

# Tourism in Nepal

*Sujeev Shakya*

Nepal opened up to the world in 1950 and has a history of nearly 70 years of tourism that has been filled with multiple layers of challenges and growth. Therefore, it will be interesting to understand Bhutan's tourism development and growth compared with Nepal.

## **Bhutan Tourism As We Understand**

From being almost invisible in the world map in terms of people wanting to visit the country to being one of the most popular go-to nations, Bhutan has come a long way in just a few years. The development of tourism in Bhutan has been significant and rapid given that it opened up only in 1974 in an attempt to increase revenue and introduce Bhutanese culture to the outside world. The total number of tourists visiting the country has increased from 287 in 1974 to 274,097 in 2018 and an increase in total receipts from USD 2 million (M) in 1980 to USD 85.41 M in 2018 alone.<sup>1</sup>

Tourism in Bhutan has changed over the years and the change has brought many positive outcomes for the nation as well as to the world as a whole. Specifically for Bhutan, after the privatisation of the tourism industry in 1991, many Bhutanese entrepreneurs are investing in the tourism sector, which has created visible high profits. With increased tourism, a large number of Bhutanese have received employment opportunities as well, in the form of guides, cooks, transport/tour operators, communication services, hotel and restaurant owners. Overall, the living standard of the nation has improved. The boost that the cottage industry and handicraft shops in Thimphu and other popular tourist areas have gotten, because of increased tourism, is laudable as they have contributed to the socio-economic development of the nation as a whole. However, gripped with socio-economic development is the cost associated with the transformation of tourism.

---

<sup>1</sup>"Bhutan Tourism Monitor 2018", Tourism Council of Bhutan, 2018; Retrieved from- [https://www.tourism.gov.bt/uploads/attachment\\_files/tcb\\_xx8r\\_BTM%202018%20\\_final.pdf](https://www.tourism.gov.bt/uploads/attachment_files/tcb_xx8r_BTM%202018%20_final.pdf)

## Nepal's Tourism Journey

Nepal was initially known for trekking, adventure and expeditions on the Everest and the Annapurna range. High-end tourists who visited the country paid for expensive air travel and hotels. They spent nearly a million dollars in just over three months in the Everest expeditions during the 1970s. Tiger Tops in Chitwan, breakfast in Lukla through helicopter rides, lunch in Nagarkot and expensive dinners at Bhaktapur Durbar Square were the most attractive trends back in those days.

Nepal's mass tourism history began with the arrival of the hippies and backpacker tourists in the 1970s who came in search of instant nirvana as marijuana and other drugs were not yet illegal in Nepal then. However, objections were drawn to the poor quality of budget tourists in Nepal as the hippies and backpacker tourists outnumbered the high-end tourists and the former were serving as a primary marketing tool for the country. In the mid 1970s after a popular Bollywood film, Indians started traveling to Nepal. With the Nepali government encouraging imports of foreign goods to be sold to Indian customers and smuggled across the border, Indian tourists came in droves. The opening of the Casino was the final nail in the coffin for quality tourism as it attracted a breed of Indian tourists that were not interested in Nepal's culture, heritage, or natural beauty but made dingy gambling dens a status symbol. With restricted foreign exchange, Indians could not travel to countries that required foreign exchange, therefore Nepal also became a shopping haven. A journey to Pashupatinath became a religious break between shopping sprees.

In the 1990s, trekking became a mass product as many trekking routes were developed with comfortable lodges and palatable food. With the advent of the Internet and smartphones, everybody has become a journalist nowadays and has made these destinations with low carrying capacity explode with tourists. Cheaper air travel and better connectivity brought in many people who wanted to immerse themselves in Nepal's natural beauty, culture and heritage. But the patterns have changed over the years. With the arrival of young travelers who are more interested in trekking and adventure tourism, this segment became the area of focus. After Chinese were allowed to travel outside China, Nepal became an easy destination and they started arriving in droves. As a different segment that has a sort of herd mentality, they look at product and services completely differently from other international and regional tourists.

With the growing affluence of Nepalis, and a population of 28 M ready to spend, a rising number of diaspora and youth (70 percent of people are under 35 years of age) starting to travel across the country, domestic tourism has now overtaken revenues from international tourists. However, this has come with huge costs.

Namo Budha, which stands as a well-maintained beautiful place, built in Nepali style architecture and surrounded by an amazing view of the hills and mountains and filled with nature, has now become a mere picnic place. Mostly business people, who are basically elected representatives leveraging power associated with the political position, take the government land under the purview of local governments on lease and run picnic spots. Local items and branded alcohol are sold; loudspeakers and microphones are rented in the “picnic spirit”. Noisy Nepalis blast loud music, almost as if challenging the beautiful place and the nature surrounding it. Further, drinking and brawling in hotels or homestays are also common.

Thus, while domestic tourism is a growing positive step, the values and impact it brings needs careful scrutiny and rethinking. Priority should be given to promoting value-based domestic tourism. If domestic tourists are environmentally responsible and socially aware, then as would be expected, domestic tourism can clearly grow and thrive. An inward focus on tourism is just as essential as a focus on international tourism.

### **From Product to Experience**

Tourism has always been associated with a certain kind of product being “sold” by a country through various advertisements. Examples can be drawn from Nepal where tourism has been product-driven ever since the industry formally began in 1950. The religious places, world heritage sites, and mountains attract tourists. Although Nepal began as a high-end tourist destination, with more backpacker tourists in the hippie days due to the freedom of smoking pot and visiting religious temples, Nepal began viewing tourism as a mere sector being sold on these products. Longer-term perspective seems missing wherein tourists are offered experiences of a lifetime which ultimately draws them into repeated visits.

More than temples being sites for sightseeing, Nepal needs to learn to offer stories behind the existence of temples and shrines. Similarly trekking, nature, culture, and spirituality should all emphasise the meaningful experience instead of the entertainment.

After years of relying on the same marketing tool to lure tourists focusing on the segment which outnumbers others - Nepal needs a paradigm shift in its concern for quality tourism. Focusing on the quantity of tourists is simply not the right strategy in the new era of tourism which prevails today. Merely setting a target of “two million tourists a year goal” for 2020 and achieving that target should not come at the cost of quality tourism. Quality has to go hand-in-hand with quantity. Dealing with the quality of services to be provided, be it by addressing issues that the high-end tourists face, i.e., of changing SIM cards because of high telecom charges or making luxury vehicles available on hire or rediscovering premium segments of its past, a start must be made if quality tourism is the objective.

## **Comparing and Learning**

Consumption has increased over the years. Undoubtedly, the trend in tourism is changing globally as well. There is increased numbers of young tourists every year who now come for trekking, adventure tourism, local cultural dishes and eco-tourism. These young tourists have been able to boost the lives of Sherpas and Gurungs living in the Himalayan Range. Had it not been for tourism, the varied culture and adventure in the Himalayan and Hilly range would still be untapped and the possibility of uplifting their lives would be a distant dream. It is, thus, not uncommon that consumption is a driver for tourism.

However, while the increased consumption boosting the tourism sector is apparent, at the same time, the cost at which the pace of consumption is eroding the value of tourism is misguided. For instance, when we talk about uplifting the Hill economy in Nepal through tourism, we cannot decouple the unscrupulous buildings, increased wastage, and environment degradation that come with it. Addressing consumption by understanding the spending patterns of tourists is the need of the century to drive tourism. But at the same time, the value brought forth by this consumption should

be compared with the costs associated with it. This haphazard development of tourism in Nepal has been in sharp contrast to Bhutan, where there is caution when it comes to opening up areas for tourists. Similarly, in contrast to Bhutan's policy of restricting climbing of Himalayan peaks, Nepal has seen revenue from climbing permits as one of the core sources of revenue for tourism. In this way the perspective of tourist and tourism in both countries vary considerably.

For instance, in another landlocked country, Rwanda, tourism has grown due to more regional and international tourists and their changing spending patterns. Rwanda was popular due to its iconic gorilla tourism. Like Nepal, Rwanda has a lot of eco-tourism destinations too. But the difference comes in addressing the tourism sector and consumption pattern. People from rural areas of Nepal refrain from trekking as they have been walking all their lives something which the urban population is not used to doing. Rwanda, on the other hand, has been able to attract a large number of its growing urban population towards eco-tourism in the home country itself. They have also drawn attention to the canopy walk within the Nyungwe Forest National Park and taken leadership in developing eco-tourism.

While tourism is indispensable for Bhutan, there is a lot of lessons that Nepal can learn from Bhutan. The spending pattern of tourists in Bhutan is also changing regarding its pristine environment, religious festivals, historic monuments and its rich and unique culture. In an attempt to address rising consumption in tourism, Bhutan introduced a policy of "high-value, low-volume" tourism policy which seeks to attract only the most discerning visitors with a deep respect for cultural values, traditions, and natural environment. The policy also complements the government's policy of Gross National Happiness (GNH) which builds on the pillars of sustainable tourism. By maintaining high-end brands and luxurious lodging facilities, minimising fees, curtailing western low-budget backpacker travel while simultaneously imposing high tariffs to keep the volume of tourists low due to environmental and cultural concerns, Bhutan has used its tourism to create an image of high-end tourism and formed it as a part of their national identity.

Nepal, thus, does not have to go to faraway destinations to learn about addressing concerns in tourism sector. It can learn from countries like Bhutan and Rwanda, which have implemented policies and achieved great

heights in the tourism front. For a long time, the key performance indicator of tourism has been the number of tourist arrivals, irrespective of the kind of impact made by them and the quality of experience offered to them.

Nepal can also opt for building its tourism business by investing in people and the service industry. Upscale hotels, high-end restaurants, and better transportation services are needed. Improving the quality of tourism and the concept of eco-tourism should not be a long haul if Nepal is not to be promoted as a “low-end” destination. The “need” for quality tourism is clear; the “how to” and “will” less so.

The new tourism agenda of developing quality-driven as well as economically and environmentally sustainable tourism builds on new marketing strategies. Earlier, Bhutan relied on the “high-value, low-volume tourism” policy. The policy generated enormous progress and represented the first attempt of Bhutan to address its tourism sector. Implementing the policy in Bhutan was not just about providing a future of prosperity. An introspective look was required because one of the consequences of this policy was resulting in a very low percentage of repeat visitors in Bhutan. Only 13 percent of tourists were repeat visitors and the rest were first timers. The controlled policy in tourism was not driving new product development processes required for defining new tourism destinations from a consumer perspective.<sup>2</sup> Also, while the focus on minimising environmental and cultural impacts through western tourists was happening, what was also visible was the ignorance regarding the same from a growing number of regional tourists. The policy coming to life within each western as well as regional tourist can only bring the desired outcomes for Bhutan.

To address this, an emphasis on new marketing strategy was required. The policy of “high-value, low-volume” tourism policy was replaced by “high-value, low-impact” tourism. The new approach made possible a transformational shift away from keeping the number of tourists minimal to increasing them in order to promote greater economic growth, while still aiming for low negative impacts on environment.<sup>3</sup> However, much needs to be done.

---

<sup>2</sup>Ibid [2]

<sup>3</sup>“Cultural Values and Sustainable Tourism Governance in Bhutan”, International Development Institute, 16 December 2015. Retrieved from <https://www.mdpi.com/2071-1050/7/12/16616/pdf>

A critical revolution in terms of tourism in Rwanda, which is two-thirds the size of Bhutan and whose population is one-third of Nepal, came from thinking big and changing the view about tourism altogether. Rwanda tourism signed sponsorship deals with renowned football clubs and world leaders, built an airline hub, positioned its capital- Kigali, as a conference hub, advocated for clean tourism, built roads, managed its popular gorilla tourism through promotion and conservation, and most of all, worked at maintaining what they have built. The kind of strategies that they've used to build all of these comes with a perennial exercise of keeping up with the latest trends, keeping an eye on global stage, and addressing required changes in behaviours.

### **Nepal Needs to Learn**

All that being said, these countries show that setting marketing strategies for quality tourism works well. Nepal, too, should learn from them and strive to be on the global centre stage. A plethora of tourism associations present in Nepal only relegate the Nepalese tourism and entrepreneurship sector. Evidently during and after the earthquake and blockade in the late 2015 and early 2016, the tourism associations created a price cartel and fought for the share of opportunity. Recalibration in thinking and moving ahead through new marketing strategies to put Nepal in the forefront as a destination for tourism is, thus, needed. Strategies to strengthen the tourism sector and increasing the share of the overall tourism pie are more beneficial for the tourism sector.

Moreover, in today's action-oriented and global century, everything is just a click away. Tourist guides in Nepal should be able to take advantage of the anecdotes and stories about the rich heritage of the country which are not available online. Nepal should be able to promise a truly enriching stay for the tourists through its tourism sector rather than just selling stories to get the extra money from them. Focus on experience and strengthening the country's Unique Selling Point can be a turning point for the tourism industry in Nepal.

More knowledge transfer needs to happen in Nepal as a part of the changing era and changing strategies for tourism. Hospitality industry of the country needs to strengthen from within. Unions and political associations only make productivity and efficiency in delivering quality and

timely service difficult. Thus, one of the marketing strategies can also be focusing on bringing global players in the industry and partnerships with foreign firms to compete in the marketplace. Rent-seeking mentality needs to be alienated from the tourism industry overall.

## **Revolution Through Recalibration**

The tourism sector of any country encompasses a wide-ranging and ambitious possibility of revolution. That revolution can only happen through a “recalibration” in the thinking process.

Integrated and transformative thinking is required at this stage. Integrated, because all of the strategies to push for quality tourism are inter-connected and we cannot aim to achieve just one goal. Transformative, because achieving these strategies and goals means changing the very way we live our everyday lives.

The first step to travelling is researching the destinations you want to travel to. The research has now a face for many, named Tripadvisor. People decide on travel options and plan their itinerary based on the contents they see through Tripadvisor. They plan their accommodations in Airbnbs, which have practical benefits like inexpensiveness and convenience in location. They choose to travel through Uber which reduces the worry of getting from one place to another and helps focus on the business matter only. The kind of revolution brought forth by recalibration has changed the facet of tourism, employment, and the way of living.

## **Conclusion**

Moving forward, the future of tourism should entail a paradigm shift on managing tourism and bringing forth sustainability. It is required to unlock the potential and possibility that this sector carries in achieving the desired benefits. For instance, Bhutan’s promise of an exclusive and distinctive experience through its tourism has been portrayed as more than a mere agenda of the government. Similarly, for the policies and efforts being made to truly unfold the tourism sector beyond the current dynamics in Nepal, a business-as-usual approach will simply not work. A transformational shift from quantity tourism to quality tourism needs to happen beyond words to real implementation with lasting impact if the nation hopes to avoid a

nightmare of negative externalities on its environment, culture, and values. From a tourism perspective, nobody had dreamt that travel and tourism would be the talk of the century. But, here we are today! To address the ever evolving and growing world tourism alongside environmental concerns, the kind of tourism which only targets quantity won't fructify long enough. While in theory the more the number of tourists, the more prosperous a country, sustainability and quality tourism has proved them to be wrong.

Overall, dedicated consultations, negotiations, careful planning and design targeted towards developing sustainable tourism have to be conducted. Homework regarding the kind of tourists to target, infrastructures to develop for the target segment and syncing practices with the globalising world is essential. Regular maintenance and further evolution in tourism governance is truly required.