

Proceedings Report

Tourism in Nepal: Past Stories, Future Potential

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Speakers: Mr. Prabhakar SJB Rana, Chairman Emeritus, Soaltee Hotel Ltd.
Mr. Paul Stevens, Senior Tourism Advisor, SNV, Netherlands Development
Organization

Tourism has seen an encouraging growth in recent years and is recognized for its potential to contribute to Nepal's economic growth, development and poverty alleviation. It is a sector that can take advantage of the richness and diversity of Nepal's natural and cultural assets.

With the ongoing national campaign Nepal Tourism Year (NTY) 2011 in its third month, NEF's fourth talk series took the opportunity to discuss the challenges and opportunities of tourism in Nepal. NEF invited Mr. Prabhakar SJB Rana, Chairman Emeritus of Soaltee Hotel Ltd. and Mr. Paul Stevens, Senior Tourism Advisor of SNV to provide their perspectives on the tourism in Nepal.

A pioneer of tourism in Nepal, Prabhakar Rana shared his first-hand knowledge of tourism's beginnings in this country. According to him, Nepal is suited for the tourism industry as service and hospitality come naturally to the Nepali people. He referred to Boris Lissanevitch as the father of Nepali tourism and founder of Nepal's first international hotel- the Royal Hotel that helped establish tourism as a profitable service industry. He asserted that the tourism industry has evolved since its early days and that there are immense opportunities waiting to be tapped. Regarding NTY 2011, he expressed his doubts of meeting the target of receiving one million tourists due to insufficient planning and investment from both the government as well as the private sector.

The second speaker, Paul Stevens stated that tourism is one of the biggest industries, both globally and nationally. In the context of Nepal, he explained the pivotal role of tourism stating that it is the third largest source of foreign exchange earner contributing around NPR 15.76 billion to the economy. He also highlighted tourism's contribution to direct and indirect employment creation and its role as a powerful stimulus for other sectors of the economy. Paul Stevens shared with the audience that he was initially impressed by the blueprint developed by the Nepal Tourism Board that stresses on public and private sector partnership. However, reality on ground is far from the rosy picture painted by the blueprint as there is virtually no coordination among the various players.

Paul Stevens elaborated on the SNV supported "The Great Himalayan Trail" program and the need to expand tourist areas other than the conventional tourism triangle between Katmandu-Pokhara-Chitwan. 'The Great Himalayan Trail' program aims to entice tourists to try new trekking trails other than the most frequented Sagarmatha and Annapurna trails. He concluded by saying that creating a favorable business environment with clear and consistent policies, investment incentives and access to information and markets is one way are needed to ensure the growth of tourism in Nepal. The existence of a less conservative business community can bring in more dynamism and innovation. Additionally, there is a

need for better development planning with improved cooperation and communication. He also implored the donor communities to look at the prospects of supporting the tourism sector. Very few INGOs are currently looking at new ideas of taking this sector to another level.

The talk program was followed by some experience sharing by Suraj Basnet, proprietor of Zen Travels and Yogendra Shakya, the national coordinator for NTY 2011. Yogendra Shakya opined that since the announcement of NTY 2011, tourist arrival in Nepal has increased. According to him, NTY 2011 is not merely about bringing tourists to Nepal but to use tourism as a vehicle for development of the country as well.

The open floor discussion led to issues regarding the future and scope of agro-tourism, the emphasis on infrastructure as a challenge to tourism and the opportunities for the donor and development community. While Bed Prashad Khatiwada, ActionAid/Nepal questioned the potential of agro-tourism, Barry Hitchcock, ADB's country director for Nepal, talked about ADB's role in developing transport infrastructure in Nepal. He briefly talked about ADB's investment in the expansion of the Tribhuvan International Airport and three other domestic airports. Sujit Mundul, CEO of Standard Chartered Bank Nepal, shared his opinion on the importance of providing good service to customers. The stimulating discussion during the Q&A session was moderated by NEF's chairperson, Sujeev Shakya. In his closing remarks, Prabhakar Rana emphasized the role of agro- tourism and the opportunity it offers to capitalize on various cash crops indigenous to Nepal. Paul Steven reiterated on the importance of business community in driving private initiatives to develop tourism.

Finally, Sujeev Shakya, chairperson of NEF, wrapped up the session by discussing key issues that were raised during the talk program and added his own insights. He highlighted that Nepal needs to develop as a primary travel destination for Chinese and Indian tourists. He also challenged the audience to think big by engaging with the idea of developing Lumbini as a major tourist attraction, similar to Angkor Wat in Cambodia.

Nepal Economic Forum is a non-profit organization dedicated to being the private sector interface to Nepal's economic development.