mobility of women and young adults (Mason, 1990; Kousis, 1996), infrastructural development in the destination, increased supply of services and consequently expanded standard of living for local residents (Snepenger & Johnson, 1991; Coccossis, 1996).

In the light of these positive and negative impacts of tourism, it is interesting to note that, in general those individuals who immediately affected in the western world see to be calling for control of tourism, while those in the developing nations, who must have to change to become modernised, wish to embrace it. Whatever may be thought about the impact of tourism, it seems to be inevitable. In any case, as Grung (1982) points out, traditional cultures and lifestyles will continue to change as a result of other influences. In the Hindukush-Himalaya, for example, be found that the presence of tourists created incentives for reviving many aspects of the local culture, including arts, handicrafts and architecture.

6.3 Analysis in the Context of Nepalese Society and Culture

Nepal's tourism system introduces to the remote regions new interaction between local people and foreigners. It fosters accumulation, the diffusion of ideas, innovation and new technologies that could prompt new life styles and aspirations. Consequently, the potential for socio-cultural impacts is great. Critics argue that the consequences for the local people may be negative when tourism views local traditions mainly as colourful assets to be exploited by the tourism industry. According to anthropologist Greenwood (1989),

*Treating culture as a natural resources or a commodity over which tourists have rights is not simply preserve, it is a violation of the peoples' cultural rights.....
The commoditisation of culture it affects robs people of the very meanings by which they organise their lives.*

Such a view predicts a gradual erosion of cultural identity, world views, social interactions and self-determinism among those traditional population adversely affected by tourism. Tourism proponents, however argue that traditional communities are exposed to all kinds of outside forces and that tourism at least represents one activities by which the people can benefit. For example, Nepalese geographer Grung believes that the country's primary problem is poverty and that a dynamic tourism industry should be vigorously pursued without sentimentality over its potential cultural impacts (Grung, 1984). The sociocultural impact of tourism, both negative and positive, is quite large and varies considerably from one locale to another

These impacts, however, in comparison to other forms have mixed effect in Nepal. The socio-cultural impacts are comparatively less damaging so far. Since ecotourism insists to preserve the indigenous cultures and most of the tourist sites in Nepal are either the trekking sites or the natural protected areas in Tarai which have been visited usually by natural tourists, the impacts are low degree whether it may be Sagarmatha, Annapurna or Lumbini, no such extreme impacts of tourism are visible so far.

The most distinguishing feature of socio-cultural impacts in Nepal is that these impacts are localised to the region they occur, e.g., tourism impacts in the Everest region have not influenced the whole Nepali society and culture (Shrestha, 2003) rather they are confined to the Everest region and Sherpa culture only. So it will not be appropriate to tell that whole Nepali culture and society is influenced by tourism in Everest and Annapurna region. No doubt, in true sense, tourism here is an important agent of socio- cultural changes

although not too much extent Sherpa, like Masai have definitely become westernised, involved with cash economy as a result of tourism. However, they have not lost essence of cultural identity and have been developed an enhanced sense of ethnic pride because of the valuations placed on their services and culture by tourists. In this sense they appear similar to Indonesia (Weaver, 2001).

Acculturation is the most significant social impact perceived particularly in the Everest region. Sherpas have become a celebrated people and received a great deal of international exposure due to the enrichment of indigenous culture (National Geographic, 1962, 1988, 1992; , Financial Times, 1996; Brower, 1991; Furer Haimendrof, 1975 ,1984; Fisher, 1990; Stevens, 1993). Similar changes have been perceived in Annapurna region too, where Grung culture is gaining popularity among western tourists. These people are known for their hospitality. Westernisation of culture with great changes in food, dress, language, family structure, community values and pattern of life cycle are the common socio-cultural impacts in Nepal. The socio-cultural impacts can be categorised as negative and positive.

6.3.1 Negative Impact of Tourism on Society and Culture

Changing lifestyle which degrades the traditional cultural values is one of the important negative socio-cultural impacts of tourism perceived in Nepalese society. The changes in lifestyle associated with tourism can be seen throughout Nepal where the large numbers of tourist are visited. In the Annapurna region, the number of new lodges, the electrification of villages, the seasonal demands for porters, hiring of ponies for tour groups, and the new practices of horticulture and growing food for tourists, all point to dramatic shifts in the way the mountain people conduct their lives. Such changes are not restricted to the mountain regions either. In the tarai, for example, the demand for nature guides at the wildlife parks and growth of services points to new opportunities for young people. In the urban centres Kathmandu, Pokhara, where much of the tourism is centered, the number of persons employed by travel agencies, airlines, hotel restaurants, cargo agencies and handicrafts shop has grown dramatically over the past three decades.

Fisher (1986) noted that, Sherpas wear either their own Tibetan costumes or the western but not a Nepalese dress. Obviously, the people either do (eat, wear) what they are habituated of doing within their culture or they copy some favourable items from them who are in repeated contact with them. A case study

reported that more than forty percent of respondents have realised changes in their dressing pattern, two percent realised small change in food habits and tastes, fifteen percent realised all type of changes and view of local people towards their life too has got some modification (Acharya, 2001). Actually the food habit and taste to which the local people are accustomed from many years is very hard and needless to be modified though the need for tourists satisfaction have diversified the menu too. Such a diversification of menu is very important impact from the cultural standpoint. The information about foreign culture, which the local people can daily observe has made them attracted towards the accessories like camera, vehicles, watches, etc. as well as the intention to go abroad to enjoy foreign life-style and earn money. Tourism even in Lumbini has influenced the concealed attitudes of the local people along with some modifications in their visible culture.

In a study those elderly local Grungs of Ghandruk, Nepal interviewed expressed their concern about the influence of tourism on the behaviour and lifestyles of young Grungs. Imitation of tourists' fashions and hairstyle perceived among the younger generation of Ghandruk. The traditional dress Kamlo, Kachhad Bhoto and pants- has been replaced by more modern grab imported from the West. Even the Nepali cap, the most important element of the national dress, has been abandoned. The youngsters have distanced themselves from their traditional cultural identity and even display disrespect towards their elders. Some have stopped addressing by kinship title to the respected members of the village. The elders in turn have shown strong disapproval of what is clearly to them the cultural drift phenomenon (Pandey, Chetri, Kunwarand Ghimire, 1995). Other factors that influences the minds of 'Zuhures' of Pokhara urban society and Indian movies. Indeed many forces are simultaneously working together to generate a transformation of the traditional society.

In Ghandruk, the institution of marriage is regarded as sacred and permanent. It is natural therefore the elder villagers take great care in choosing congenial marriage partners for their children. In the past and even today arranged marriage is the norm. Recently, however, the idea of romantic love has influenced the youngsters. This is a result of external influences of tourism and movies. The younger generation collectively views arranged marriage as absolute. They prefer love marriage where they can choose their own mates. Sometimes own choosing results in inter-caste and inter- community marriage. Except for one reported case, cross cultural marriages are rare in Ghandruk, as

compared to the Annapurna region where such marriages are more frequent. On the whole, tourists remain a fascination for youngsters, along with their material wealth and ideas about conjugal matters.

Undoubtedly, the changes in lifestyle that occur in Nepal as a result of tourism are geographically widespread but their precise nature remains localised. Consequently, to consider lifestyle changes as social impact requires that they be assessed in context of the individual village societies as well as from the perspective of national economic development. Most reports from rural places indicate that lifestyle changes associated with tourism do not necessarily reflect the abandonment of traditional cultural value. Young people often bridge their cultures by maintaining local traditions and adopting western ways. This is less clear in those places, especially the towns where both economic and social life are shaped almost exclusively by the commerce of tourism.

Cultural commercialisation and westernisation tendency among youth is most common negative impact of tourism in Nepalese society. The adoption of new clothing styles food preparation, handicrafts design, cassette players and other are brought superficial changes in the Nepalese society. Such material changes can be expected with or without tourism when seen as a part of the broader historical assimilation of Himalayan culture by lowlanders (Allan, 1988). Of greater concerns are the fundamental shifts in identity that may occur precisely because of secular interests of tourism. For example, early reports on the impact of tourism on Sherpa society indicated that the maintenance of religious practices, traditional culture, knowledge, and ethics have been eroded with the advance of tourism in Khumbu (Coppock, 1978; Furer- Haimendrof, 1975). Some reports indicate that religious observation has actually increased among the Sherpas with the growth of tourism (Stevens, 1991), and that the total identity of Sherpa culture has intensified (Fisher, 1990). Cultural identity changes associated with tourism throughout Nepal Himalaya are difficult to assess due to lack of detailed information. However, local circumstances do show the tenacity of the mountain cultures in the face of rather wide- spreading modernity that accompanies the tourists.

Increasing dependency in tourism and deserting other profession even agriculture has the negative impact on the host destination. Obviously, the local people seek those economic activities with more income and changes of further expansion. Owing to different internal and external reasons people tend to make an alteration in their current work. They either change the occupation or add extra

activities as an occupation. A study of Lumbini indicates that out of total 123 responses, 43 percent have altered their present profession and have added rickshaw pulling work in farming whereas nine percent are in government and private offices in addition to farming. They represent both self-sustained and unsustained group of respondents. And nearly 21 percent of the respondents have added hotel and general trade, 21 percent such respondents have quitted teashop and transformed in gift shop because it generates more income directly from the tourists. A two percent (labourer) remain resettled in and general stores and four percent farmers have altered to transport service with bus, jeep, and tractors (Acharya, 2001) .The activity of altering profession has adversely affected the agriculture farming in the area

Incidence of prostitution, gambling and begging is viewed as other negative impacts of tourism. In many part of the world, tourism development has negatively influenced social and behavioural pattern, with increases being reported in the incidence of crime, gambling, begging and prostitution. According to a research finding into these issues, including household surveys and analysis of police records concluded that in the Solukhumbu, incidents of tourism related crime were isolated and infrequent. Moreover, while begging was an issue in a small number of villages, it typically took the form of a game while children passed to and from school. Similarly, although an increase in gambling was reported, but its practice was not considered to be either widespread or enduring (Rogers et al, 1998). In the field of prostitution, local informants attribute the increased cases of illicit sex and pregnancy mainly to the growth of tourism. Exposures to the tourists and regular contact with trekking crews have contributed to a higher rate of sexual activity. In some cases, the tourists end up marrying their native partners. Examples of this set -up can be found in Solukhumbu, Chitwan- Sauraha and Pokhara. Arrangements of this sort are mutually beneficial economically for all concerned parties, including the families of the local bride or groom. Money is forwarded to the family head for education and business- related endeavours. The prostitution ring in Chitwan- Sauraha accelerated and even encouraged by the presence of middlemen, who reap most of the profits. One study reveals that prostitution is not directly related to or influenced by tourists, but rather by local workers involved in tourism related activities. Guides, in particular are not only the customers, but also the provider or middlemen (Pandey, R. N. and et al, 1995).

Increasing economic disparity in the village society is the resultant of the promotion of the tourism in rural mountain area. One recent field study of two mountain communities in Nepal by Sofield (1998) revealed tourism development was in fact an inadvertent vehicle contributing to increasing class differentiation in village societies. Lodge owners, already having comparatively higher living standards than farming households, were drawn further apart as the recipients of government and donor agency assistance under tourism development projects. It seems to be more appropriate in quoting the case of Annapurna region of Nepal. A research based study reveals that when the Annapurna region became a popular tourist attraction, the entire region was designated to government protected area by tourism authorities. Under the plan, non- hoteliers, such as herders, face economic hardship because their land is encroached upon the construction of tourist related establishments. Their livelihood is for the most part maintained by either farming or saving army pensions. On the other hand, hotel and lodge owners enjoy their new economic prosperity. They continue to expand the tourism industry in their area by upgrading present hotel facility or erecting new buildings. Lahore families who left Ghundurk in the past are beginning to trickle back in to the village to take advantage of these new tourism related opportunities. They hope to open the lodges in the area. High school students as well want to improve their English, so that they can be participated in the much converted tourism profession. The tourism industry has left the military and agricultural fields in the area unpopular because of the economic gap it has produced.

6.3.2 Positive Impact of Tourism on Society and Culture

Throughout the course of evaluation of the positive impact of tourism, it is emphasised that the life of the people is now considerably better, easier and less arduous than before the emergence of tourism in the country. People of the tourism destination area claim that health and social well-being have improved can be assessed through a review of changes in community infrastructure (water and energy supply), health care and mobility patterns.

Tourism development in Nepal has introduced an additional employment to the local economy. The new careers and seasonal work opportunities of tourism predict changes in the patterns of living among traditional people. Adams (1992) argues that tourism has not dramatically altered the traditional pattern of labour among the Sherpas, while both Stevens (1991) and Fisher (1990) show that

concepts of time, mobility, work status, and levels of disposable income have upset to some degree of the traditional production and trade arrangements found in Khumbu. Brower (1991) noted:

Tourism has brought extraordinary opportunity to the Sherpa people. The rise in tourist visits coincided with a radical reconstructing of a traditional cornerstone of the Khumbu economy, trans- Himalayan trade. The growth of a new trekking industry has provided, yet more jobs for Sherpas, and the diversification of trekking styles has only expanded the money- making opportunities for Sherpa entrepreneurs.

A survey reveals that the people from all walks of life in Ghandruk agro-pastoralists, subsistence hill farmers and ex-Gorkha army personally have started to orient their economic pursuit around tourism. A total of 178 households were found directly involved in tourism business. Besides hotels and lodges, general shop, tea stall, handicrafts shops, cultural museum and curioshop were the dominated oriented business observed within the VDC. Several families were found indirectly associated with tourism related ventures e.g. fuelwood saling, preparing woolen handicrafts, mule and pony services, etc. As consequences of change in occupation some of the families in Ghandruk have given up farming and converted their corn and millet field into camping ground and plantation fields (Sharma (1998). The most important socio-cultural impact of tourism is often ignored is the impact of women. In Annapurna region women are directly involved in income generating activities rather than men. Since menfolk are away for most of the year on mountaineering expedition or in urban areas. Tourism has attracted to women to undertake highly specialised and skillful activities such as climbing Mount Everest which undoubtedly has improved their position in society.

Tourism development has a strong incentive in reviving lost art and culture in Nepal. The native Nepalese and Tibetan handicrafts that had been languishing for lack of patronage prior to the advent of tourism experienced a surge of new revival after the influx of the tourists (Grung. 1989). Similarly, the renovation of architectural building in the ancient cities of Kathmandu valley owes much to external exposure and associate rather than native adulation for their heritage. Thakali (1994), in his study in the Annapurna area, found that tourism was a significant factor in (a) enabling a rejection of the social reforms oriented towards hinduisation (b) helping people build their socio-cultural institution, and (c) encouraging people to be proud of who they are; rather than defining what they are.

In addition, the positive impact comprises revitalisation of culture, increased cultural awareness among locals, exposure to external society, preservation of monuments, arts and crafts by tourism related funds, development of social infrastructure in the field of education, health facilities and safe water supply provided to local people after the increased ecotourism activities. In regard of revitalisation of culture the Ghatu Dance in ACA (Annapurna Conservation Area), Mane Dance in Langtang region, and Tharu Stick Dance in Chitwan, Sauraha are gaining popularity as foreign tourists and these regions appreciate these dances.

6.4 Field Survey Report

Table 6.1: Experts view on the Socio-cultural Impact of Tourism in Nepal.

Nature of Impact	No. of Response	Percentage
Preservation of Folk Tradition	23	88.46
People Begging for Money or Food	7	26.92
Cultural loss/loss of Authenticity	20	76.92
Change in the Lifestyle/ Imitation of West	21	80.76
Modernisation of Facilities	12	46.15
Preservation of Art or History	22	84.61
Promotion of throw away Mentality	18	69.23
Increased Communication	8	30.76
Preservation of Cultural Monuments	19	73.07
Encourage Education and Knowledge	13	50
Others	9	34.61

Source: Field Survey, 2009.

Note: The percentage is calculated on the basis of the frequency of response of each item to total Sample.

In regard of the socio-cultural impact of tourism, the experts are of the opinion that tourism in Nepal has both positive as well as negative socio-cultural impact on the inhabitant of Nepal. Among the experts, 88.46 percent are expressed their view in favour of the positive socio-cultural impact of tourism. They are of the view that tourism in Nepal plays a vital role in the conservation and preservation of cultural monument, folk tradition, as well as art and history. In Sauraha, Chitwan, Nepal, the Tharu cultural programme known as the 'Tharu Stick Dance' very popular with tourists is gaining popularity, as an example of this type. The experts were asked whether they agree with the fact that tourism has any negative impact on the lifestyle of the inhabitant of Nepal. Surprisingly, 80.76 percent of the experts gave positive answer. They are of the view that tourism has some negative effect in the society and culture of Nepal. The steady growth of tourism in the Annapurna region has led some people to beg for money and food which is one of the drawbacks of socio-cultural impact of tourism in Nepal. Therefore, it would be advisable to discourage such activity.

Table 6.2: Tourists view on the socio-cultural Impact of Tourism

Response	Number	Percent
Yes	62	86.11
No	3	4.16
Don't know	7	9.72
Total response	72	100

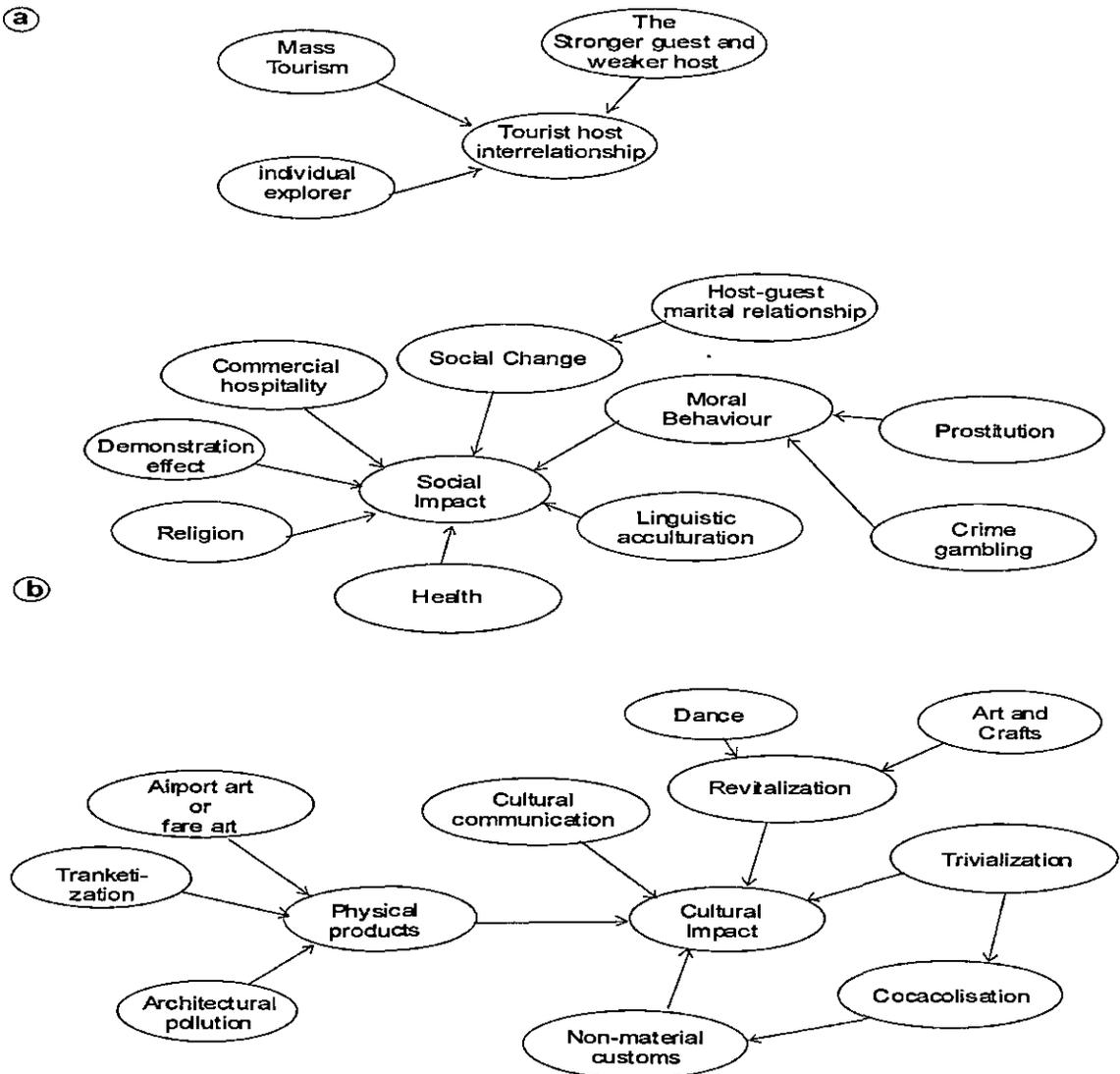
Source: Field Survey, 2009

The tourists, like experts realise the fact that tourism development has brought some changes in the society and culture of the people of Nepal. The tourists were asked whether they perceive any socio-cultural impact of tourism on the inhabitant of Nepal. Surprisingly, 88.11 percent tourists replied that tourism in mountain area has led some people to beg for money and food for which they are disappointed in the destination. Out of 72 respondents, 4.16 percent were not perceived any direct or indirect impact of tourism in society and culture of Nepal. The 9.72 percent of respondents have reported as 'don't know' perhaps they are unknown about the facts.

John Lea (1988) represents a vivid picture on the impact of tourism on the society and culture. The modified form of his model is described as follows.

Figure 6.1: Socio-cultural Impact of Tourism

Figure - 4.1



Source: Cited in (Kunwar, 1997)

Overall study of the socio-cultural impact of tourism, it is being cleared that tourism, in general shows the mixed consequences the whole country. In spite of the negative impact, the whole Nepali society has not been affected and destinations also are not influenced radically. In totality negative social impacts are not so dominant over the positive impacts however, negative impacts may take more drastic form in future course if the mitigation measures are not duly adopted.

6.5 Environmental Impact of Tourism on Society and Culture

6.5.1 Introduction

There exists an extensive literature on the environmental impact of tourism. Much impact focuses on the ecological consequences of tourist numbers exceeding the carrying capacity of recreation areas (Furrel and Runyan, 1991). Impacts of tourism are difficult to assess partly because of their diversity in range and in type. Impacts may be short or long term, direct or indirect, local, national or global, positive or negative (Hunter and Green, 1995). Many of these impacts are linked with the construction of general infrastructure such as roads and airports, and of tourism facilities, including resorts, hotel, restaurants, shops, golf courses and marinas. The negative impacts of tourism development can gradually destroy the environmental resources on which it depends. On the other hand, tourism has the potential to create beneficial effects on the environment by contributing to environmental protection and conservation.

Uncontrolled conventional tourism poses potential threats to many natural areas around the world. It can put enormous pressure on an area and lead to impacts such as soil erosion, increased pollution, discharges into the sea, natural habitat loss, increased pressure on endangered species and heightened vulnerability to forests fires. It often puts a strain on water resources and it can force local population to compete for the use of critical resources. Tourism development can put pressure on natural resources when it increases consumption in areas where resources are already scarce. The environmental impact of tourism in Nepal has been realised in the context of mountain tourism which constitutes between 20 and 25 percent of total volume of tourism. It is a significant income source for numerous people living in and around popular destinations such as Everest and Annapurna regions (Nepal, 1999). Some perceived impacts of mountain tourism are discussed as under.

6.5.2. Land Use and Environment

The development of tourism in mountain regions has affected agriculture practices and land use. When tourism was not flourished in Khumbu, Nepal, subsistence agriculture existed there and the economy was fully independent in agriculture production, each household comprising production unit (Barkay, 1981). Sherpa cultivated potatoes, barley and buck wheat. Increasing focus on tourism has marginalised the traditional local subsistence agriculture shifting it to

transitional agricultural system. The changes in land use referred to changes in crop cultivated (cropping pattern); converting land from forestry to agriculture use; conversion of agriculture land to build lodges or tea stalls; and leaving land fallow to rent as camp grounds. Agriculture as an occupation has gradually become secondary to tourism related activities such as the operation of lodges, working as guides or kitchen boys, or working in tourism related services in Kathmandu. Households have shown preference for fruit and vegetables farming over traditional crops (Friend, 1983; CEDA 1988). Land is also left fallow to provide campgrounds replacing cultivation of traditional staple crops such as buckwheat or barley. In some areas pack animals have been substituted for milk animals, as they bring in higher cash returns to households by carrying tourist loads. This may result in added demands for fodder and grazing. Also, lodge owners have purchased buffaloes for milk, and this has put pressure on surrounding forests for fodder supplies.

6.5.3 Litter, Garbage and Pollution

The increasing amount of littering taking place at high altitudes in the mountains is a major negative environmental impact that has received a great deal of attention in Nepal. Litter includes non-biodegradable rubbish such as plastics, glass bottles, tins, foil and batteries, improperly deposited or discarded along trails, at campsites, outside trekking lodge, and at base camps, by tourists, trekking staff, porters, trekking lodge staff and local residents; inadequately covered toilet pits and scattered toilet paper around campsites and trails are another problem (Lama and Sherpa 1994). Some trekking routes have earned the nick name 'Grabage trail' as Kathmandu Lamosangu to Namche Bazar route on the way to the Everest Base Camp. There is visual pollution along the trekking routes. In Solukhumbhu area, especially from Lukla via Namche Bazar to the Everest Base Camp, the whole trail is gradually polluted, and the condition is getting worsen every year. The number of tourists in this area sometimes exceeds even that of the local population.

The dimension of this problem is serious. In one study, it is estimated that an average trekking group of 15 people generate about 15kg of non-biodegradable, non-burnable garbage in 10 trekking days (Table 6.3) (Lama and Sherpa 1994).

Table 6.3: Garbage Deposited in the Mountain Environment (in kg.)

Area	Number of trekkers	Average deposited	Total deposited
Annapurna	37,902	15	5,68,530
Khumbu	11,366	15	1,70,490
Langtang	8,423	15	1,26,345
Cumulative Total 1976 to 1993 in mt.			640mt.

Source: Lama and Sherpa, 1994.

6.5.4. Forest and Fuel Wood

Forest degradation and deforestation is another important cause of environmental impact of tourism in Nepal. The heavy influx of mountaineers and trackers along the upper slopes of the Himalayas have led to increase in demand for firewood for cooking, heating and campfires by lodges as well as trekking and mountaineering expeditions, which significantly affect the forest vegetation and wildlife. Every year hundreds of tones of firewood are used for cooking and campfire purpose by mountaineers and trekkers in addition to local consumption. A lodge uses more than four times the amount of fuel used by local Sherpa household (Karan, Lijima, 1985). The resulting massive deforestation is seen along the trekking routes in all regions of Nepal. The destruction of scant vegetation in the Alpine region of Nepal also leads to frequent mudslides, landslides, creep and rock fall as well as silting of rivers.

The government of Nepal has restricted the use of firewood by trekkers in most National Parks and mountain protected areas visited by tourists. Despite the restrictions, local people continue to sell fuel-wood to tourists for high economic returns. As a result, Namche Bazar, historically with dense forest has been heavily deforested due to tourism activities. Some initiatives have been taken to develop alternative sources of energy in order to stop depletion of natural resources. As for example, hydroelectric project near Thami Og by Central government, the aid from Austria has been completed (Stevens 1993) and Khambu area Namche Bazar 33 KW Micro Hydel Project which may reduce fuel use.

6.5.5 Air Pollution

Air pollution is another major cause of environmental impact of tourism in Nepal. Since 60 percent of tourists travel by air is the major source of air pollution. The other sources of air pollution include disposition of solid waste, i.e., garbage, rubbish, indiscreet disposal of human faces, vehicular emission all these responsible for air pollution. One study estimated that a single transatlantic return flight emits almost half the CO₂ emissions produced by all other sources (lighting, heating, car use, etc.) consumed by person per year (www.geointeractive.co.uk). In Nepal, particularly Kathmandu and Birgunj are found severely affected by air pollution. Other area of Nepal may be air polluted but due to the lack of research a real situation cannot be assumed.

6.5.6 Water Pollution

The steady growth of tourism may also lead water pollution in the tourist destination. Commenting on pollution caused tourism industry, Hunter & Green (1995) observe "Moreover the tourism industry itself has been, and still is, a major contributor to environmental pollution in many parts of the world." Water pollution occurs due to discharge of untreated water, inorganic and organic wastes and sewage. Waste water pollutes seas and lakes surrounding tourists' attractions, damaging the flora and fauna. Due to the heavy flow of tourists and trekkers in Annapurna region, water resources have been contaminated by human wastes, particularly the streams, rivers and rivulets. The water pollution in the tourist destination causes different health problem, cases of gastro-intestinal disorder in villages of Nepal's Everest region due to contamination of water by the tourist activities have also been reported. Nevertheless, tourism industry is not always responsible for water pollution; municipal waste and industrial waste also are the root cause of water pollution.

6.5.7 Field Survey Report

Table 6.4: Expert's view on the Environmental Impact of Tourism

Nature of Impact	Number of Response	Percentage
Degradation Scenic Appeal	11	42.30
Erosion of Trekking Trails	23	88.46
Garbage / Litter Pollution	25	96.15
Deforestation/ Destruction Of Fauna	26	99.00
Cleanliness	18	69.23
Congestion/ Over Burdening	15	57.69
Lack Of Toilets	18	69.23

Source: Field Survey, 2009.

Note: The percentage is calculated on the basis of total frequency of response of each item to total Sample.

Regarding the environmental impact of tourism in Nepal, all the 26 experts are of the opinion that environmental impact of tourism has been clearly perceived in many parts of the country where tourist influx is very high. They pointed out that the main cities of Kathmandu valley including Pokhara, Birgunj and some parts of high altitude region like Annapurna and Everest regions are gravely affected by pollution, because of dumping of garbage and litters on the road and on the trekking trails adversely affect the international visitors to Nepal. They also claim that air pollution is equally a serious problem which makes foreign tourists disappointed especially in Kathmandu valley.

During the response almost all percent experts are of the opinion that deforestation and destruction of fauna causes environmental degradation and pollution in few areas of Nepal. Similarly, 96.15 and 88.46 percent experts express their concern to the garbage, litter pollution and erosion of trekking trails as the environmental impact of tourism and 69.23 percent viewed that environmental effect perceived in Nepal due to lack of toilet and proper facility of

cleanliness. Thus, they strongly recommend that the concerned authority and tourism industry must pay their attention to such views.

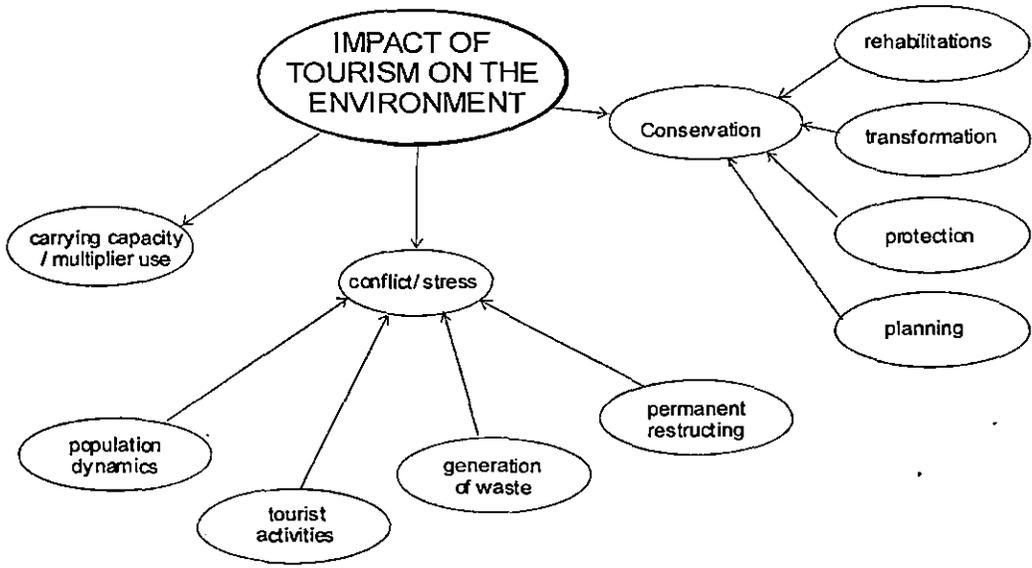
Table 6.5: Tourists Response Regarding Environmental Impact of Tourism

Response	Number	Percent
Yes	50	69.4
No	8	11.1
Don't know	14	19.4
Total Respondents	72	100

Source: Field Survey, 2009.

Table.6.5 shows that out of 72 respondents 69.4 percent are found very much concerned about the pollution and environmental degradation in Nepal. The inappropriate disposal of litter, garbage and human waste all along the road of Kathmandu Valley and on the trekking trails in mountain greatly obstruct the desire of foreign tourists. They have pointed out that environmental problem in Nepal is in wide range. Moreover the improper establishment infrastructure in different tourist sites has degraded the scenic appeal of the destination areas. The 11.1 percent tourists were found unknown about the environmental impact of tourism whereas 19.4 percent of respondents have been reported as don't know or can't say. Perhaps, they were satisfied with their visit or they were unable to recall their experience.

Figure 6.2: Tourism's Environmental Impact



Source : John Lea, 1961, *Tourism and Development in the Third World*.

6.5.8 Conclusion

Environmental degradation in Nepal Himalaya has become a grave concern in the context of sustainable tourism development in Nepal. Indeed, during the last three decades, tourism has played an important role in the Himalaya country like Nepal. The influx of mountain enthusiasts has created new employment opportunities for the highlanders, but tourism has also accelerated environmental deterioration (Baumgartner, 1982). Construction of roads, bridges and hydroelectric dams has negative ecological effects in the finely tuned mountainous habitats. An increased demand for firewood and overgrazing by livestock has initiated destruction of forest and alpine pastures in many areas. Rapid deforestation leads to land slides, soil erosion and loss of precious top soil containing most of the nutrient on which plants and animals depend. Similarly the irresponsible disposal of garbage, litter human faces, etc. causes air and water pollution in the famous tourism destination of Nepal is enormously disappointed the visitors to Nepal. The problem of accumulating trash is worsening mainly due to the increasing number of mountaineering expeditions and trekkers. The gravity of situation has even led to a proposal by Sir Edmund Hilary to stop allowing people to climb Mount Everest until the problem of garbage is addressed sufficiently. In this concern a foreign environmentalist,

trekking companies and other organisation, have attempted to organise cleaning efforts with little success due to intensity and size of problem.

Thus, it is obvious that accelerated environmental degradation in Nepal is due to several combinations of interrelated and complex factors. Therefore, the government should seriously concentrate on probable environment consequences and should emphasise sustainable tourism development without destruction. Moreover, an effective resource conservation and management should be adopted by involving local people for arresting the problems of environmental degradation in Nepal (Shrestha, 1986). High priority should be placed in controlling air, water, and land pollution in Kathmandu since more than 82 percent of tourists visiting Nepal arrive first to Kathmandu.

CHAPTER 7

CHAPTER – 7

QUANTITATIVE ANALYSIS OF TOURISM INDUSTRY

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 - 7.4.10 Conclusion

CHAPTER 7

QUANTITATIVE ANALYSIS OF TOURISM INDUSTRY

7.1 Introduction

In this chapter an attempt has been made to highlight the various dimension of tourism in Nepal such as general description of tourism in Nepal like tourist inflow in the country, their mode of arrival, period of stay, purpose of visit, structure and development of air transport. It discusses also with the development of air traffic, upcoming of hotel industry, travel, rafting and trekking agencies. Special emphasis will be given on the analysis of foreign exchange earnings, employment generation, and contribution of GDP etc as evident from the impact of tourism development in Nepal.

7.2 General Description of Tourism

7.2.1 Tourists Flow in Nepal

The ebb and flow of tourism arrivals in Nepal still very much depend on the status of the world economy and political/social stability in Nepal. Nepal's tourism has seen a varied growth and fall pattern. This is attributed to many reasons like political instability in the country, especially due to Maoists insurgency, the suspension of the Indian Airlines flight following the hijacking of one of its flights that took off from Kathmandu, the June 1, 2001 massacre at the Nepalese royal palace, the 11 September 2001 attack on international world trade center of America, the Afghanistan war and the frequent bandhs and strikes announced by political parties negatively impacted tourism in Nepal. The tourist inflow declined by -5.7, -22.1 and -23.7 percent in the year 2000, 2001 and 2002 respectively which is shown in the table 7.1 below.

Table 7.1: Number of Tourists Arrival and Length of Stay in Nepal (1995-2007)

Year	Arrivals	Average Annual Growth Rate AAGR (%)	Average Duration of Stay (days)
1995	363395	11.3	11.27
1996	393613	8.3	13.50
1997	421857	7.2	10.49
1998	463684	9.9	10.76
1999	491504	6.0	12.28
2000	463646	-5.7	11.88
2001	365477	-22.1	11.93
2002	275468	-23.7	7.92
2003	338132	22.7	9.60
2004	385297	13.9	13.51
2005	375398	-2.6	9.09
2006	383926	2.3	10.20
2007	526705	37.2	11.96

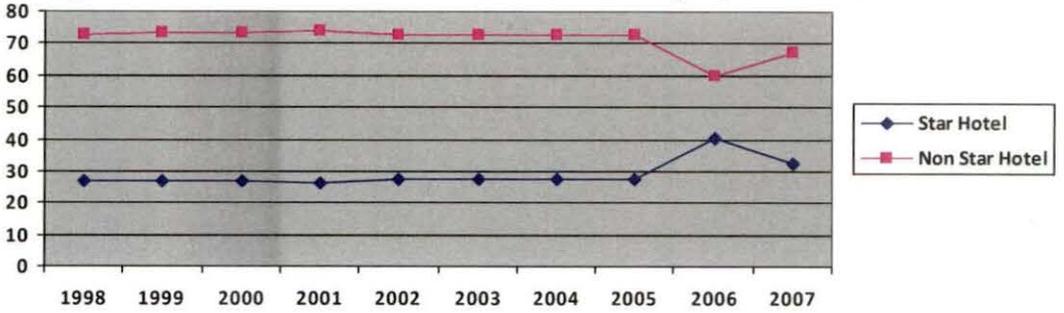
Source: Annual Statistical Report 2007, MOCTCA, Govt. of Nepal.

Table 7.1 shows that the growth of tourist inflow in Nepal has been highly fluctuating from year to year, Figure 7.1 also indicates that the fluctuation has been not only in terms of magnitude but also in terms of direction. The highest growth rate of tourism was 22.7 percent in 2003 and 37.2 percent in 2007 whereas the lowest has been -5.7 and -2.6 percent in 2000 and 2005 respectively.

The yearly growth rate of tourists' inflow has been recorded to 5.82 percent yearly for the period of 1995-2000 which improved to 6.89 percent for the following period of 2001-2007. Although, overall period of 1995-2007, the growth rate of tourist inflow has declined by -0.10 percent per year. Nevertheless, the year 2007 has been proved as a highly auspicious year in the history of Nepalese tourism. A total of 5, 26,705 tourists visited during 2007 representing an annual increase of

37.2 percent over the previous year. One of the main reasons for highest growth in tourist arrival is the ongoing peace process and relative political stability in the country.

Figure 7.1: Growth of Tourists Arrival in Nepal, 1995-2007

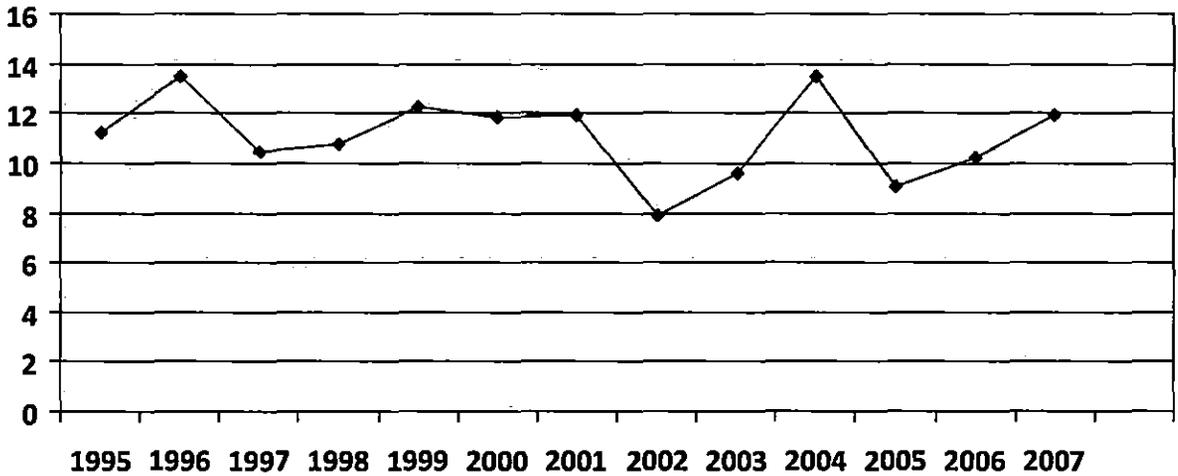


Total Tourists Arrival in Different Year

7.2.2 Average Duration of Stay

It is clear from the table 7.1 that the average length of stay of tourists visiting Nepal had been fluctuating year to year. Average length of stay of tourists was 11.27 days in 1995 which improved to 13.50 days in 1996 but, it came down again in the year 1997 to 10.49 average days. The highest average number of days stayed by the tourists in Nepal was recorded to 13.51 days in the year 2004 and the lowest was recorded to 7.92 days in the year 2002 is mostly due to political turmoil in the country. The growth rate of average number of days stayed by tourists for the year 1995-2001 was 0.26 percent per year which sharply improved to 1.65 percent during 2001-2007. In spite of this improvement the trend growth rate of average days of stay had been declined to -1.0 percent per year during 1995-2007. Average length of stay by a tourist during 1995-2001 had been 11.73 days that declined to 10.38 days in the period of 2002 to 2007. Over all the average number of days stayed by the tourists in Nepal was found 11.10 days during 1995-2007. Figure 7.2 also highlights the fact that there has been wide fluctuation in terms of stay since 1995.

Figure 7. 2: Average Number of Days Stay by Tourists in Nepal,1995-2007



7.2.3 Tourists Arrival by Air and Land Routes (1995/2007)

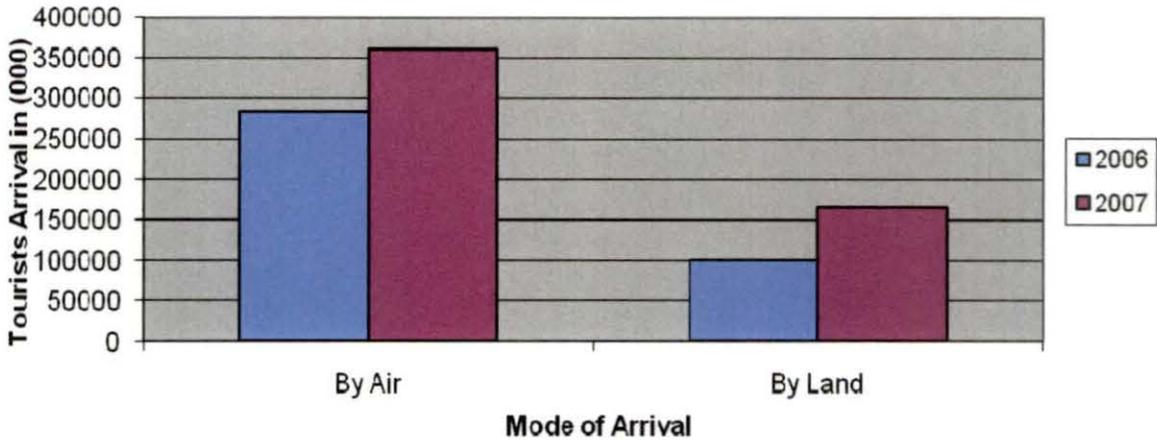
Nepal is a landlocked country. It has no sea route and has almost insignificant land connectivity for the purpose of transport. There is only one option of air route for the international tourists to land in Nepal. Tabulated data of table 7.2 shows that on the average 81 percent of total tourists arrived through the air routes in Nepal and remaining 19 percent by land since 1995 to 2000. As a matter of fact tourists arriving by air increased by average 10.97 percent per year during 1995 to 2007, while the growth rate of tourists arriving by land route increased on higher pace on average, 20.15 percent per year. From the table 7.2, it is clear that the growth rate of tourists arriving by land has been doubled (20.15 percent per year) than arriving by air route (10.18) percent per year) in Nepal. Thus, it appears that the tourists arriving by land routes are increasing at higher pace though the dominance of the air routes continues as is shown in chart 7.1.

Table 7.2: Mode of Tourist Arrival in Nepal, 1995-2007

Year	Tourist Arrival by Air	Annual Growth Rate (%)	% of Share of Tourist Arriving by Air	Tourist Arrival by Land	Annual Growth Rate (%)	% of Share of Tourist Arriving by Land
1995	325035	12.32	89	38,360	3.25	11
1996	343246	5.60	87	50367	31.30	13
1997	371145	8.13	88	50712	0.68	12
1998	398008	7.24	86	65676	29.51	14
1999	421243	5.84	86	70261	6.98	14
2000	376914	-10.52	81	86732	23.44	19
2001	299514	-20.53	83	61723	-28.83	17
2002	218660	-26.99	79	56808	-7.96	21
2003	275438	1.47	81	62694	10.36	19
2004	297335	7.94	77	87962	40.30	23
2005	277346	-6.72	74	98052	11.47	26
2006	283819	2.33	74	100107	2.09	26
2007	360713	27.09	68	165992	65.81	32

Source: Calculated from Nepal Tourism Statistics, 2008, Ministry of Tourism, Culture and Civil Aviation, Government of Nepal.

Chart 7.1: Tourists Arrival by Air & Land.2006/2007



Source: Nepal Tourism Board, 2007

7.2.4 Purpose of Visit

The purpose of visits of tourists to Nepal is classified into seven categories i.e. Pleasure, trekking and mountaineering, business, official, pilgrimage, meeting and seminars and others, Composition of tourists according to their purpose of visit to Nepal has been cited in Table 7.3. It becomes obvious from the table that the holiday pleasure trips have been the dominant part of a tourist arrival in Nepal. It is followed by trekking and mountaineering. The two categories of tourist accounted more than 80 percent of the total tourists' arrival before the nineties. Since 1995 the share of these two important components has been fluctuating over the years. In 1995, the pleasure trekking and mountaineering tourism shared 73.7 percent of the total arrivals which rose to 80.8 percent during 2000. Thereafter the share for the same category started declining to 78.9 percent and to 60.6 percent in 2001 and 2007 respectively. One reason for declining the share of this category is attributed to separate accounting for pilgrimage in any significant, because the share of pilgrimage tourists which never crossed the threshold of 4 percent during 1995 to 2001 had been fluctuated within the range of 4.5 to 10.0 percent of the total arrival during 2002 to 2007. From the above analysis it is clear that the share of pleasure and trekking and mountaineering tourism have declined in proceeding year e.g. from 2000 to 2007.

Table 7.3: Tourists Arrival by Purpose of Visit, 1995-2007

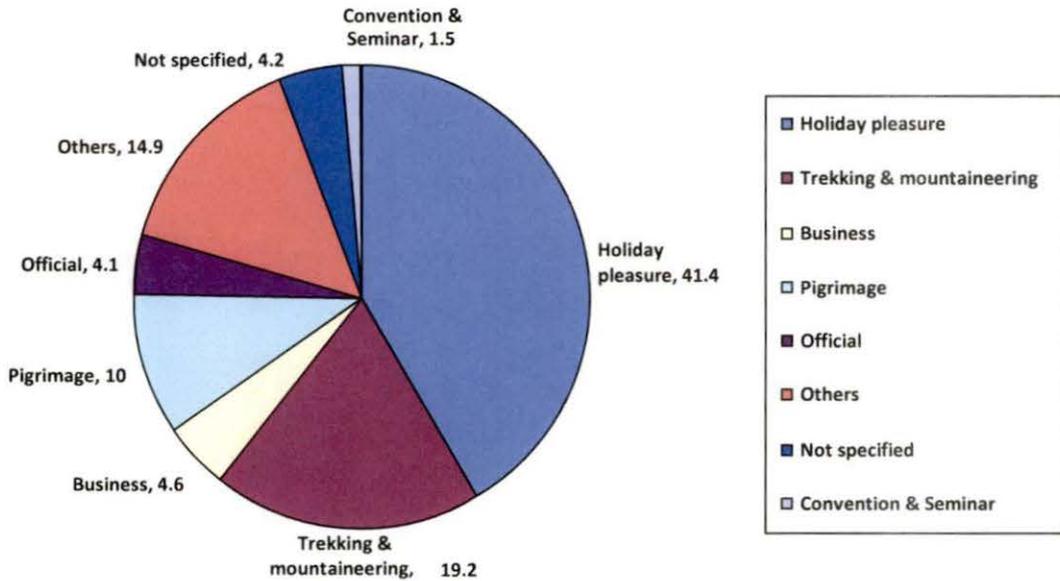
Year	Holiday Pleasure	Trekking and Mountaineering	Business	Official	Pilgrimage	Convention & Seminars	others	Not specified	Total
1995	50.4	23.3	6.0	5.5	1.4	1.5	11.8	-	100
1996	53.2	22.6	6.4	5.1	1.2	1.5	10.0	-	100
1997	59.1	21.7	6.5	5.17	1.0	1.4	4.6	-	100
1998	56.4	24.3	5.4	4.8	3.5	1.1	4.6	-	100
1999	59.2	22.0	4.8	4.9	3.9	1.2	4.0	-	100
2000	55.2	25.6	6.4	4.5	3.4	1.2	3.7	-	100
2001	51.8	27.9	5.1	5.2	3.8	00	6.2	-	100
2002	40.0	21.5	6.2	6.5	4.5	00	21.4	-	100
2003	29.0	19.4	5.7	6.5	6.3	00	33.1	-	100
2004	43.4	18.0	3.6	4.4	11.9	00	18.7	-	100
2005	42.7	16.4	5.9	4.5	12.7	00	17.9	-	100
2006	27.7	12.7	4.0	3.4	11.3	00	13.8	-	100
2007	41.4	19.2	4.6	4.1	10.0	1.5	14.9	4.2	100

Source: Nepal Tourism Statistics, 2007 & 2008, Ministry of Tourism Culture and Civil Aviation, Govt. of Nepal

Although, the year 2007 has proved to be an auspicious year for the pleasure, trekking and mountaineering tourism which grew to 41.4 percent and 19.2 percent respectively in the same year. Share of business and official tourism have not changed much for the last three decades. The average share of business and official purpose of visit has been 5.4 percent and 5 percent respectively during 1995-2007. The share of pilgrimage visit has a continuous growing trend since 1995 to 2007. This is indicated in table 7.3. This category of visit recorded highest growth rate of 12.7 percent in 2005 which declined to 10.0 percent in 2007. Similarly the share of convention and seminar have been recorded a similar but lowest growth rate of 1.5 percent in 1995 and in 2007. No visitors of this type visited Nepal since 2001 to 2006. It can be argued that the slow growth of tourism

in Nepal has not been helpful in diversifying the purpose of tourist arrivals to Nepal wherein the predominant pleasure trips are not properly encouraged.

Chart 7.2: Purpose of Visit in 2007



Source: Nepal Tourism Board, 2007

Most of the tourists arriving to Nepal are found to be pursuing recreation trekking and mountaineering as indicated in chart 7.2. Of the tourists visiting Nepal in calendar year 2007, 41.4 percent visited for pleasure and recreation, 19.2 percent for trekking/mountaineering, 4.6 percent for business, 10.0 percent for pilgrimage, 4.1 percent for official or formal, 14.9 percent others and 4.2 percent is not specified. Review of the same statistics for the year 2006 shows that the number of tourists arrivals for the purpose of pleasure, trekking and other purposes increased while those for pilgrimage decreased in 2007.

7.2.5 Share of Nepal in South Asia, Asia Pacific and World Tourism

A comparison of Nepal tourism with South Asia, Asia and Pacific and the world reveals that the visitors to Nepal has increased by a compound growth rate of 4.4 percent during 1990-2007 whereas the growth rate of world visitors have been lower at 4.37 percent a year. The growth rates of visitors of South Asia and Asia Pacific have increased at compound growth rate of 6.8 and 7.3 percent respectively.

during the same year. Nepal has a very lowest share in world market which ranges between 0.04 to 0.06 percent whereas the share of Nepal in South Asia varies from 4.17 percent to 8.57 percent in the respective year (Table 7.4). Nevertheless, Nepal has insignificant tourist arrivals as compared to world visitors but its share in South Asia is significant when compare the growth rate of Nepal with its neighboring region of North East Asia and Pacific. Nepal itself has to make some positive correction in the present growth rate.

Table 7.4: Nepal's Share in South Asia, Asia and the Pacific and World Tourism, 1990-2007 (in million)

Year	World Visitors	South Asia Visitors (Million)	Share of South Asia in World Visitors (%)	Asia and the Pacific	Share of the Pacific in World Visitors (%)	Visitors in Nepal	Nepal's share in South Asia (%)	Share of Nepal in World's Visitors
1990	436	3.2	0.73	55.8	12.79	0.25	7.81	0.05
1995	536	4.2	0.1	81.8	15.26	0.36	8.57	0.06
2000	683	6.1	0.89	109.3	16.00	0.46	7.54	0.06
2005	803	8.1	1.0	154.6	19.25	0.37	4.56	0.04
2006	847	9.1	1.07	167.0	19.71	0.38	4.17	0.04
2007	903	9.8	1.08	184.3	20.40	0.52	5.30	0.05
CGR	4.37	6.8		7.3		4.4		

Source: UNWTO, *Tourism Highlight, 2008*

Nepal Tourism Statistics, MOCTCA, Govt. of Nepal, 2008

Extract and calculated from above two sources.

Note: Calculation of compound growth rate (CGR) is based on the data in above table.

7.2.6 Region wise Tourist Inflow in Nepal

Table 7.5 shows the region wise share of tourists' arrival in Nepal during 1995 to 2007. Nepal has a considerable mix in arrivals, although Asian arrivals account for 53.69 percent of all its international visitors. Nepal's inbound tourism is centered on attracting visitors from India (Asia) and industrialised countries of Western Europe (Table 7.5). Asia contributes the largest share of tourist arrivals.

Table 7.5: Region Wise Share of Tourists Arrival in Nepal, 1995- 2007(in percent)

Year	North America	Central & South America	Western Europe	Eastern Europe	Africa	Asia		Total	Australia & Pacific	Others	Total
						India	Others				
1995	8.2	0.8	36.8	1.1	0.3	32.3	17.4	49.7	3.2	00	100
1996	7.8	1.1	33.7	1.5	0.5	31.1	21.2	52.3	3.1	00	100
1997	8.6	1.1	32.5	1.5	0.4	31.6	21.2	52.8	3.1	00	100
1998	9.3	1.3	32.6	1.4	0.4	30.9	21.0	51.9	3.1	00	100
1999	9.5	1.2	33.6	1.4	0.4	28.6	22.2	50.8	3.1	00	100
2000	10.6	1.3	34.6	1.5	0.4	20.7	27.7	48.4	3.4	00	100
2001	10.8	1.3	36.4	1.7	0.4	17.8	27.9	45.7	3.6	00	100
2002	7.7	1.0	31.9	1.9	0.4	24.3	29.7	54.0	3.3	00	100
2003	6.8	0.7	28.1	1.9	0.5	25.5	33.6	59.2	2.8	-	100
2004	6.6	1.2	30.2	2	0.3	23.4	33.3	56.7	2.8	0.2	100
2005	6.1	0.9	26.1	2.2	0.3	25.7	35.6	61.3	2.2	0.7	100
2006	6.1	0.9	26.1	2.2	0.3	25.7	35.7	61.4	2.2	0.7	100
2007	5.9	2.5	25.7	4.9	0.4	18.3	35.5	53.8	3.1	3.7	100

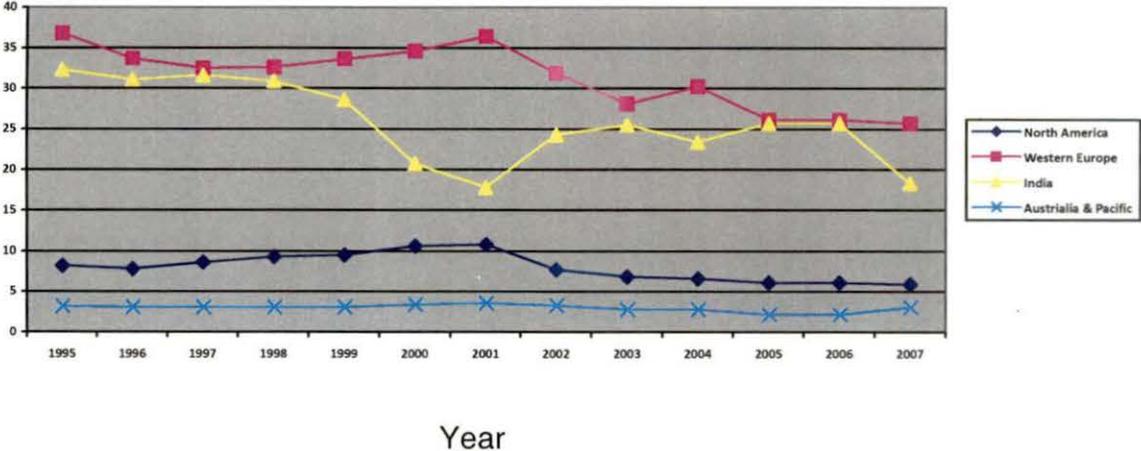
Source: Estimated Survey, 2007/08, Ministry of Financial, Govt. of Nepal.

Its share was 49.7 and 52.3 percent in 1995 & 1996 respectively but it declined to 45.7 percent in 2001. Since 2002, the share of Asian tourist to Nepal improved significantly from 54 percent to 61.4 percent during 2002/2006 which again declined to 53.8 percent in 2007. Western Europe occupied the second position in tourists arrival to Nepal. It is argued that its share was above 45 percent around mid seventies that has been continuously declining thereafter to become only one third of the total after the mid nineties. The share of Western Europe had again come down to 28.1 percent to 25.7 percent between 2003 and 2007. Decline in the share particularly from Western Europe must be a cause of concern to the tourists industry of Nepal. The North America occupied the third position in tourists' arrival to Nepal which continued between 8.2 and 5.9 percent of total tourists during 1995/2007. Central and South America, Eastern Europe, Africa and

Australia and Pacific have in significant shares in the total varying between 2-3 percent all along. It is clear from the above analysis that the pattern of tourist inflow has been lop-sided towards Asia and Western Europe. The latter has been reducing its share rapidly in relative terms due to the slow growth rate as is shown through the figure 7.3.

Continents, like Northern America and Australia and Pacific have not been much enthused towards Nepal which is being reflected through their depleted shares. It is more important to say that the new groups of countries from central and South America, Eastern Europe and Africa have not responded positively towards Nepal's tourism. Therefore some promotional tourism marketing strategy should be enhanced in this regard to attract the tourists from the countries such as Northern America and Australia, etc.

Figure 7.3: Share of Tourists from Major Destinations of the World, 1995- 2007



7.2.7 Pattern of Airlines' Expansion

Generally, the foreign tourists prefer to visit Nepal by air route. It became very popular since the mid 60s in Nepal. The airlines which had been operating to Nepal from earlier times are mainly Indian Airlines, Nepal Airlines and Pakistan Airlines (Table 7.6). In the beginning of 1970s, Thailand and Bangladesh also started operating. In the late 1980s, airlines from some other neighbouring countries like Bhutan, China, Russia and also Singapore started operating airline, services to Nepal. Similarly after the mid 1990s many countries of the world like, Austria, Qatar, Saudi Arabia, Druk Airlines, Gulf Air, Sahara Airlines, Jet Air, Cosmic Air and other

Airlines joined the airline operation, The national carrier Nepal Airline Corporation (NAC) operates flights to Europe and Japan as well as the regional destinations. However 12 airlines in total operate services for international traveling.

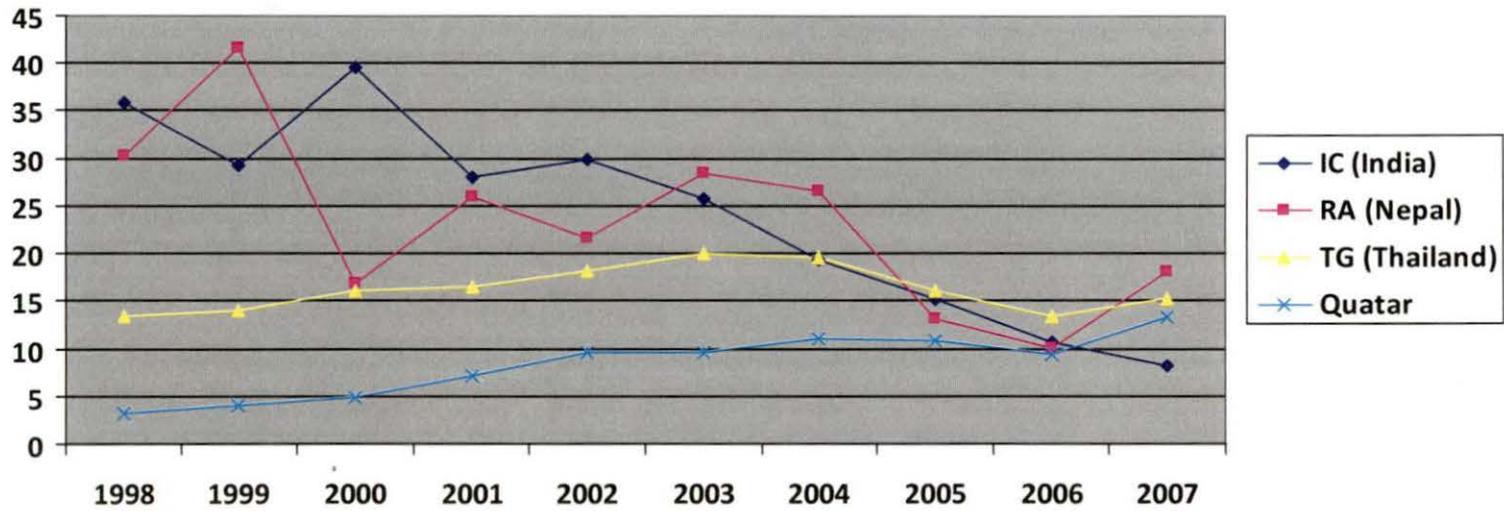
Table 7.6 shows the market shares of some important airlines operating in tourist's arrival in Nepal. The six airlines like Nepal, India, Thai, Qatar, Gulf and Bangladesh have been transporting more than 85 percent. The share of these airlines was more than 95 percent before the 1988. Thereafter, some other airlines came to the fore and consequently their share started declining which had become 64.3, 50.8 and 63.0 percent in the year 2005, 2006 and 2007 respectively. Among the six major airlines up to 2004 sometimes Indian Airlines and Nepal Airlines have the highest shares shown in the figure 7.4. The third important airlines have been from Thailand maintaining upward trend since 1988. Its share was 13.4 percent to total tourists' arrival in Nepal in 1998 which rise to 20.0 percent in 2003 but again the share started declining to 19.6, 16.2, 13.4 and 13.4 percent in 2004, 2005, 2006 and 2007 respectively. It will be very interesting to quote that the share of Thai Airlines has gone to highest (16.2 and 13.4 percent) than the share of Indian and Nepal Airlines in 2005 and 2006. The other two airlines, from Quatar and Gulf shared 7.38 and 4.47 percent of air traffic respectively during 1988 to 2007. The Bangladesh and Pakistan hardly shared 3.20 and 1.2 percent of air traffic during the same period.

Table 7.6: Market Shares of Important Airlines in Tourists Arrival in Nepal, 1998-2007 (in percentage)

Year	NA	IC	TG	QR	GF	BG	OS	KB	PK	9W	CA	F5	SZ	SQ	SU	HV	3z	S2	KA	others	Total
1998	36.0	30.4	13.4	3.2	0.9	3.6	0.9	0.8	2.8	-	-	-	2.3	2.7	0.9	0.6	0.1	-	-	1.3	100
1999	29.3	31.8	14.0	4.2	2.5	3.6	2.7	0.9	2.2	-	-	-	2.3	3.0	1.0	1.1	0.9	-	-	0.5	100
2000	39.7	17.0	16.2	5.0	2.9	3.7	2.8	1.0	2.3	-	-	-	2.0	3.4	1.1	1.1	1.1	-	-	0.9	100
2001	28.0	26.1	16.6	7.2	3.4	4.0	2.7	0.9	2.1	-	-	-	2.6	3.5	1.3	0.7	-	-	0.5	0.5	100
2002	30.0	21.7	18.2	9.6	4.5	4.4	3.1	1.2	-	-	-	-	2.4	1.6	0.0	-	-	-	-	3.2	100
2003	25.7	28.5	20.0	9.6	6.7	4.0	2.3	1.2	-	-	-	-	1.2	-	-	0.7	-	-	-	0.2	100
2004	19.4	26.6	19.6	11.1	5.7	3.2	2.3	1.5	0.9	5.1	-	-	20.0	-	-	-	-	-	-	3.1	100
2005	15.2	13.3	16.2	11.0	6.9	1.7	1.8	2.6	0.7	7.2	2.3	16.5	-	-	-	-	-	-	-	4.7	100
2006	10.7	10.1	13.4	9.5	5.4	1.7	1.3	1.7	0.6	7.0	1.7	7.9	-	-	-	-	-	-	-	7.8	100
2007	8.3	18.2	15.2	13.4	5.8	2.1	0.8	1.9	0.6	10.9	5.0	1.0	-	-	-	-	-	10.5	2.1	3.5	100

Source: Nepal Tourism Statistics, Ministry of Tourism, Culture and Civil Aviation, Govt. of Nepal, 2008

Graph: 7.4: Share of Important Airlines, 1998-2007 (in percent)



7.2.8 Development of Hotel Industry in Nepal

Development of Hotel Industry in Nepal is a recent phenomenon. In 1959, there were 10 hotels with 88 beds, all of them were in Kathmandu and were used by Indian businessmen and a few overseas tourists (DOT, 1972). As the tourists arrival in the last decades were increasing, so was the growth of accommodation sectors in between 1960 and 1998, the number of hotels and beds increased by 73.9 and 328.1 (Number of Hotel 739, beds 28878) times respectively.

Table 7.7: Beds with Annual Growth Rate, 1995-2007 (in percentage)

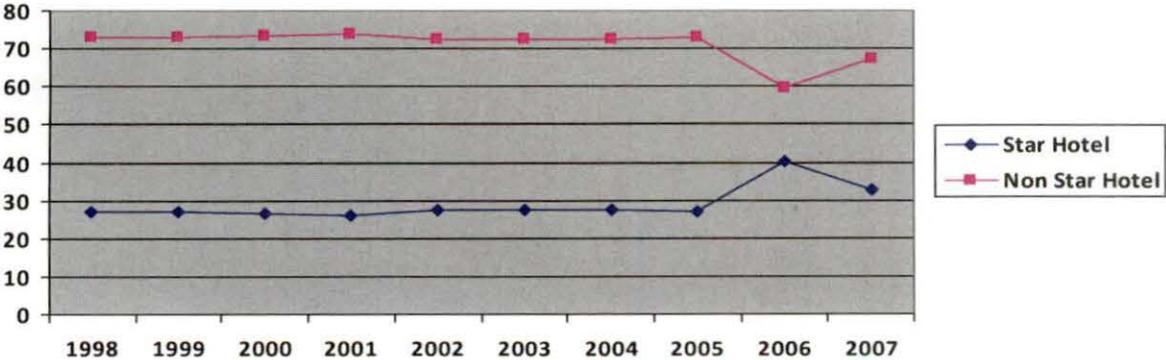
Year	Star Hotel		Non Star Hotel		Total		Annual Growth Rate in (%)		Share Of Beds in (%)	
	Total number	Total beds	Total number	Total beds	Hotels	Beds	Hotels	Beds	Star hotels	Non Star hotels
1995	72	6502	448	15305	520	21807	-	-	29.81	70.18
1996	79	7050	553	18558	632	25638	21.53	17.56	27.49	72.50
1997	86	7779	620	19833	706	27612	11.70	7.69	28.17	71.82
1998	89	7842	650	21036	739	28878	4.67	4.55	27.16	72.84
1999	87	8656	698	23558	785	32214	6.22	11.55	26.87	73.13
2000	94	9320	754	25638	848	34958	8.03	8.52	26.66	73.34
2001	97	9430	791	26733	888	36163	4.72	3.45	26.08	72.92
2002	104	10289	839	27327	943	37616	6.19	4.01	27.35	72.65
2003	108	10535	858	27735	966	38270	2.43	1.74	27.52	72.48
2004	110	10715	886	28392	996	39107	3.10	2.19	27.40	72.60
2005	110	10715	896	28669	1006	39384	1.00	0.71	27.21	72.79
2006	105	9763	502	14497	607	24260	39.66	38.40	40.24	59.76
2007	95	8774	539	18091	634	26865	4.45	10.74	32.66	67.34

Estimated

Source: Economic Survey, 2007/08, Ministry of Finance, Government of Nepal, July, 2008

The number of hotels has increased at compound growth rate of 1.99 percent per year during 1995-2007. Similarly, the number of total beds increased by 2.09 percent per year during the same period. However if we split the total number of hotels and beds into star and non-star categories, the growth of star hotels has been 2.80 a year while their number of beds increased by the growth rate of 3.03 percent per year during 1995/2007. On the other hand, respective growth rate for the non-star categories has declined to 1.85 percent and 1.67 percent per year during the respective period. The slower expansion of non-star categories of hotels in Nepal might be due to the uncertainty and instable political situation in the country. Higher growth of star hotel is accompanied by their decentralisation, unlike non-star hotels which are concentrated mainly in Kathmandu. Out of six star hotels, five are located in capital city of Kathmandu and the next one is recently opened in Pokhara, the second busiest tourists' hob of Nepal. Annual growth rate of the number of hotels and beds in the above table shows a wide fluctuation. There has been upside down in terms of share of beds between star hotels and non-star hotels. The share of the total beds of star hotel and non-star hotel were around 28 and 73 percent respectively during 1995/1998. Afterward, the share of bed for both the category has widely fluctuated by 40.24, 32.66 percent and 59.78, 67.37 percent in 2006 and 2007 respectively (figure 7.5). The trend of declining the number of beds of both the star and non star hotel is due to internal political disorder of the country.

Figure 7.5: Share of Beds by Star and Non-Star Hotel in Nepal, 1998-2007



7.2.9 Travel and Trekking Agency

Travel and trekking agencies are the important components of tourism industry. It is an indicator of tourism development which offers the great attraction to the visitors. Travel agent on the one hand works as an advisor to the tourist providing required infrastructure which inspire them to travel to a particular place and trekking agencies help trekker by providing necessary equipments, arranging food and lodging, experienced guide, porters and necessary government permit and formalities on the other.

The number of travel and trekking agencies are ever increasing in Nepal with the increase in the number of tourists' arrival and the demand for their services.

Table 7.8: Growth of Travel and Trekking Agencies in Nepal, 1995-2007

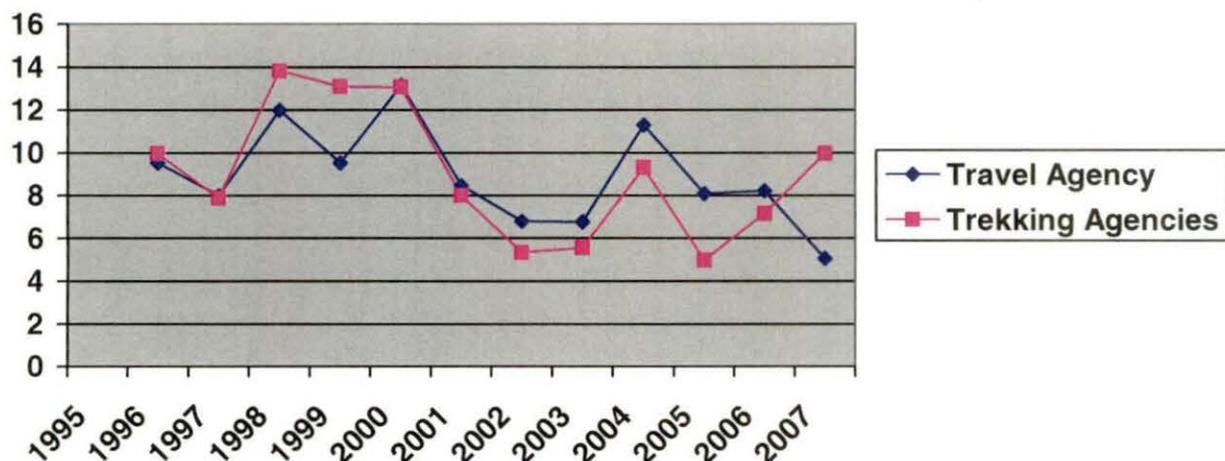
Year	Number of Travel Agencies	Growth Rate (In %)	Number of Trekking Agencies	Growth Rate (In %)
1995	388	-	311	-
1996	425	9.53	342	9.96
1997	459	8.00	369	7.89
1998	514	11.98	420	13.82
1999	563	9.53	475	13.09
2000	637	13.14	537	13.05
2001	691	8.47	580	8.00
2002	738	6.80	611	5.34
2003	788	6.77	645	5.56
2004	877	11.29	705	9.30
2005	948	8.09	740	4.96
2006	1026	8.22	793	7.16
2007	1078	5.06	872	9.96

Source: Ministry of Tourism Culture and Civil Aviation, Govt. of Nepal, 2008

In 1995, there were 388 travel and 311 trekking agencies in total in Nepal which rose to 1078 and 872 respectively in 2007 (table 7.8). The growth rate trend of travel agency for the year 1995 to 2007 was recorded 9.3 percent per year whereas the growth rate trend of trekking agencies in the above period was slightly declined at 8.88 percent per year. In fact, these growth rates were much higher in comparison to the growth rate of the tourists arrival during the same period was recorded as lowest as 0.10 percent per year. Considering the

above fact, it indicates that the impact of tourism growth on these two agencies have been similar in all respect as can be shown through the figure 7.6.

Figure 7.6: Growth of Travel and Trekking Agencies, 1995-2007 (in percent)



7.2.10 Rafting Agencies

Rafting is an adventure sport journeying on the torrential river on inflatable rubber boat. Nepal has most wonderful and variety of exciting river flowing down from the glaciers of the Himalayan range. Rafting in rivers in Nepal is most romantic and existing. A large number of adventure loving tourists are attracted by white water rafting in Nepal and many such tourists are increasing every year. The first rafting agency operated in Nepal was Himalayan river exploration under mountain travel in 1978.

Table 7.9 shows that there has been a wide fluctuation and gap in the growth of rafting agencies in Nepal from 1995-2007. The highest growth of rafting agencies recorded to 6.32 percent in 1996 but declined to - 2.24 percent in 1999. The lowest annual growth was recorded at 1.06 percent in 2007. Not any additional rafting agency was established between the year 2000 to 2002 and in the year 2006. The trend growth rate of rafting agencies in Nepal was recorded to 1.0 percent per year during 1995-2007 which shows a greater prospect of the development of rafting in Nepal.

Table 7.9: Growth of Rafting Agencies in Nepal, 1995-2007

Year	Number of Rafting Agencies	Growth Rate (in %)
1995	79	-
1996	84	6.32
1997	88	4.76
1998	89	1.13
1999	87	2.24
2000	87	-
2001	87	-
2002	87	-
2003	90	3.44
2004	91	1.11
2005	92	1.09
2006	92	-
2007	94	1.06

Source: Nepal Association of Rafting Agencies (NARA), Kathmandu, 2008.

7.3 Human Resources Development

7.3.1 Introduction

Human resources are considered as the supreme assets to give support for continuous growth and development of an organisation in order to achieve their strategic objectives. In the modern era of globalisation, human resources are said to be the key to organisational success. The top management conceptualisation of human resources management and development considerably determines customer service, organisational flexibility and realisation of organisational purpose (Swain, 2006) The success of any organisation in the long run depends very much on the quality and quantity of its human resources. Human resources development aims at developing a variety of competencies of employees and developing a dynamic work culture in the organisation to utilise these competencies and enormously contribute to organisational growth.

7.3.2 Important of HRD in Tourism

Human resources development has brought about a significant change in the field of agriculture, science, technology, management, various professions like medicine, law, engineering and teaching, politics, public administration, lame science, cooking, labour, telecommunications, research and tourism. Competency and capabilities are the main nerve centres of human resources development to achieve organisational productivity and

prosperity of a country. That can be achieved through excellent performance of human resources. An American industrialist Carnegie stated on the importance of HRD as “take away my factory, machinery, money and all that I have but leave my men, I will rebuild my industrial empire stronger and better.” Adam Smith, Robinson, Karl Marx and a number of classical and modern economists had emphasised on human resources as an important resources contributing towards the development of the economy of a nation.

Comparing with many other labour intensive service-based industries, the tourism product is meant for people. It involves the human factor more to deal with the basic needs of tourists. It is conceivable to visit the great pyramids, the Tajmahal, Hawaii Island, and Great Barriers Reef, which cannot be better understood without assistance of an interpreter. Therefore human elements are an inseparable part of the tourism industry. It is used as a tool to eradicate the poverty and unemployment by providing adequate opportunity to work efficiently in the tourism and hospitality industry. The growth and development of tourism demand on a large number of manpower to work in different categories of jobs. It is found that there is lack of well-trained and skilled manpower in this sector. It requires proper strategic planning to acquire, motivate, retain and enhance performance, loyalty and human touch. This can only be possible by proper management of the compensation package and reward management. It is revealed that human capital is the starting point of all development in the tourism organisations. The key to the successful management of tourism and hospitality industry requires better HRD practices. Tourism being a service oriented industry requires pooper knowledge and specialised skill. It is seen that most of the countries in Europe, Asia, Central America and Australia are facing the acute shortage of skilled and trailed manpower for their tourism industry. Human resources development is not properly taken care of on account of the lack of tourism training and professional institutions with need based latest curriculum. Most of the countries are lagging behind the development of tourism sector due to non-availability of adequate financial support to conduct training programmes.

7.3.3 Development of HRD in Nepal

To give a pace of tourism development in Nepal, Nepal Academy of Tourism and Hotel Management (NATHM) has been playing the key role in the production of manpower for the tourism sector as a whole. This is a public sector institution imparting manpower training and instituting regular and capsule courses in the subject of tourism, travel and hotel to create trained, skilled and knowledgeable workforce for the tourism and hospitality industry. In addition to NATHM, there are three main institutions providing diploma level

professional courses. They are Nepal College of Travel and Tourism Management, Nepal Tourism and Hotel Management College, Pokhara and Everest Institute of Hotel and Tourism Management, Nepalgunj. There has been a trend of upcoming of the institutions in the private sector to impart training to the individuals to take part in tourism sector. Now, around seventy institutions have come up in the private sector to impart tourism education in a view to supply trained manpower for the tourism sector.

Table 7.10: Manpower Trained by National Academy for Tourism & Hotel Management, 1995/96-2007-2008

Year	Number	Growth Rate
1995/96	1204	-
1996/97	1495	24.16
1997/98	1605	7.36
1998/99	1073	-33.15
1999/2000	1197	11.56
2000/2001	1126	-5.93
2001/2002	1003	-10.92
2002/2003	787	-21.53
2003/2004	1475	87.42
2004/2005	1386	-6.03
2005/2006	960	-31.32
2006/2007	1330	38.54
2007/2008*	1118	-15.94

Source: Nepal Academy of Tourism and Hotel Management, 2008

* First Eight Month

Table 7.10 represents that the manpower trained by NATHM has gradually increased but there has been fluctuation over the years. The highest 87.42 and lowest 38.54 growth rate recorded in the year 2003/04 and 2006/07 respectively. The manpower trained by the NATHM during the year 1995/96 to 2000/01 has been recorded at the trend growth rate of -3.93 percent annually. In the 2001/02 to 2007/08, the growth rate improved to 3.43 percent yearly. This growth rate is lower than the growth rate of tourist arrival which has been recorded at 6.89 percent during the year 2001 to 2007. For the overall period from 1995/96 to 2007/08, the growth rate of manpower production has declined to 1.23 percent yearly

which is slightly higher than the growth rate of the tourist arrival estimated to 0.10 percent during 1995/96 to 2007/08. For the fuller utilisation of the trained manpower in tourism activities, it is almost essential to give a pace to the tourists' arrival to Nepal.

7.4 Impact Assessment

The purpose of this subsection is to focus on the economic aspect of tourism in order to highlight the impact at the macro level. Impact of tourism on the economy of Nepal can be measured in several different ways. The most general measurement focuses on the foreign exchange earning and the contribution of tourism to national GDP, employment opportunities and human development.

7.4.1 Contribution of Tourism Industry

Tourism has become one of the largest and fastest growing industries in the global economy. It has been playing a pivotal role in the socio-economic development of most of the development as well as developing countries of the world. Today most of the countries of the world are trying their level best to strengthen their economy by promoting tourism. It has been identified as an important source of foreign exchange earning, as an industry creating employment opportunities and generating economic growth of the country. Moreover, tourism industry nourishes a country's economy, stimulates development process, restores cultural heritage, and help to maintain international peace and understanding. The travel and tourism industry makes a significant contribution to the world economy. The latest figure of the WTO shows that international tourism receipts make up some 6 percent of global exports of goods and services and 30 percent of global services exports in 2003 (WTO, 2005).

A survey of 400 policy and opinion makers in 20 countries placed these and three other industries (energy, manufacturing or agriculture) ahead of tourism in global contribution, but recently gathered statistics tell that tourism industries are ahead of all other industries in terms of economic contribution because they employ 204 million people worldwide or one in every nine workers, 10.6 percent of the global workforce. Tourism is the leading producer of tax revenue at US \$ 655 billion and world's largest industry in terms of gross output approaching US\$ 304 trillion. It accounts for 10.9 percent of all consumer spending, 10.7 percent of air capital investment and 6.9 percent of all government spending (www.treadwinginstitute.com). Further using tourism satellite accounting methods travel and tourism expected contribution to global GDP in 2005 is 10.6 percent (WTTC, 2005). With respect to the labour market for example the estimated share of people employed in

the tourism industry in 2005 in South Asia, Southeast Asia and Latin America is below the average at 5.2 percent, 7.9 percent and 7.3 percent respectively (WTTC, 2005). Similarly, in terms of share of GDP, the respective estimates are 5.5 percent, 7.5 percent, and 7.6 percent. Also developing countries' share of total international tourist arrivals and tourism receipts is disproportionately low with a strong bias towards Europe and North America (WTO, 2004).

Nevertheless, tourism remains important to many developing countries including the least developed countries. For instance, in a report prepared for the UK Department for International Development, it is estimated that the contribution of international tourism to most of its aid recipients is significant, the latter defined as either at least 2 percent of GDP or 5 percent of export earning (DFID, 1999). This includes eleven out of twelve countries that accounts for 80 percent of the world's poor with income below one US \$ per day. The contribution of tourism earnings to Nepal's GDP increased from one in percent in 1974 to 4.3 percent during 1994/95. But due to political disturbances it continues to drop to 3.6 percent and 1.5 percent in 2003/04 and 2006/07 respectively (MOCTCA, 2007).

In addition, the growth rates of international tourism (total arrivals, total expenditure and expenditure per arrival) in the decade between 1990 and 2000 were substantially higher in developing countries compared to developed countries (WTO, 2002). In the same period, developing countries (in particular least developed countries) growth rate of international tourism receipts as a proportion of receipts from all goods and services exceeded that of developed countries.

From the above analysis it is clear that tourism as an industry has emerged as the largest service industry globally in terms of gross revenue as well as foreign exchange earnings. It plays a significant role in the economies of both developed and developing countries of the globe. In Nepal, tourism is a main source of foreign exchange earning. Here an attempt has made to assess its contribution in various terms.

7.4.2 Foreign Exchange

In most to the developed as well as developing countries, "tourism" is an important source for maximising foreign exchange earning. Abundance of foreign exchange, whether resulting from export earnings or from capital inflows or reduction in exports have been assumed as a contributing factor of economic growth (Kader, American Economist, 1980; Hagen Development and planning, 1972). The increase in the stock of foreign exchange is envisaged to stimulate capital formation and has a multiplier effect to propel growth. Foreign exchange reserves show the financial strength and the stage of development of the

economy. The acceptance of currency at a predetermined rate makes the international trade easy and stabilises the rate of exchange. The rising foreign exchange earnings of a nation increase the credit worthiness in the international capital market.

Tourism is perhaps the only marketable product which results in enormous transfer of funds. It can bring valuable foreign exchange to the country without any exchange or export of merchandise. For many developing countries which are mainly dependent upon primary product such as a few basic cash crops, tourism offers a more reliable form of income. In case of European countries like Spain, Portugal, Austria, Yugoslavia and Greece, the invisible earnings from tourism are of a major significance and have a very strong positive effect on the balance of payments. Tourism has totally reshaped the economies of Japan, Hongkong, Italy, France, Singapore and Mauritius. Even countries in Eastern Europe which were shy and hesitant in the beginning, have now accepted the basic philosophy underlying tourism and have liberalised rules and regulations to allow free flow of tourists' traffic from abroad. Since Nepal adopts the policy of liberalisation in the country, tourism has been emerged as a major source of foreign exchange earning as is shown in table 7.11 .

7.4.3 Gross Foreign Exchange Earning

Gross foreign exchange earning in convertible currency was 88 million dollar in 1994. Thereafter it increased by 32.4 percent and reached to 116 million dollar in 1995 (Table 7.11). After this the earning went to decline by -0.1 and -0.6 percent in 1996 and 1997 respectively. However, the pattern of earning has not been smooth as it fluctuated widely both in terms of magnitude and direction. The fiscal years 2003 and 2007 have proved to be a beneficial year for the tourism sector because of foreign exchange earning which went to increase by 80.5 and 41.7 percent and crossed the mark of US \$ 192 and US \$ 230 million dollars respectively as is shown in figure 7.1.

Table 7.11: Gross Convertible Foreign Exchange Earning from Tourism in Nepal, 1994- 2007

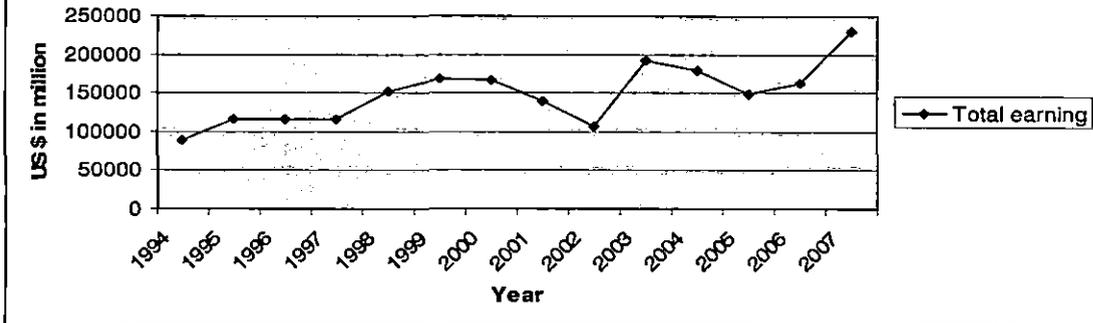
US \$ in million

Year	Total Earning in US \$	Growth Rate (in %)	Average Income Per capita in US \$	Average Income Per Visitor Per Day in US \$
1994	88195	-	393.7	39.4
1995	116784	32.4	474.5	42.1
1996	116644	-0.1	430.3	31.9
1997	115904	-0.6	401.9	38.3
1998	152500	31.6	475.8	44.2
1999	168100	10.2	479.1	39.0
2000	166847	-0.7	453.7	38.2
2001	140276	-15.9	472.4	39.6
2002	106822	-23.8	512.0	64.8
2003	192832	80.5	765.9	79.1
2004	179941	-6.7	609.8	45.1
2005	148441	-17.5	532.0	58.5
2006	162790	9.7	561.0	55.0
2007	230617	41.7	535.0	45.0

Source : Nepal Rastra Bank

Annual Statistical Report 2007, Ministry of Culture, Tourism and Civil Aviation, Govt. of Nepal.

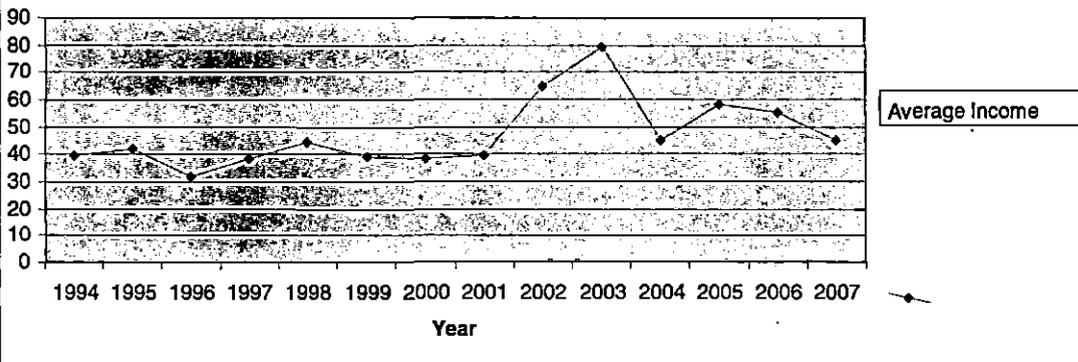
Figure 7.7 Gross Foreign Exchange Earnig in Convertible Currency 1994-2007



Average percapita income from tourists was recorded to around 400 dollars in 1994 which had remained stagnant around 450 US dollars upto 2001. Afterward, there has been sharp improvement and it went up to 610 and 766 dollars in 2004 and 2003 respectively. Nevertheless, it declined sharply to 535 dollars in 2007. The average annual growth rate of the foreign exchange earning has increased to 1.7 percent per year during 1995 to 2007.

The average income per visitor per day has been shown a similar trend since 1994 - 2001. Between these periods, the average income per visitor per day was recorded to around forty dollars (figure 7.8). Thereafter, it increased very sharply to around 65 dollars per day in 2002 and 79 dollars in 2003. This trend of average income per visitor per day could not stabilise for long. It declined to 45 dollars per day in 2007. The annual average growth rate of the average income has been found 3.52 percent yearly during 1994 to 2007. Data reveal that the tourists who come to Nepal have a trend to increase the expenditure while staying in Nepal. This very trend signifies the scope of tourism in Nepal.

Figure 7.8: Average Income per Visitor Per day 1994-2007 in US \$



7.44 Tourism Share in the Total Value of Export

It is well known that tourism has been playing a vital role in the Nepalese economy for earning valuable foreign exchange to meet the needs for import in the economy. The position of foreign exchange earning and its share in the total export is shown in the table 7.12 and figure 7.9.

The foreign exchange earning from tourism was Rs. 8,973.2 million dollars in the year 1994/95. With an annual growth rate of 6.1 percent, it reached to Rs. 9,521.2 million dollars in 1995/96 but declined to 10.5 percent in the year 1996/97. The foreign exchange earning from tourism had been fluctuated during 1994/95 to 2007/08. The higher foreign exchange earning from tourism was recorded to Rs. 18147.4 million dollars with an annual growth rate of 54.5 percent in the year 2003/04. During the year from 1994/95 to 2007/08, the foreign exchange earning had been increased with the growth rate of 1.38 percent per year. When we break-up and find out the trend of foreign currency earning for 1995 to 2001 and 2002 to 2007, the growth rate recorded to 6.0 and 1.09 percent per year respectively but when including the year 2008, the growth rate for foreign currency earning declined by -0.89 percent yearly during 2002 to 2008. Although, the data for 2008 could have covered the ratio of foreign currency earning for eight months only.

Table 7.12: Share of Tourism Earning in the total Value of Export, 1994/95-2007/08

Rs. in Million

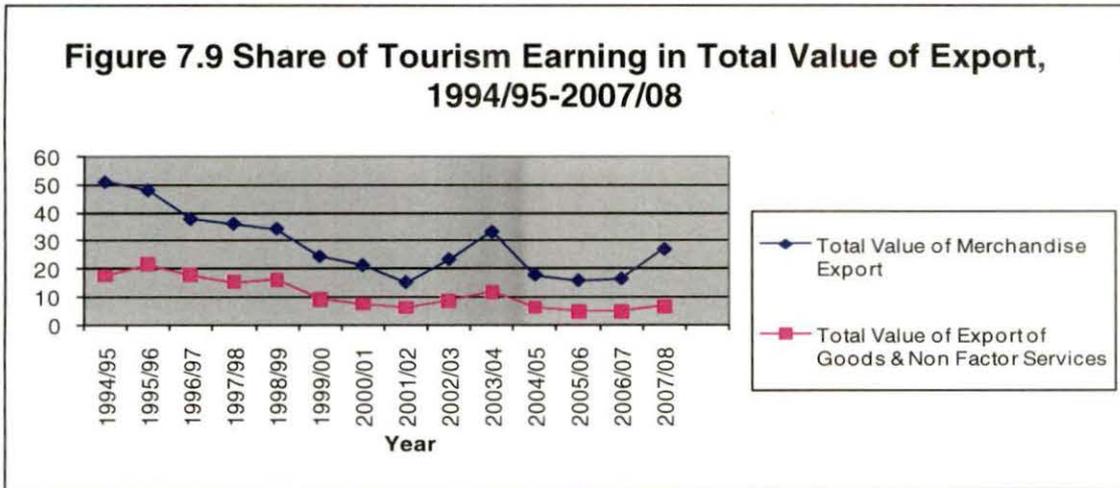
Year	Total Foreign Exchange Earning from Tourism	Share of Tourism in Total Value of Merchandise Export (in %)	Share of Tourism in Total Value of Exports of Goods & Non Factor Service (in %)	As % of Total Foreign Exchange Earning
1994/95	8973.2	50.8	21.8	17.3
1995/96	9521.2	47.9	23.3	21.4
1996/97	8523.0	37.6	13.7	17.6
1997/98	9881.6	35.9	17.4	15.2
1998/99	12167.8	34.1	18.5	15.9
1999/00	12073.9	24.2	13.0	8.8
2000/01	11717.0	21.0	12.0	7.4
2001/02	8654.3	14.9	10.6	6.1
2002/03	11747.7	23.1	15.2	8.2
2003/04	18147.4	32.9	20.3	11.4
2004/05	10464.0	17.5	12.2	6.1
2005/06	9556.0	15.5	10.9	4.6
2006/07	10125.0	16.1	10.7	4.5
2007/08*	10891.0	26.7	16.6	6.6

Source: Ministry of Finance, 2008

* First Eight Months

While observing the share of foreign exchange earning from tourism in the total value of merchandise exports of Nepal, we find that the share increased more than fifty percent in the midnineties. Thereafter the share had gone down continuously to 14.9 percent in 2001/02. However the share in merchandise export picked-up once again to 32.9 percent since mid twenties but it came down to 26.7 percent in 2007/08. Similarly, the share of tourism earning in total value of exports good and non factor services has been estimated to 21.8 percent during mid nineties. It sharply declined to 16.6 percent in 2001/02 (Table 7.12). Afterward, the share of the same has continuously improved during the mid twenties and it reached 16.6 percent in 2007/08.

Analysing the contribution of tourism in the total foreign exchange earning of the country we find that the share reached the maximum level of 21.4 percent in mid nineties. It came down to 6.1 percent in 2001/02. It is also obvious from the figure 7.9. There had been a wide fluctuation in the share of tourism in foreign exchange earning of the country. The share had seemed to improve slightly to 11.4 percent in the year 2003/04 but due to internal political disorder in the country the share again went to decline as low as 4.5 percent in 2006/07. Nevertheless, it increased slightly in 2007/08 to 6.6 percent.



7.4.5 Foreign Exchange Earning and GDP

Table 7.13 shows that the share of earning from tourism to GDP had been higher to 4.3 percent in 1994/95. Thereafter the share of GDP had gone to down sharply during 1995/96 to 2007/08 and it reached to 1.4 percent in 2007/08. On the other hand, the GDP of the country as a whole was estimated to Rs. 209976 million in 1994/95 and it increased more than three- fold and reached to Rs. 768832 million which is more than three times double than the GDP estimated during the mid nineties.

Table 7.13: Foreign Exchange Earning as Share of GDP, 1994/95 to 2007-08

Rs. in million

Year	GDP	Foreign Exchange Earning from Tourism	Share of GDP (in %)
1994/95	209976	8973.2	4.3
1995/96	239388	9521.2	4.0
1996/97	269570	8523.0	3.2
1997/98	289798	9881.6	3.4
1998/99	330018	12167.8	3.7
1999/00	366251	12073.9	3.3
2000/01	413429	11717.0	2.8
2001/02	430397	8654.3	2.0
2002/03	460325	11747.7	2.6
2003/04	500699	18147.4	3.6
2004/05	548485	10464.0	1.9
2005/06	611089	9556.0	1.6
2006/07	675484	10125.0	1.5
2007/08*	768832	10891.0	1.4

Estimated

Source: Economic Survey, 2003/04, 2007/08, Ministry of Finance, Govt. of Nepal.

Annual Statistical Report, 2008, Nepal Tourism Statistics, Ministry of Culture, Tourism and Civil Aviation, Govt. of Nepal.

* First Eight Months.

If we compare the growth of total GDP with the share of tourism earning to GDP for the year 1994/95 to 2000/01 and 2001/02 to 2007/08, we find that GDP of the country as a whole had increased with the growth rate of 11.6 percent per year for 1994/95 to 2000/01 whereas the share of tourism earning to GDP declined to -5.3 percent per year for the same period. During 2001/02 to 2007/08, the growth of GDP was 10.1 percent but the share of tourism earning to GDP continued to be negative as -10.1 percent per year. For the overall period (1994/95 to 2007/08) the growth rate of GDP was 9.9 percent whereas the share of tourism earning to GDP had been recorded to be negative (-7.8 percent per year).

From the above analysis, it is clear that tourism which has become the important sector of Nepalese economy has been gravely affected during the late nineties and mid twenties due to political disturbance in the country.

Table 7.14: Tourism Income in Convertible Currency by Sectors for the Year 2004/05 to 2006/07

Rs. in thousand

Year	Hostels	Share (in %)	Travel Agency	Share (in %)	Airlines	Share (in %)	Trekking & Rafting	Share (in %)	Tourists	Share (in %)	Others	Share (in %)	Total Tourism Income	Growth Rate (in %)	Index
2004/05	599308	5.1	4444090	37.6	691808	5.9	538011	4.5	4635264	39.2	906372	7.7	11814853	-	100
2005/06	743736	5.9	3746643	29.6	1693391	13.4	961478	7.6	4093153	32.4	1407360	11.1	12645761	7.1	107.1
2006/07	694854	5.9	3309307	28.3	1586774	13.5	809406	6.9	3986414	34.1	1324138	11.3	11710893	-7.4	099.1

Source: Nepal Rastra Bank.

Annual Statistical Report, 2005, 2006, 2007, Nepal Tourism Statistics, Ministry of Culture, Tourism and Civil Aviation, Govt. of Nepal.

7.4.6 Sector- wise Income Generation from Tourism in Convertible Currency

Sector- wise income earning from tourism is presented in table 7.15 for the year 2004/05 to 2006/07. Total income derived from tourism has increased from Rs. 11814853 in 2004/05 to Rs. 12645761 in 2005/06, registering an increment of 7.1 percent during the same period (in 2005/06). Tourism sector's income for the period 2006/07 declined negatively as -7.4 percent and reached to Rs. 11710893 during the same period. The tourism sector income grew at trend growth rate of -0.4 percent yearly from 2004/05 to 2006/07.

Among different sectors, hotel is one of the important sectors for generating income for the tourism industry. The growth of income from hotel has increased in a slow pace comparing to other sources between the period 2004/05 to 2006/07. Income from hotel has increased at annual growth rate of 1.7 percent for the same year.

The share of travel agency to the total income generated from tourism has been 37.6 percent in 2004/05 which declined to 29.6 and 28.3 percent in 2005/06 and 2006/07 respectively.

The contribution of airlines to the total income generated from tourism was 5.9 percent in 2004/05 and it increased significantly from 13.4 percent to 13.5 percent in 2004/05 and 2005/06 respectively. This shows a positive sign of the development of air service in Nepal. Income from airlines sector grew at the rate of 51.4 percent during 2004/05 to 2006/07

Trekking and rafting are the important sources of tourism income in Nepal. The share of this sector in income generation has been observed to have increased from 4.5 percent in 2004/05 to 7.6 percent in 2005/06. Although, in case of the fiscal year 2006/07, the share of this sector had declined by 6.9 percent. Overall, the income of this sector grew with the rate of 2.2 percent per year.

Tourists' sector has found to be highest income generation source to tourism industry in the country. The data for 2004/05 reveal that the contribution of this sector had increased to 39.2 percent in 2004/05 which declined in 2005/06 by 32.4 percent but it grew again to 34.1 percent in 2006/07. The annual growth rate of this sector remained 7.3 percent during 2004/05 to 2006/07.

The tourism income derived from other sector was found to be increased by 11.1 percent between 2004/05 to 2005/06 and 11.3 percent in 2006/07. The income growth of other sectors increased by 20.9 percent during this period.

7.4.7 Tourism Contribution in the Generation of Government Revenue

Tourism has significant contribution to the government exchequer too. Royalty from mountaineering expedition is one of the important sources of government revenue in Nepal. The amount of Royalty received from mountaineering is increasing gradually since beginning. The total Royalty from mountaineering increased from Rs.37,307 in 1995 to Rs. 1,01,878 in 1996 (table 7.15).

Table 7.15 Royalty Received from Mountaineering Expedition from 1995-2007
Rs. (Thousand)

Year	Royalty to Government	Annual Growth Rate (%)	Index
1995	37307	-	100
1996	101878	173.1	273.1
1997	108237	6.2	290.1
1998	95479	-11.8	255.9
1999	84989	-11.0	227.8
2000	119893	41.1	321.4
2001	127394	6.3	341.5
2002	128185	0.6	343.6
2003	181360	41.5	486.1
2004	127072	-30.0	340.6
2005	156240	23.0	418.8
2006	145612	-6.8	390.3
2007	169829	16.6	455.2

Source: Economic Survey, 2007/08, Ministry of Finance, Govt. of Nepal.

During the period of one year in 1996, the royalty increased by 173.1 percent which is around three times the amount of preceding year. The amount of royalty to government increased by 41.5 percent in 2003 was the highest amount of royalty from mountaineering

expedition during the year 1995/2007 which reached to Rs. 181360. Nevertheless in the year 2004, it sharply declined to be negative as -30.0 but improved to 16.6 percent in 2007.

For the beginning year 1995 to 2001, the growth rate of the royalty to government from mountaineering expedition had been recorded to 14.4 percent per year. It declined to 2.8 percent between 2000 and 2007. For the overall period from 1995 to 2007, the royalty to government from mountaineering increased by 8.5 percent per year.

7.4.8 Revenue Generation from National Park and Protected Areas

National parks and protected Areas are one of the major sources of revenue from tourism in Nepal shown in chart 7.3 and table 7.16. Total revenue generated from National Park and Protected Areas amounted NRs.8,95,99,892.95 in 1998/99. This rose to NRs.93502138.30 and NRs.13,40,98,49,485 in 1999/2000 and 2000/01 representing an annual growth rate of 4.4 and 43.4 percent respectively. This growth trend went to decline by -46.9 and -14.16 percent in the year 2001/02 and 2002/03. Although, the revenue from park rose to NRs. 78,470,670.95 in 2003/04 but it again came to decline by 5,57,53,094.90 during 2004/05 at a negative annual growth rate of -28.95 percent. A positive sign had been seen between the year 2005/06 to 2007/08 when the revenue from the National Parks and Protected Areas reached to NRs.6,45,81,876 and NRs.11,78,98,999 representing with an annual growth rate of 15.8 to 24.7 percent in the respected periods. Overall analysis indicates that the prospect of generating revenue from National parks and Protected Areas is immense. Therefore, if proper attention is given for conservation and management of parks it will not only generate enough revenue but also maintain the ecological balance in the country

Chart 7.3: Revenue Generation from Different Protected Areas from 1998/99-2007/08

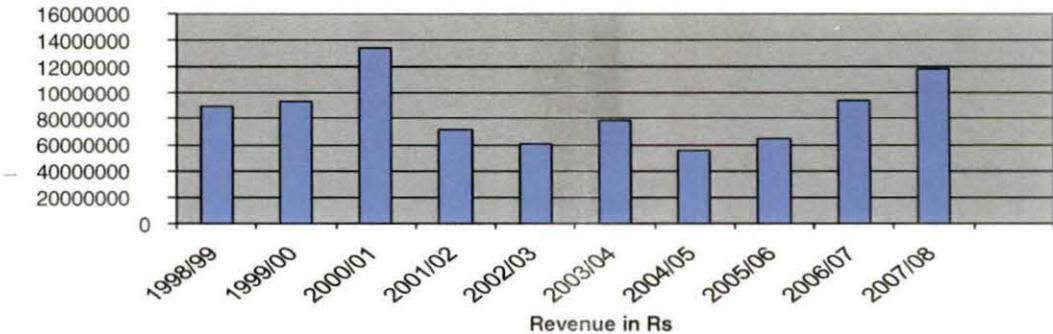


Table 7.16: Revenue Generation From Different Protected Areas, 1998/99 - 2005/06

S.No.	Protected Area	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
1.	Department of NP and WC	20385715.00	-	20953326.20	7054414.59	7254831.16	12022385.00	5485730.00	4178506.00	6534505.00	6027883.00
2.	Chitwan National Park	54543777.79	51537864.46	74302801.36	38887119.06	30831199.47	40060769.90	28137909.20	37979523.00	4773092.92	58793101.00
3.	Bardia National Park	4226068.04	7615768.57	9821783.51	4376585.83	2777654.94	3710146.91	1821863.30	1581501.00	3432490.00	4012763.00
4.	Sagarmatha National Park	4086506.65	12575969.99	15439746.19	11355101.00	10819019.00	14508487.30	13562145.40	13905852.00	17084031.44	22861928.00
5.	Langtang National Park	3498779.33	7136875.61	8550227.00	4490787.21	4866446.21	3623443.54	2513093.00	2812625.00	4428302.33	5839900.00
6.	Rara National Park	62495.00	102575.00	100372.00	74065.00	59000.00	41952.00	42350.00	11940.00	75070.00	190040.00
7.	SheyPhoksundo National Park	126994.00	225697.00	193790.00	481216.00	159460.00	133260.00	144000.00	65720.00	337627.40	390840.00
8.	Khaptad National Park	66960.00	97133.00	9402.46	34789.00	22276.00	5400.00	13986.00	22664.00	77818.00	70396.00
9.	Makalu Barun National Park	-	180750.00	313927.60	44059.00	131872.00	118554.30	87799.00	124860.00	179430.00	748463.00
10.	Shivpuri National Park	-	-	-	1800084.00	1986025.00	2370895.00	2388352.00	947515.00	2900520.00	2964618.00
11.	Shkalaphanta Wildlife Reserve	952578.27	971314.44	2419214.53	1552950.25	631871.07	523770.00	469765.00	437857.00	1664096.57	717959.00
12.	Parsa Wildlife Reserve	298989.00	193836.50	354153.00	258500.90	421860.00	563698.00	379575.00	2172693.00	9467480.08	14432290.00
13.	Koshi Tappu Wildlife Reserve	1153523.00	734659.00	1208770.00	642591.00	596281.00	573309.00	532747.00	322026.00	411314.00	542842.00
14.	Dhorpatan Hunting Reserve	197506.87	156138.76	151081.00	87387.00	1200.00	900.00	1800.00	3600.00	6235.00	81898.00
15.	Kanchanjunga Cons Area	-	263000.00	195000.00	44059.25	254800.00	213700.00	171980.00	15000.00	192560.00	224070.00
16.	Sikart Office	-	-	-	-	-	-	-	-	33600.00	0.00
17.	Total	89599892.95	93502138.30	134098494.85	71183709.09	60813795.85	78470670.95	55753094.90	64581876.00	94557172.74	117898991.00
18.	Growth Rate (in %)	-	4.4	43.4	-46.9	-14.6	-	-	-	-	-

Source: Department of National Park and Wildlife Conservation, 2008

7.4.9 Employment Generation

The economic impact of tourism industry in the national economy can also be assessed with reference to its contribution to employment generation. "Tourism as a source of employment is particularly important for areas with limited alternative" (Medlik, 1972). Millions of people throughout the world now depend directly or indirectly for their livelihood on tourism. Today more than two thirds of employment and national income generation in the industrialised countries is attributed not to an industry or agriculture but to the service sector. The World Tourism Organisation WTO estimates that some 20 percent of the world workers are employed in tourism related services. Tourism has proved to be one of few dynamic job creators both in developed and developing countries and in nations with high level of development and income.

A study on the economic impact of tourism conducted by the World Tourism and Travel Council estimated that employment generation from tourism was 25 million equivalent full time jobs or 6 percent of India's workforce in 2001. Separate estimates prepared by the Department of Tourism, using a multiplier based on 1980 research suggests that the actual employment generation effect of (direct & indirect) tourism in India is around 42 million (include full time/part time/ casuals).

A forecast study undertaken by World Tourism and Travel Council further indicates that between 2001 and 2011, global employment contribution will increase from 207.1 million to 206.4 million jobs or 9 percent of total global employment. According to latest estimation by WTTC, the travel and tourism economy (direct & indirect employment) accounts for 7 percent of global employment. Now, 773 & 219.8 million people are directly and indirectly employed in tourism industry in global level and are expected to rise 19.8 and 275.7 million jobs respectively by 2019. (Tourism Satellite Account WTTC, 2008). A study indicates that about 1, 40,000 people in Switzerland and about a million in the United Kingdom are directly employed in the tourism industry.

Since the liberalisation of the Nepalese economy, scores of entrepreneurs started investing in tourism infrastructure and this newer employment opportunity were created in this sector. A part from the direct employment opportunities created in hotels, restaurants, curio shops, travel agencies and also in the transport, handloom and handicraft industry, the tourism industry also generates 'employment multiplier effects' by providing employment opportunities in ancillary industries such as handlooms, handicrafts, art and

crafts, sanitary ware, glassware, cutlery, crockery, furnishings, designer furniture and many other areas.

Every year, tourism generates employment for the youths as mountain guides and porters. Most of them have very meager income from agriculture. In addition, trekking and mountaineering creates opportunities for enterprise generation through the operation of tea house and lodge along the trails. A majority of these lodges are run by women. Besides this , tourism creates linkages for growth of other sector such as traditional handicrafts, agro based business and restaurants sector that overwhelmingly involve women. According to the latest Estimation of WWTC,(2009) the travel and tourism direct industry jobs estimated at 193,000, 1.8 percent of total employment in 2009 and 268,000 jobs or 2 percent of the total by 2019 as is shown in table 7.17.

Table 7.17: Employment in Mountaineering Expedition from 1995-2007.

Rs. in Thousand

Year	Number of Person Employed	Growth Rate (in %)	Index
1995	5195	-	100
1996	4925	-5.2	094.8
1997	7003	42.2	134.8
1998	6942	-0.9	133.6
1999	9690	39.6	186.5
2000	11587	19.6	223.1
2001	6203	-46.5	119.4
2002	9928	60.1	191.1
2003	14838	49.5	285.6
2004	9362	-36.9	180.2
2005	636	-93.2	012.2
2006	4344	583.1	083.6
2007	4823	11.1	092.8

Source: Economic Survey, 2007/08, Ministry of Finance, Govt. of Nepal.

Mountaineering expedition is also a source of employment generation in mountain area of Nepal. Thousands of youths are getting employment in mountaineering expedition. Employment generated in mountaineering expedition has been fluctuated year to year since 1996 to till 2007. There were 5,195 people employed in mountaineering expedition in 1995. This declined to 4,925 in 1996 representing an annual growth of – 5.2 percent. The highest number of employment generated in this sector was recorded to 14,838 jobs in the year 2003. Likewise, the lowest number of employment generated in this sector was 636 people in 2005 and declined negatively at an annual growth of – 93.2 percent. The overall period from 1995 to 2007, the average annual growth rate of the employment generated in mountaineering sector was estimated to – 4.9 percent yearly.

Table 7.18 Direct Employment Generation from Tourism Sector in 1989

Sector	Nationality		Male	Female	Total
	Nepali	Others			
Hotel	5815	101	5102	814	5916 (52.9)
Travel Agency	1520	24	1413	131	1544 (13.8)
Trekking Agency	974	4	947	31	978(88)
Airlines	2707	31	2510	228	2738(24.5)
TOTAL	11016	160	9972	1204	11,176
Percent	98.6	1.4	89.2	10.8	-

Source : Nepal Rastra Bank, 1989

How many people are engaged in the tourism sector in Nepal is difficult to figure out. Since tourism being a labour- intensive service industry, it provides direct as well indirect employment to the people. A study of income and employment generation from tourism in Nepal was conducted by Nepal Rastra Bank (Central Bank of Nepal) in 1989. The study indicated that there were altogether 11,176 people engaged in the tourism sector in Nepal during 1989. Out of which 98.6 percent were Nepalese citizen whereas 1.4 percent were from other countries of the world representing 89.2 percent males and 10.8 percent females. It was also observed that 61.7 percent workers worked as a basic manpower whereas 29.2 and 9.1 percent as middle level and top level manpower respectively. This very fact reveals that there is a great potentiality to observe a large number of unskilled manpower to the tourism industry in Nepal. The study also indicates that the hotels and

lodges of Nepal are the main employment generators rather than the other sectors. Hotel sector observed 52.9 percent labour force whereas the travel agency, trekking agency and airlines 13.8, 8.8 and 24.5 percent labour force respectively indicated in the study.

7.19: Employment Contribution from Tourism Sector from 2004 - 2009

Year	Direct Employment	As % of National Account	Indirect Employment	As % of National Account	Total Employment	Growth Rate in %
2004	267.5	2.9	584.6	6.4	852.1	-
2005	211.0	2.2	487.5	5.1	698.5	-18.0
2006	186.1	1.9	469.3	4.8	655.4	-6.2
2007	204.7	2.0	502.9	5.0	707.6	8.0
2008E	202.9	2.0	509.9	5.0	712.8	1.0
2009F	192.5	1.8	497.1	4.7	689.6	-3.3
2019F	267.8	2.0	676.5	5.0	944.3	36.9

Source: Extract from Satellite Account Table, World Travel & Tourism Council, 2009

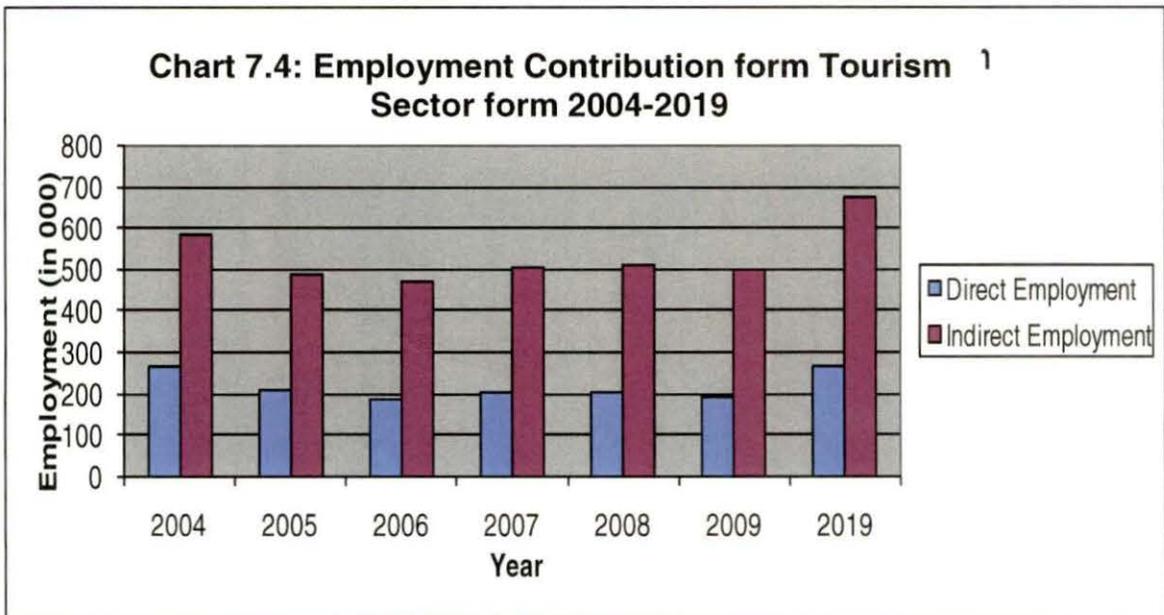
E: Estimated

F: Forecast

Table 7.19 represents the employment contribution of the travel and tourism sector in Nepal estimated by World Travel and Tourism Council from 2004 to 2009. As it is observed that tourism being a labour intensive industry provides direct and indirect employment to a large number of people in the economy. The employment generated from tourism industry in Nepal has been fluctuated over the years as has been indicated in the above table (7.19). Total 8, 52,000 people including Nepalese and foreigners were employed in tourism sector in Nepal during 2004, out of which 268,000 were directly employed in several hotels, resorts, travel and trekking agency and airport, etc. whereas 5, 85,000 were employed indirectly in tourism related sector such as construction firm, suppliers of food and beverage, taxi drivers, hairdressers and so on was estimated to 2.9 and 6.4 percent of the total employment of the country. The ratio of both direct and indirect employment although declined negatively by -18 and -6.2 percent for the year 2005 and 2006 respectively. Nevertheless, the year 2007 had proved as a prosperous year in the history of tourism, the direct and indirect employment sharply grew by an annual growth of 8 percent, providing 7, 08,000 jobs in the economy. The total 2, 05,000 and 5, 03,000 people were directly and indirectly involved in the industry during the same year which was estimated to

2 and 5 percent of the total employment in the country. The total employment (including direct and indirect) grew to 71,2000 in 2008 representing a similar growth rate of total employment as was estimated in the year 2007. It was also expected that the employment generated from tourism sector would come to decline from 712,000 jobs to 690,000 jobs in 2009 at annual decline of -3.3 percent in the same year. The World Travel and Tourism Council has also estimated that travel and tourism employment will be total 944,000 jobs by 2019 creating 2,68,00 and 6,77,000 jobs (direct & indirect) in the economy which is expected to be 2 and 5 percent of the total employment of the country as is shown in chart 7.4.

The study conducted by WTTC reveals that the ratio of direct employment generated by travel and tourism sector is low in comparison to the ratio of indirect employment. It indicates that domination of partial and seasonal employment in tourism sector is in wide range. Very few people are professional and career oriented in travel trade either as employers or as employees. Thus, domination of indirect and partial and the seasonal nature of employment are the shortcomings of the tourism sector employment in Nepal.



7.4.10 Conclusion

From the above analysis it is observed that tourists' arrival in Nepal has seen a varied growth and fall pattern. Due to many reasons, the growth rate of tourists arrival in Nepal has been declined negatively by -0.10 percent per year during the period 1995-2007 and the growth of average days of stay also declined to -1.0 per year for the same period. It is also further estimated that the tourists arriving by land route has increased at a higher pace of average 20.15 percent per year than the tourists arriving by air increased by average 10.9 percent during 1995-2007. More than two third of tourists are found to travel Nepal for pleasure and sight seeing followed by trekking and mountaineering. The traditional tourists from North-South America, Western Europe have shown a sign of declining growth rate during 1995-2007. Although some Asian, Eastern European tourists have been attracted towards Nepal but the case of Indian tourists towards Nepal was 32.3 percent during 1995. It declined to 18.3 percent in 2007. The inflow of Indian tourists to Nepal has declined annually 3.3 percent during 1995/2007 whereas growth of Eastern European tourists' inflow to Nepal became 1.1 percent in 1995 and it became 4.9 percent in 2007.

With the inflow of tourists to Nepal, several tourism related sectors have expanded during 1995 to 2007. The expansion of these activities such as hotels, airlines, travel, trekking and rafting agencies and the development of manpower directly reflected the other activities in the economy. In the late 1980s and 1990s, many countries of the world such as China, Russia, Austria, Qatar, Saudi Arabia, Gulf and Sahara, etc. started operating airline services to Nepal but it appears that the tourists arriving by land routes are increasing at higher pace. The growth of star and non star hotels has been higher in Nepal than the growth rate of tourists' inflow in the country. The travel and trekking agencies have been recorded a high growth of 9.3 and 8.9 which is non comparable with growth rate of tourists inflow in the country. Nevertheless, tourism related manpower development diminished negatively during the same period (1995-2007)

It is further observed that tourism has been recognised as one of the important sector of the Nepalese economy. It has a positive impact on the economy of Nepal. Its contribution to GDP, foreign exchange earnings, revenue to government and employment generation has been improving. But if we analyse the growth in respect of merchandise export, the exports of goods & non-factor services, and the overall foreign exchange earning has been shrinking in the economy. Moreover the ratio of foreign exchange earning

from tourism as well as GDP has not been increased since the last few years. The royalty of government from tourism has sharply improved.

CHAPTER 8



CHAPTER – 8

Summary, Conclusions and Recommendations

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CHAPTER 8

Summary, Conclusions and Recommendations

8.1 Summary

The basic components of tourism sector development are transport, location and accommodation and the dynamism of this sector largely rests on the comfortable mode of transportation. Of all these three components location is perhaps the best aspect in terms of growth of this sector. World statistics on tourism show that Europe is the most popular tourist destination, followed by America and East Asia/the Pacific. Tourism is expected to grow by more than six percent per annum worldwide with higher rates reported for some developing countries like Nepal which are endowed with wildlife for ecotourists. For many reasons Nepal has been placed as a famous tourist destination in the world. These, as we consider, are mountaineering, trekking, historical and cultural attractions and people's hospitality. Nepal has the enormous potentiality of tourism because of its bio-diversity and altitudinal variation. Wildlife also attracts people from different corners of the world. Nepal is, in fact, endowed with abundant nature-based and man-made resources and this has particularly promoted wildlife tourism in Nepal. About 77 percent of total land area is covered by mountain hills and rest is the 'Tarai' region. This has essentially enriched Nepal in terms of bio-diversity.

This study covers a wide range of tourism sector development of Nepal starting from the genesis of tourism to wildlife tourism, adventure tourism, ecotourism, tourism and its socio-cultural and environmental impact in the context of Nepal and what is more an in-depth analysis of the development of tourism industry in Nepal has been done with the help of supportive quantitative data especially on tourists flow, Nepal's share in South Asia, Asia and the Pacific, and the world as a whole, market share of important airlines, in tourists arrivals, development of hotel industry, growth of travel and trekking agencies, rafting agencies, manpower training provided by National Academy for Tourism and Hotel Management, foreign exchange earning from tourism, and share of tourism earnings in the total value of exports.

Nepal's rich bio-diversity renders to deal as both eco-tourism and wildlife tourism destinations. For about 20 percent of Nepal's total land area accounts for its sixteen protected wildlife areas, such as, Royal Chitwan National Park, Shey-phoksundo National Park, Langtang National Park, Makalu – Barun National Park and Conservation Area,

Royal Bardia National Park, Saqarmatha National Park, Khaptad National Park, Rara National Park, Shivpuri National Park, Royal Sukla- Phanta Wildlife Reserve, Parsa Wildlife Reserve, Koshi Tappu Wildlife Reserve, Annapurna Conservation Area, kanchanjhnga Conservation Area, Manaslu Conservation Area, and Dhorpatan Hunting Reserve. All these parks attract people from different corners of the world.

Nepal has been termed as a "Paradise for Adventure Tourists". Nepal offers various adventure based tourism activities such as trekking, mountaineering, rafting, ballooning, bungee jumping, paragliding etc. These have made Nepal famous for adventure tourism. The famous adventure tourism attractions are some of the places especially located in this part of the world. The place which attracts people most is the Annapurna region lying to the north of Central Nepal. Annapurna Peaks, Mt. Dhaulagiri and River Kali Gandki are highlighted as the important adventure tourism spots and the important trekking routes are Jomsom, Annapurna Circuit and Annapurna Base Camp, Annapurna Foothills, Sikles, Lamjung, and Dhaulagiri. Everest and Lantang region are also two important tourist destinations of which Everest region was announced as a "World Heritage Site" in 1980. Mountaineering, rafting, paragliding, jungle safari bungee jumping, hot air ballooning, rock climbing, boating, mountain biking etc. have in fact, improved adventure tourism in Nepal. But Political instability, infrastructural bottlenecks such as limited road accessibility, inadequate financial resources and lack of coordination in programmes and action between private sector and the government have hindered the desired level of growth of adventure tourism in Nepal.

It is undenyng that tourism contributes significantly in the generation of government revenue in Nepal. In this context it may be mentioned that royalty from mountaineering expedition plays a dominant role. Table 7.15 (Page No. 189) clearly shows the ups and downs of the indices and the annual rates of growth of royalty received by the Government of Nepal from mountaineering expedition. Revenue generation from National Park and protected areas is also quite remarkable especially during 1998-2007.

The tourism sector has also positive impact in generating employment opportunities to the people of Nepal. The employment potentialities are created in hotels and restaurants, curio shops, travel agencies, transport, handloom and handicraft industries through "multiplier effect". A study conducted by Nepal Rastra Bank (1989) showed that tourism sector opened up possibilities of direct and indirect employment to the people of Nepal.

This had created 98.6 percent employment among the citizens of Nepal and the rest i.e. 1.4 percent among the non-Nepalese residents.

We took data from World Travel and Tourism Council (2008) and found that a large number of people were directly and indirectly engaged in tourism sector. During 2004, 8,52,000 people were employed. The World Travel and Tourism Council also had a forecast of generating 9,44,000 jobs through this sector of which 2,68,000 were direct employment and 6,76,000 were indirect employment by 2019.

8.2 Conclusions

For its scenic beauty, peaceful and easygoing people, and its ancient culture Nepal has been loved by the people from the world over and this has been the major reason for tourists attraction. Tourists visiting Nepal are found very desirous to derive more facilities in order to enjoy the potentials of tourism. Our opinion survey suggests that a large number of respondents are dissatisfied due to the problem of litters and garbage in Kathmandu, Chitwan and Pokhara Cities. Visitors are also annoyed with the problem of sanitation and cleanliness. Lack of trained guide and services regarding immigration and customs also harms tourists inflow. Political instability is a threat to the visitors. This gives rise to regular bandhs and strikes throughout the year. It is a daily state of affairs that Mosist including other political parties call for a bandh any time at any place. Very recently (March, 2010) the Maoist – affiliated 'All Nepal Tourists Workers Union', Kaski (ANTWU) has called for restriction on trekking the Annapurna circuit. This has been a major trekking route in Nepal. The organisation has asked the tourism entrepreneurs not to send trekking guides Sherpas and helps in the route. This has, infact, sent a negative message to the tourists willing to visit Nepal in this particular tourist season starting from the month of March.

The opinion expressed by the tourist experts shows that many barriers are there in the field of tourism development in Nepal, but according to them, political instability and disturbance is one of the main obstacles in the promotion of tourism development in Nepal.

Nepal has large number of ecotourism potential sites. It needs adequate attentions from the part of the government and that of the private sector organisations to link the ecotourism spots with mainstream tourism development in the country. The long- term sustainability of ecotourism in particular and tourism in general depends on the management of natural resources and environment and providing adequate benefits for the local communities. Proper attention needs to be given while formulating and designing any

plan for developing tourism sector in Nepal. Thus, government should take proper initiative on conserving environment engaging local communities for arresting the problems of environmental degradation in Nepal. In order to achieve sustainable tourism development priority should be given in controlling air, water and land pollution in the places where tourists' concentration is very intensive.

8.3 Recommendations

Nepal has been endowed with natural and cultural resources and this has created an environment of tourism development potential in this part of the world. Tourism has significantly contributed to the nation in terms of foreign exchange earning, income generation, regional development and the improvement in the life of rural communities. Many are the aspects for diversifying tourism in Nepal such as its cultural and physical attractions, highly scenic regions with unusual natural environments or wildlife. Problems inherited by Nepalese tourism sector can be summarised as follows.

- i) Nepal's wildlife and natural beauty have been gravely affected due to deforestation. This has caused soil erosion and landslides.
- ii) National Parks and wildlife reserves which are famous for tourist attraction are not well-managed as per requirements of international norms.
- iii) Lack of trained guides or tour operators and trained biologists are the drawbacks in the development of wildlife tourism.
- iv) Unhealthy relation exists between the protected areas and the local communities and this has caused environmental degradation in and around the parks related to tourism.
- v) The successive increase in royalty for mountaineering, weaker trekking rules and regulation poses problems to the growth of this industry.
- vi) Administrative inefficiency, lack of coordination between the government and the private sectors hinder the tourism sector.
- vii) Lack of trained guides and hotel staff, excessive pollution, irregular air services, and political instability have weakened the progress of tourism sector in Nepal.

On the basis of overall discussion the following recommendations may be made for around sustainable development of the Nepalese tourism industry.

- i) For the sustainability of the Nepalese economy and society it is a must to stop deforestation. This is because of the fact that deforestation affects nature, which

in turn, has negative impact on climate, rare animals and birds and ultimately on tourism.

- ii) Visitors visiting national parks including wildlife reserves, conservation areas, and bird-watching resorts should be provided with all the amenities for promoting and conserving wildlife tourism in Nepal
- iii) National Parks should be equipped with modern facilities including roads and adequate trained staff. If planned properly roads within the parks will help visitors see wild animals and at the same time considerable areas will remain roadless and undisturbed for the wild animals.
- iv) Each national park should have a museum, well-equipped with modern maps, diagrams, pictorial charts, study collections, collection of animals and plants, fossils and geological specimen. Such museums, if arranged scientifically and managed properly by curators will be a great help to the visitors. This type of museum also has educative value.
- v) Professionally trained National tour operator or guide is an essential element for the successful completion of wildlife tour and without the help of a tour operator a visitor's real taste of visiting a wildlife reserve is a farce.
- vi) Problem has been created due to garbage disposal created by the tourists. This problem has been mounting due mainly to increasing number of mountaineering expedition and trekkers. Efforts have been made by the government, organisations and local residents to reduce the trash disposal substantially. But this has not evenly done in all the tourist places.
- vii) To encourage mountain tourism it is required to reduce excessive trekking fees. This in fact, will increase the number of trekker - visitors visiting Nepal. It is suggested that the royalty of the mountain peaks should be fixed on the basis of the heights of the mountain and the facility available.
- viii) Seasonal nature of tourism should be reduced in order to enhance tourism potential in the Nepalese economy.
- ix) Our investigation suggests that there are some areas in Nepal which are overconcentrated by the visitors while others are rarely ever visited. It needs to change this pattern of tourists flows and this can only be possible if ecotourism is expanded to many other areas in the country.

- x) Revisions of wage rates, equipment allowances and insurance rates for the guides or the tour operators, sardars and liaison officers are required to be made according to current market price and local conditions. This will improve the standard of living of the concerned staff related with tourism industry.
- xi) Infrastructure is one of the basic necessities for the growth of tourism. All mountain regions are not connected with modern transport and communication. Domestic air services should be made regular through the availability of more flights. To increase tourists flow international flights should be increased.
- xii) Mountain tourism lacks communication facilities and due to this trekkers and mountaineers cannot send their news to others on time. This needs serious attention by the government to install communication link in the respective mountain regions.
- xiii) Mountain regions not only lack communication facility but they also have insufficient accommodation facility like food and lodging. Mountain resorts have to be built with the help of government as well private initiatives.
- xiv) In order to preserve mountain environment it needs diverting concentration of trekkers and mountaineers from some famous regions such as Annapurna region and khumbu and Langtang region to other regions. Strictier rules and regulations should be formulated so that no visitor can come to damage the environment.
- xv) Political stability is all important for the growth of tourism. Nepal has long been politically disturbed especially due to political insurgency created by the Maoists. This has reduced the tourist inflow time and again. Efforts should be made from the part of the government as well as public to maintain peace and order in the county. This will eminently increase the employment opportunity and thus enhance the forearm exchange earnings.

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