GOVERNMENT OF NEPAL

National Economic Census 2018

Analytical Report

Tourism

National Planning Commission

Central Bureau of Statistics

Kathmandu, Nepal

March 2021

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MESSAGE

It is my pleasure to state that Central Bureau of Statistics (CBS) has successfully conducted the nationwide first historic National Economic Census (NEC) from April 14 to June 14 2018. The National Planning Commission is happy to share this report based on the results of National Economic Census of Nepal. This report provides various economic, industry and business information in different dimensions for the users in national and sub-national levels. The report contains the statistical information on establishments, persons engaged and other related characteristics. The result of this census will be the framework for further statistical surveys to generate advanced thematic characteristics. The census results play a key role in the development planning, monitoring and evaluation of the programs. Hence, this report will also be instrumental for the Sustainable Development Goals (SDGs) progress monitoring. I hope that this report will be an important source of data for policy makers, planners, business communities, development partners, researchers, civil society, media etc. in formulating policies, undertaking development programs and studies.

On behalf of the National Planning Commission, I would like to extend my sincere thanks to all members of steering committee and technical committee for their valuable guidance throughout the census process. My heartiest thanks go to all the concerned leadership and staffs of CBS for bringing out the series of reports in time. I sincerely acknowledge JICA for technical support in this census. I would also like to thank persons both within and outside the government who contributed the smooth implementation of the census programme and made it a success.

2021

Prof. Dr. Puspa Raj Kadel

FOREWORD

It is my immense pleasure to write few words on the publication of the analytical reports of National Economic Census (NEC) 2018. Being the first economic census, it has great scope and importance providing disaggregated data on Nepalese economy and its sectoral dimensions. The analytical report provides various indicators and data in varied dimensions for the users in national, provincial and local levels. It includes the statistical information on number of establishments, persons engaged and other related characteristics. The result included in this report will serve as the framework for further statistical surveys to generate advanced thematic characteristics. The census results play the key role in the development planning, monitoring and evaluation of development programs carried out by three tiers of the government. Therefore, this report will also be instrumental for the monitoring of Fifteenth periodic plan, provincial and local level plans, Sustainable Development Goals (SDGs) and other development initiatives. I hope that this analytical report will be a leading source of data for planners, policy makers, private sectors, development partners, researchers, civil society, media and the general publica in formulating policies, managing development programs, civic information and studies.

Central Bureau of Statistics (CBS) is thankful for the effort of implementing first Economic Census and carrying out this analytical report. I would like to extend my sincere thanks to Honorable Vice-Chairman Prof. Dr. Puspa Raj Kandel for his appreciable leadership in Census Steering Committee. All the members of steering committee, technical committee and thematic committees are also thankful for their valuable guidance throughout the census process. My heartiest thanks go to all concerned leadership and staffs of CBS for bringing out the series of reports in time. I also want to sincerely acknowledge the Japan International Cooperation Agency (JICA) for the technical support in this census. I would also like to thank all stakeholders in entire government and elsewhere who contributed the smooth implementation of census.

2021

Dr. Ram Kumar Phuyal

Government of Nepal
National Planning Commission

Secretary

PREFACE

Data are the heart of planning and policy formulation. An informed decision-making process is only possible with official statistics that present the accurate picture of the nation's economy. Hence, it becomes a responsibility of the government to make official statistics of all the sectors easily available and accessible to all so that the decisions made by individuals and institutions can be effective and subsequently lead to yield desired results within the targeted period of time. The National Economic Census is the statistical operation covering the establishments of agriculture, forestry and fisheries (formal) and various non-agriculture sectors (formal and informal) of the economy. The census was conducted with the aim to fulfill basic data gaps on economic statistics of the country.

Central Bureau of Statistics has brought a series of reports on National Economic Census 2018, conducted during the period of April to June, 2018. I believe that the different publications on economic census providing variety of key information on the economic characteristics of the economic entities will be useful to a wide range of stakeholders for evidence-based decision making as well as policy formulation for overall development of the country. The census results will also be more useful in formulating policies and programs at three tiers of the government: local, provincial, and federal. Further, it is equally important for monitoring development progress particularly of on Sustainable Development Goals (SDGs).

I would like to extend my sincere thanks to the Director General of CBS and its team for their great effort for successfully completing the Economic Census on time. I would also like to acknowledge and appreciate the support provided by Japan International Cooperation Agency (JICA) for through technical assistance in carrying out first of its kind Economic Census in the country. Finally, I offer our cordial appreciation to our valued people, respondents and the stakeholders who extended their full cooperation for the smooth and successful completion of the census.

2021

Kewal Prasad Bhandari

ACKNOWLEDGEMENT

It is my pleasure to release **Analytical Report on Tourism** of National Economic Census 2018. Central Bureau of Statistics (CBS) conducted the first National Economic Census 2018 (NEC2018) from April to June 2018, covering the entire territory of Nepal. Its main objective was to know the nature of the economic characteristics on the Nepalese economy. CBS has already released National Report Series 1,2, and 3, Provincial Summary Reports, National Summary Reports in Nepali language, National Profile series 1, 2, and 3, Analytical Report No.1 and No. 2, Ward Profile Series 1 and 2 for the users. This report contains detail analysis on tourism industry with the focus on number, employment, and financial status based on the results of Economic Census 2018. It is hoped that the analysis on tourism industry with diverse business characteristics will be beneficial for various users to grasp the economic situation of tourism sector.

I would like to thank Dr. Hem Raj Regmi, Deputy Director General, economic statistics division of the Bureau for his valuable contribution and leading role in the census. Mr. Anil Sharma, and Mr. Mahesh Chand Pradhan, Directors of the economic census section deserve special thanks for their lead role in the report and driving the overall census planning, implementation, data processing and data dissemination activities. I also would like to thank Mr. Prakash Pokharel, Mr. Bikash Malla, statistics officers of the Economic Census section for supporting census administration and management.

I would like to thank all members of Economic Census Steering Committee, Technical Committee, Joint Coordinating Committee, Media Campaign Committee, and District Economic Census Coordination Committee, which provided support for the implementation of the NEC2018. I would like to thank all respondents for providing invaluable information during the census enumeration. I heartily appreciate district census officers and their team, all the staff of the Bureau and National Planning Commission who had extended support in this national endeavor.

I gratefully acknowledge technical assistance provided by the Government of Japan via Japan International Cooperation Agency (JICA) in the Project on capacity development for the implementation of Economic Census 2018 in Nepal. Special thank goes to Ms. Emi HARADA, JICA consultant for support in preparing this report. Our deep thanks are due to Mr. Fumihiko Nishi, Chief Adviser and other experts of the Project, who made all the best efforts in preparation of the reports and in successful implementation of NEC2018.

CBS always welcomes comments and suggestions from users which would be valuable for the improvement of our future publications.

March 2021

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Code of Province / District

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104	Okhaldhunga
105	Khotang
106	Bhojpur
107	Dhankuta
108	Terhathum
109	Panchthar
110	Ilam
111	Jhapa
112	Morang
113	Sunsari
114	Udayapur

2 PROVINCE 2
201	Saptari
202	Siraha
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204	Mahottari
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* Codes and boundaries are as of
May 2020.

Figures at a Glance

Number of Provinces [1]	7
Number of Districts [1]	77
Number of Metropolitan Cities [1] (maha-nagarpalika)	6
Number of Sub-metropolitan Cities [1] (upa-maha nagarpalika)	11
Number of Municipalities [1] (nagarpalika)	276
Number of Rural Municipalities [1] (gaunpalika)	460
Number of Wards [1]	6,743

Number of Establishments   923,356

Registered	462,605	establishments
	50.1	%
Not registered	460,422	establishments
	49.9	%
Female manager	273,436	persons
	29.6	%
Female owner	247,880	persons
	29.8	% [2]
Young manager [3]	498,646	persons
	54.0	%
Young owner	450,464	persons
	54.5	% [2]
Foreign owner	10,265	persons
	1.2	% [2]
New establishments [4]	394,219	establishments
	42.7	%

1) The final results are sorted out based on the new administrative areas as of 14 April 2018.

2) Excludes "Not applicable", "Not stated", "Unknown", and others from the denominator.

3) Young managers (or owners) mean those who are under 40 years old, herein.

4) New establishments mean which started business between April 2015 and April 2018.

Number of Establishments (continued)	923,356	
Owned (Building/Room)	400,848	establishments
	46.7	% [2]
Rented (Building/Room)	426,380	establishments
	49.7	% [2]
Street business	34,101	establishments
	3.7	%
Home business	386,323	establishments
	41.8	%
Area of business place (building/room)		
Under 100ft^2 (9.3m^2)	172,985	establishments
	20.8	% [2]
Single unit	898,996	establishments
	97.4	%
Number of Persons Engaged	3,228,457	persons
Number of Persons Engaged per Establishment	3.5	
Number of Entities [5]	900,924	entities
No accounting record	472,350	entities
	52.4	%
Number of Persons Engaged in Entities	3,115,112	persons
Annual Sales (S)	2,915,609	million Rs.
Annual Expenses	2,062,396	million Rs.
Annual Profit and Loss (P)	853,213	million Rs.
per Entity	947	1,000 Rs.
per Persons Engaged in Entities	274	1,000 Rs.
(P) / (S)*100	29.3	%
Number of Entities with Paid Employees	219,303	entities
Number of Paid Employees	1,709,101	persons
Annual Salalies and Wages	421,314	million Rs.
per Entity	1,921	1,000 Rs.
per Paid Employee	247	1,000 Rs.

5) An entity consists of a single unit or a head office only.

Outline of National Economic Census 2018 (NEC2018) of Nepal

1. Background

A reliable and strong statistical infrastructure like database is the foundation of organized and proper policy formulation, developing plans and programs. Central Bureau of Statistics (CBS), has been contributing the data for various sectors of the economy to meet the requirements of the policy makers and planners. At present days, demand of enormous data requirements exists in various sectors, the collection and update of data for various sectors are a challenge. Fairly reasonable data for the agriculture and non-agriculture sectors is highly desired. Keeping in view the importance of the various sectors of economic activities and non-availability of basic frame for adoption in various sampling methods for collection of data and estimation of various parameters or establishing business directory, it was necessary to conduct an economic census in the country as a benchmark source. With this background, CBS initiated to start the first economic census for preparing frame of establishments which can be used for various thematic surveys for collection of data on detailed characteristics of the economy. The basic purpose of conducting the economic census was to prepare a frame for follow up surveys intended to collect more detailed sector specific information. In view of the rapid changes in the economy, it is necessary to conduct the economic census periodically in order to update the frame.

An economic census is the complete enumeration of all establishments belonging to a given population at a particular time with respect to well defined characteristics located within geographical boundaries of a country. Basically, it is the whole process of collecting, compiling, processing, analyzing, and publishing economic data related to all economic units of the country. A census is a well-structured statistical operation providing timely, reliable, accurate and detailed data on the size and distribution of economic units of different categories. The first National Economic Census (NEC) of Nepal was conducted from 14 April to 14 June 2018 in all over the country. This will also be a major source of statistics on economic activities in the country. The NEC essentially develops a sample frame for conducting various thematic economic surveys,

and develops business registers for large and small scale establishments in different sectors like agriculture, mining and quarrying, manufacturing, wholesale and retail trade, education, health etc. A large number of new economic establishments emerge and diminish over time. It is imperative to conduct an economic census covering all establishments conducting different sectors of economic activities as mentioned in International Standard Industrial Classification of all economic activities (ISIC revision 4) in order to know the real picture of the economy. It was one of the reasons that Government of Nepal decided to conduct the NEC of the country realizing to fulfill the shortfall of economic data in the country and to develop statistical business register in Nepal.

The NEC is a primary source of benchmark economic statistics providing major data about the structure and functioning of the national economy about both the formal and informal sectors. The NEC will play an important role in the improvement of national accounts statistics, production and price indices, and other statistical areas, which are used to measure short-term changes in the economy. The major benefit is that the census results will support in developing the statistical business register of the country which will enable CBS to conduct a large number of economic surveys such as Integrated (Large Scale) Manufacturing Industries Survey, Distributive Trade (Whole Sale, Retail Trade), Accommodation and food service activities Surveys, Services Survey, etc. The NEC data will be the basic economic data up to the local levels.

1.1. Objectives

The main objective of the NEC was to know the nature of the economic structure of the Nepali economy at preset and to provide comprehensive statistical information for policy makers, planners, researchers, business communities, and other users for policy formulation and development planning, research and study. In general, the basic objective is to provide information on number of establishments and number of persons engaged, industry wise, of all the sectors (excluding unregistered *agriculture, forestry and fisheries, public administration, defense and compulsory social security, Activities of households as employers; undifferentiated goods- and services-producing*

activities of households for own use and Activities of extraterritorial organizations and bodies) of the country.

Other objectives are:
a. to provide with the fundamental statistics on the status of the business activities of the establishments and enterprises including the financial aspects;
b. to provide statistics to central, provincial and local governments for the formulation of plan and policy-making;
c. to provide statistics to strengthen national accounting system;
d. to make a base for statistical business register;
e. to provide statistics of related field to the business owners or experts, researchers and other statistics users to formulate plans and policies for the prosperity of their business; and
f. to provide with the directories of establishments and enterprises for the sampling frame of various sample surveys on businesses.

1.2. Reference date of the Census

The census was taken as of 14 April 2018. The confirmation of Enumeration Area, the establishment listing, e-Census, and the enumeration were simultaneously conducted within a two-month period from 14 April to 14 June 2018.

1.3. Scope

All the establishments engaged in non-agriculture economic activities and (registered) agriculture, forestry and fishery economic activities according to Nepal Standard Industrial Classification (NSIC) 2018, except Section-O (*Public administration and defense; compulsory social security*), Section-T (*Activities of households as employers; undifferentiated goods- and services- producing activities of households for own use*) and Section-U (*Activities of extraterritorial organizations and bodies)*, were included in the scope of the NEC. Not registered Agriculture activities of Section A was not covered as such activities have been or under the scope of National Sample Census of Agriculture. Similarly, Section-O was excluded considering the information on the activities are covered from the government sector. As such, Section-T was excluded

considering that activities under this section have been conventionally covered partly by the Agriculture Census and partly by the Labor Force Survey. The establishments under Section-U were not covered in the scope of the NEC as the activities under this section are not practically taken into account to the national accounts aggregates globally and kept outside the scope of the NEC. All establishments engaged in the activities under the sectors of NSIC-2018 mentioned above for revenue generation or for serving the community were considered in the scope of the NEC. However, the establishments of mobile nature which keep on moving from one place to another place not having fixed location to operate the activities, illegal activities like smuggling, gambling, beggary, prostitution, *etc.*, and domestic paid helpers, whether they work in one household or in a number of households, drivers, *etc.* who undertake jobs for others on wages or salaries, and individuals engaged in different types of jobs depending on the availability of work *e.g.* loading, unloading, helping a mason or a carpenter, doing earthwork for a contractor or individuals working without associated in establishments were kept out of the purview of the NEC.

1.4. Coverage

Geographically, the NEC has covered the entire area, that is, 753 Local levels under 77 districts and seven provinces of the country. All establishments except the mentioned excluded sectors were completely enumerated in the NEC.

1.5. Enumeration units

The enumeration unit in the NEC was considered as "establishment". The establishment was defined as follows, according to UN definition:

The establishment is defined as an economic unit that engages, under a single ownership or control - that is, under a single legal entity - in one, or predominantly one, kind of economic activity at a single physical location – for example, a mine, factory or workshop.

2. Concepts and Definitions of NEC2018

2.1. Economic Activities

All activities related with production, distribution, marketing, and sales of goods or services are referred to as economic activities. That is, the activities which are carried out for profit or own consumption are considered as the

economic activities. Such activities will contribute to the value added of the national production.

2.2. Economic Unit

A unit which performs one or more economic activities for profit, own consumption, or indirect benefit to a community is defined as an economic unit. Such economic unit is used to be a single establishment.

2.3. Establishment

An establishment is defined as an economic unit that engages, under a single ownership or control - that is, under a single legal entity - in one, or predominantly one, kind of economic activity at a single physical location – for example, a mine, a shop, a factory or workshop. It is an establishment that is situated in a single location and in which only a single (non-ancillary) productive activity is operated or in which the principal productive activity accounts for most of the value added.

2.4. Broad Industrial Classifications of Economic Activities

Nepal Standard Industrial Classification (NSIC) has been developed on the basis of International Standard Industrial Classification (ISIC), Rev.4 of all economic activities which classify 21 broad sections (United Nations, 2008). The information on economic activities is collected, tabulated on the basis of NSIC. The results of the NEC2018 are based on the NSIC broad classifications. The broad industrial sections included in the NEC2018 are as listed below:

1. Section-A: Agriculture, forestry and fishing
In the National Economic Census 2018, only the agriculture, forestry and fisheries establishments registered at government agencies have been considered as economic activities.
2. Section-B: Mining and quarrying
3. Section-C: Manufacturing
4. Section-D: Electricity, gas, steam and air conditioning supply
5. Section-E: Water supply; sewerage, waste management and remediation activities

6. Section-F: Construction

7. Section-G: Wholesale and retail trade; repair of motor vehicles and motorcycles

8. Section-H: Transportation and Storage

9. Section-I: Accommodation and food service activities (hotel and restaurant)

10. Section-J: Information and communication

11. Section-K: Financial and insurance activities

12. Section-L: Real estate activities

13. Section-M: Professional, scientific and technical activities

14. Section-N: Administrative and support service activities

15. Section-P: Education

16. Section-Q: Human health and social work activities

17. Section-R: Arts, entertainment and recreation

18. Section-S: Other service activities

2.5. Single Entity

Economic activities are either carried out by single-unit establishment or head offices with plural establishments (branches or sub-branches). The single-unit establishments are those which do not have their head offices or branches under the same management. The head offices are those which controls all their respective branch office(s) under the same management. The economic census also collected some financial information like average monthly revenues or sales, monthly operating expenditures, and average monthly salary or wages from single-unit establishments and head offices only. The financial information was not collected from branch offices or sub-branch offices. The establishment having a status of single-unit or head office are termed as one entity throughout the report, for which tables on financial information are generated.

2.6. Sales, Expenses, and Profit/ Loss

The economic census collected information on average monthly revenues/sales and operating expenses for the fiscal year 2017/18[1] from the single entities. The revenues or sales amount includes all income or revenues gained from operating activities such as selling of good, providing services, etc. In case of a bank, the average revenue is the sum of "total interest income" and "total noninterest income". In case of a life insurance company, the average revenue includes as the following items: premiums; policy and contract fees; net investment income (it removes the expenses associated with generating the investment income). In case of Government office such as Central Bank, Post Office etc., the salary of its officers should be included into its revenues.

Similarly, operating expenses include all expenses being paid for operating activities. Operating cost such as costs of products sold (cost of raw materials, etc.) in production establishment, and costs of goods sold in non-production establishment are included. In addition, other operating costs such as salaries and wages for employees, fuel, gas, electricity, and water expenses, transportation expenses, rental expenses, commissions, tax expenses, and so on are the examples of operating expenses. In case of a bank, the average expenses is the sum of "total interest expense", "total noninterest expense", and "provision for loan and lease losses".

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[1] The average monthly revenues or sales is multiplied by 12 months to derive average annual revenues or sales for the tabulation. Similarly, the average monthly operating expenses is multiplied by 12 months to derive average annual operating expenses. Here, average annual revenues/sales and average annual operating expenses are simply termed as annual sales and expenses respectively. The profit/ loss has been derived as the difference of annual sales and expenses.

Chapter 1   Overview of the tourism industry in Nepal

1-1 Definition of the tourism industry

Tourism is valued as the major contributor to a sustainable Nepal economy, and has been crucial as a source of job creation and foreign currency income, according to Tourism Vision 2020. Accepting more than 1.1 million international tourisms per year[2], the tourism industry plays crucial roles in providing tourist services and also increasing foreign exchange earnings.

The importance of further promotion of tourism is emphasized in several policy documents, such as the National Tourism Strategic Plan, and thus objective evidence and reliable statistics are essential to take appropriate actions. However, some crucial data, such as the Tourism Satellite Account, which comprehensively estimates the tourism industry's economic and employment effects, has not been developed yet in Nepal. We hope this report will be useful for the development of the Tourism Satellite Account.

This report uses the data from the National Economic Census 2018 (NEC2018) and covers the following industries (Table 1.1 and Table 1.2) to review the tourism industry in Nepal.

Table 1.1 Target economic activities of Section and Division

Section	Division	Activities
H[3]	49	Land transport and transport via pipelines
	50	Water transport
	51	Air transport
I	55	Accommodation
	56	Food and beverage service activities
N	79	Travel agency, tour operator, reservation service and related activities
R	91	Libraries, archives, museums and other cultural activities

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[2] Nepal Tourism Statistics 2019, Ministry of Culture, Tourism & Civil Aviation. Government of Nepal
[3] Transportation and storage (H): Individual mobile businesses such as taxis, buses, motorcycle taxis which don't have his/her/ their office were not surveyed due to establishment approach.

Table 1.2 Target Economic activities of NSIC Class

H: Transportation and storage	
4911	Passenger rail transport, interurban*
4912	Freight rail transport*
4921	Urban and suburban passenger land transport
4922	Other passenger land transport
4923	Freight transport by road
4930	Transport via pipeline*
5011	Sea and coastal passenger water transport*
5012	Sea and coastal freight water transport*
5021	Inland passenger water transport
5022	Inland freight water transport*
5110	Passenger air transport
5120	Freight air transport
I: Accommodation and food service activities	
5510	Short term accommodation activities
5520	Camping grounds, recreational vehicle parks and trailer parks
5590	Other accommodation
5610	Restaurants and mobile food service activities
5621	Event catering
5629	Other food service activities
5630	Beverage serving activities
N: Administrative and support service activities	
7911	Travel agency activities
7912	Tour operator activities
7990	Other reservation service and related activities
R: Arts, entertainment and recreation	
9101	Library and archives activities
9102	Museums activities and operation of historical sites and buildings
9103	Botanical and zoological gardens and nature reserves activities

*: These economic activities were not reported in the NEC2018.

1-2 Overview of tourism in Nepal

Nepal has rich natural and cultural tourism resources. Possessing 8 of the 10 highest mountains in the world, Nepal has been a major destination for mountaineers, rock climbers and people seeking adventures, according to Nepal Tourism Board. Cultural and historical sites have been also attracting tourists.

According to the statistics of World Tourism Organization (UNWTO), the number of international tourist arrival of Nepal in 2018 was 1,173 thousand and Nepal was ranked 112th among the target countries and areas.
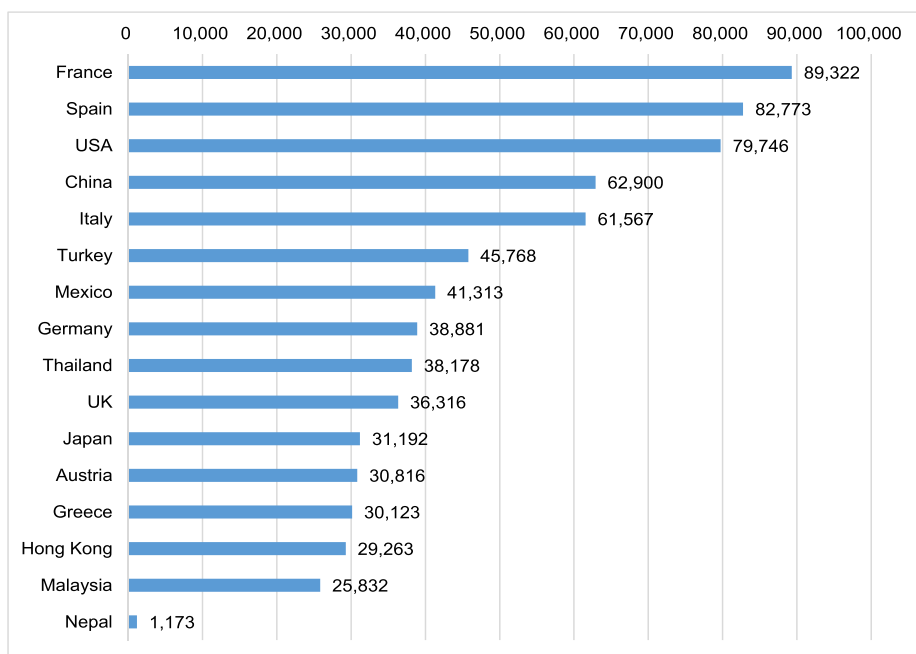
Figure 1.1 Number of international tourist arrivals in 2018 (1,000 persons)[4]

Although Nepal was ranked lower than some neighboring countries, such as China (4th) and India (23rd), its international tourist arrivals per population, which was 0.04, was same as China and higher than India.

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4 International Tourism Highlight 2019, World Tourism Organization (UNWTO)
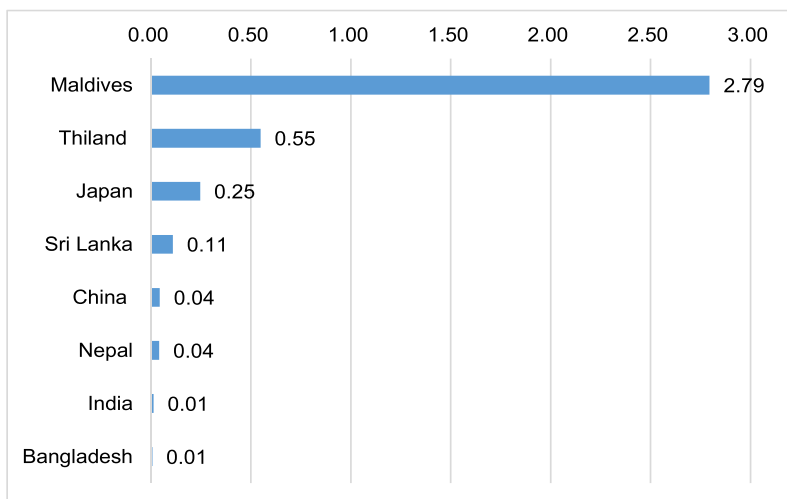
Figure 1.2   International tourist arrivals per population in South Asia and some selected countries[5]

The number of international arrivals in Nepal has been increasing over years. The number of international arrivals, which was 464 thousand in 2000, was more than doubled and reached 1,173 thousand in 2018.
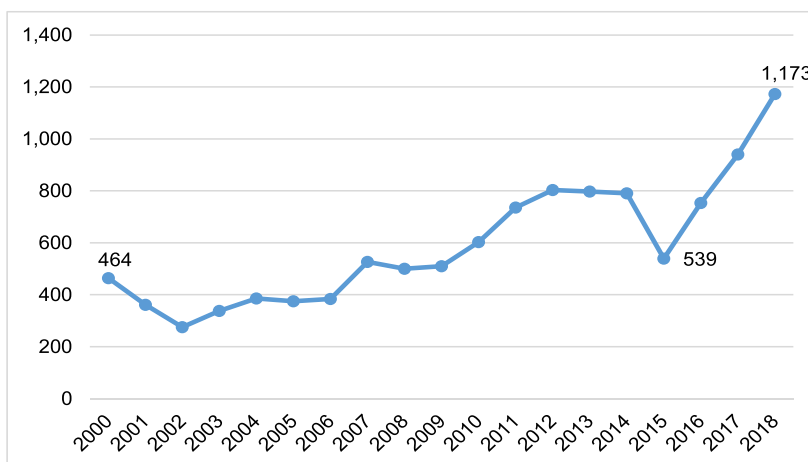
Figure 1.3 International tourism arrivals (thousand persons)[6]

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[5] Prepared by CBS based on the data of International Tourism Highlight 2019, World Tourism Organization (UNWTO) and World Population Prospects, 2019 Revision, United Nations
[6] Nepal Tourism Statistics 2019, Ministry of Culture, Tourism & Civil Aviation. Government of Nepal

Such tourists are mainly from India, China, USA and UK, and they are visiting Nepal mostly for holiday pleasure as described in the following charts in Figure 1.4 and Figure 1.5.
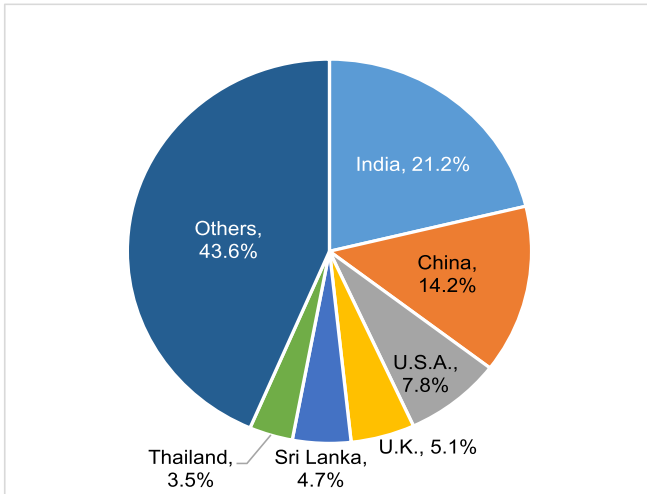
Figure 1.4 Tourism arrival by major nationalities[7]
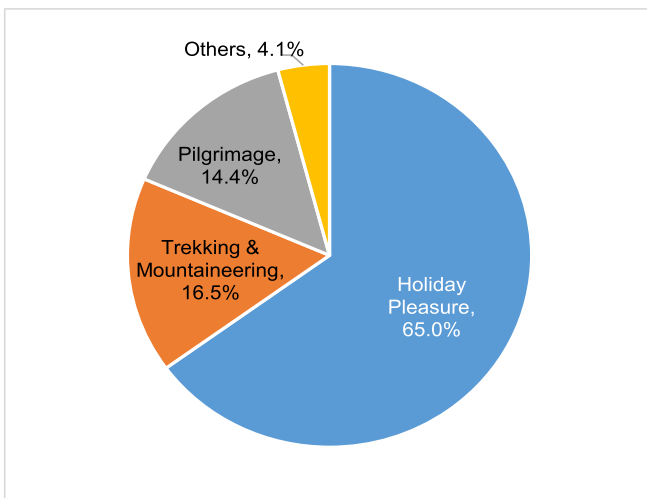
Figure 1.5 Tourism arrival by purpose of visit[8]

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[7] Nepal Tourism Statistics 2019, Ministry of Culture, Tourism & Civil Aviation. Government of Nepal
[8] Nepal Tourism Statistics 2019, Ministry of Culture, Tourism & Civil Aviation. Government of Nepal

According to Nepal Tourism Statistics 2019, the average expense per visitor per day in 2019 was USD 48, while the average length of stay was 12.7 days.
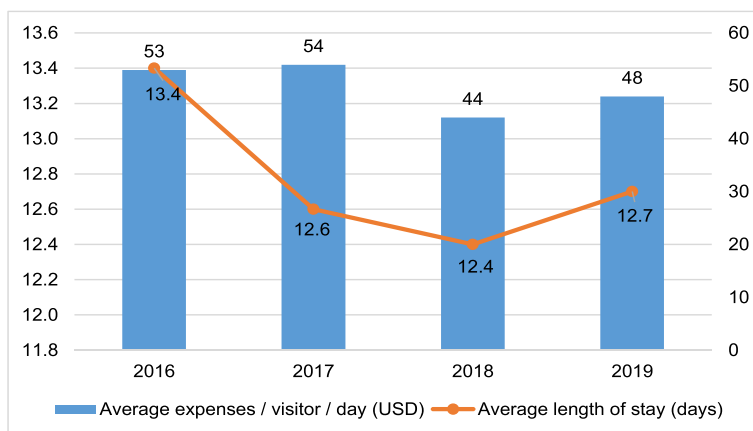
Figure 1.6 Average expense and average length of stay[9]

Due to the increase in the number of arrivals, the amount of foreign exchange earnings from tourism also increased from Rs. 11,717 million in 2000/01 to Rs. 75,809 million in 2017/18. The earning from tourism in 2017/18 is equivalent to 9.9% of the total foreign exchange earnings of the same year.
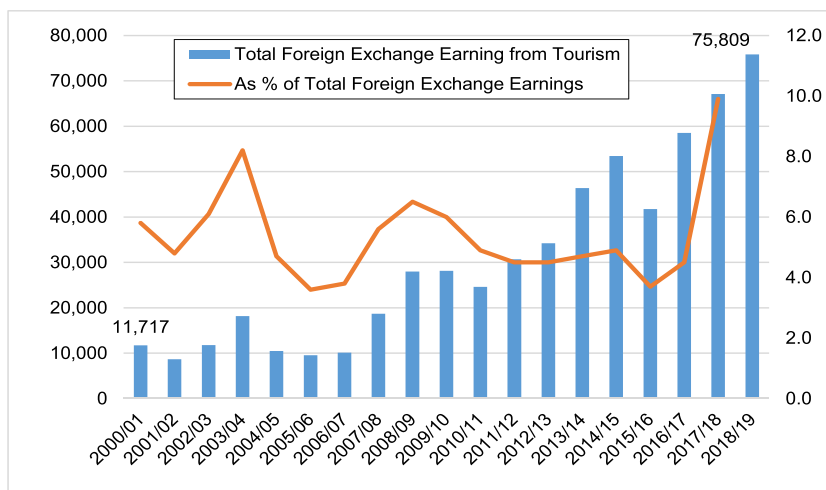
Figure 1.7 Foreign exchange earnings from tourism (million Rs.)[10]

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[9] Nepal Tourism Statistics 2019, Ministry of Culture, Tourism & Civil Aviation. Government of Nepal
[10] Source: Nepal Rastra Bank

The tourism industry is also contributing to the national economy and the employment. The tourism industry generated 6.7% of GDP and also 6.9% of employment in 2019 as depicted in the chart in Figure 1.8.

This chart also shows that the international visitor impact, which is the ratio of tourist spending to the total exports, is relatively high (30.8%) in Nepal.

	Maldives	Sri Lanka	India	Nepal	Pakistan	Bangladesh
■ GDP contribution	56.6%	10.3%	6.8%	6.7%	5.9%	3.0%
■ Employment contribution	59.6%	11.0%	8.0%	6.9%	6.2%	2.9%
■ International Visitor Impact	79.0%	24.6%	5.6%	30.8%	3.1%	0.7%
■ Travel & Tourism GDP growth	7.5%	-6.8%	4.9%	7.5%	4.7%	6.8%
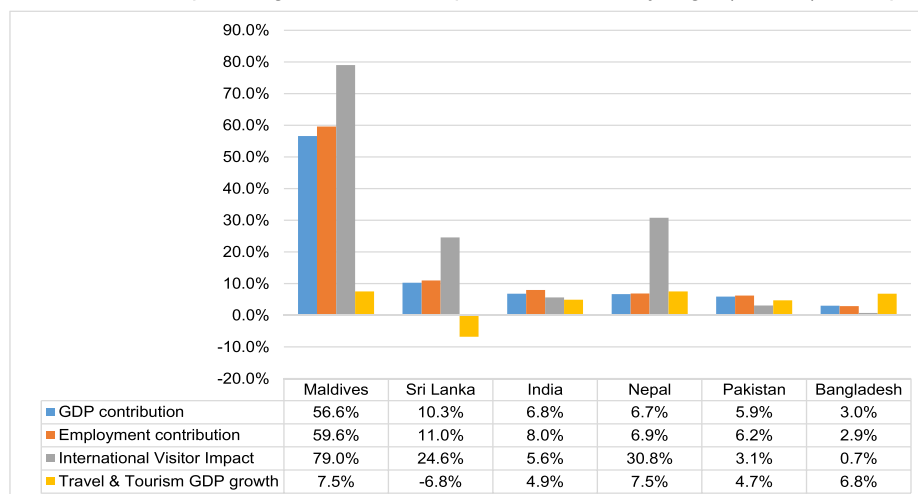
Figure 1.8 Comparison of impact of tourism in South Asian countries[11]

However, the tourism industry in Nepal has not necessarily achieved its full growth potential. Tourism Vision 2020, issued in 2009, pointed out the weakness of the Nepalese tourism as follows:

- Insufficient infrastructure
- Inadequate investment in tourism sector
- Limited air connectivity and weak national carrier
- Poor coordination among different agencies
- Weak public-private partnership
- Scarcity of resources for massive publicity and consumer promotion
- Tourism patterns limited to only in a few geographic areas

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[11] 2020 Annual Research: Key Highlight, World Travel & Tourism Council (WTTC), reported in March 2020
  All values are in constant 2019 prices & exchange rates

Such issues can be also identified from the Travel & Tourism Competitiveness Index, published by World Economic Forum in 2019. By this index, Nepal was ranked 102nd out of 140 countries, while India was placed at 34th.

The Travel & Tourism Competitiveness Index is a summary of the analysis on many aspects of travel and tourism described in Table 1.3. One of the component Nepal was placed at high rank was "Price competiveness" (15th). In contrast, Nepal was ranked 131st for "Ground and port infrastructure" and 126th for "Tourist service infrastructure". This would suggest that Nepal has not been very successful in attracting high spending tourists.

Table 1.3 Travel & Tourism Competitiveness Index[12]

	Value	Rank
Travel & Tourism Competitiveness Index	3.3	102
Business environment	4.0	113
Safety and security	5.2	91
Health and hygiene	4.3	106
Human resources and labour market	4.4	83
ICT readiness	3.5	108
Prioritization of Travel & Tourism	5.0	48
International Openness	2.7	101
Price competitiveness	6.0	15
Environmental sustainability	3.5	134
Air transport infrastructure	2.3	93
Ground and port infrastructure	2.0	131
Tourist service infrastructure	2.2	126
Natural resources	3.9	33
Cultural resources and business travel	1.3	102

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[12] World Economic Forum, https://reports.weforum.org/travel-and-tourism-competitiveness-report-2019/country-profiles/#economy=NPL

1-3 Policy on tourism

Tourism Act 2035, issued in 1978 is the organic law of tourism in Nepal, and this Act provides the rules on the tourist industry in Nepal.

Various plans and policies were established under this Act, and one of the most important ones has been Tourism Vision 2020, whose goals were to;

➢ Increase annual international arrivals to Nepal to 2 million by 2020, and
➢ Expand economic opportunities and increase employment in tourism sector to 1 million by 2020.

In order to achieve the goals of Tourism Vision 2020, various plans and strategies, such as The Fifteenth Periodical Plan of Nepal 2019/20-2023/24 and National Tourism Strategic Plan of 2016-2025, were established emphasizing the importance of further development of the tourism industry. The objectives of current fifteenth Periodical Plan are as follows;

➢ To develop Nepal as an attractive tourism destination by making it safe, quality-focused, and tourism-friendly,
➢ To increase the contribution of tourism in the economy by diversifying tourism destinations and products, and
➢ To make sure that the benefits of tourism are distributed equitably at the ordinary people's level.

Tourism Policy 2065, published in 2008, also targeted on 1) developing tourism infrastructure, 2) increasing tourism activities, 3) creating employment in the rural areas, and 4) sharing the benefits of tourism in the grassroots level.

1-4 Overview of the tourism industry

Many types of industries are involved in the tourism in Nepal, such as hotels, travel agencies and transportation service providers. Following the increase in the number of international arrivals, the number of hotels and travel agencies have bee also increasing.

The total numbers of registered star hotels and tourist standard hotels are as shown in the following chart in Figure 1.9.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Tourist Standard Hotel	746	909	957	957	985	977	1,125	1,151
Star Hotel	107	117	118	116	120	125	129	138
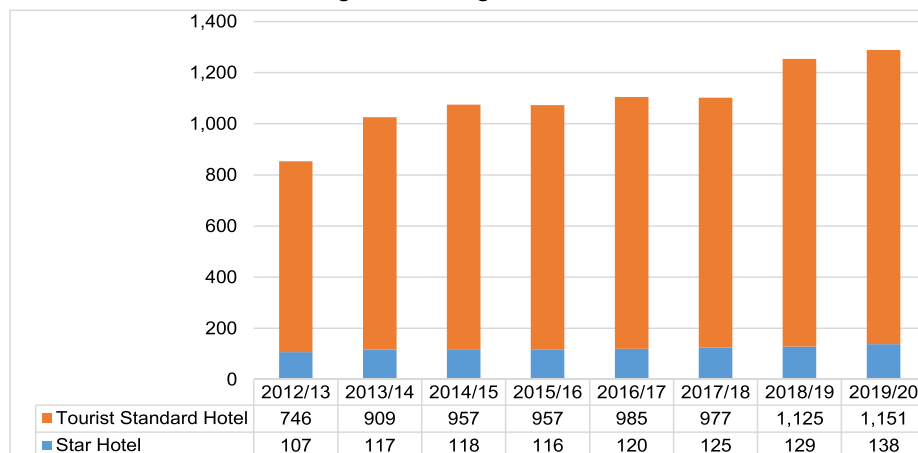
Figure 1.9 Number of registered star hotel and tourist standard hotel[13]

The number of tourist standard hotel increased by 54.3% from 2012/13 to 2019/20, while that of star hotel increased by 29.0% during the same period.

Similarly, the numbers of beds of tourist standard hotels and star hotels increased by 40.9% and 38.2% respectively. In total, the number of beds increased by 39.0% from 31,657 in 2012/13 to 43,999 in 2019/20.

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[13] Nepal Tourism Statistics 2019, Ministry of Culture, Tourism & Civil Aviation. Government of Nepal

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Tourist Standard Hotel	22,286	25,017	26,625	27,240	28,171	29,136	29,710	30,799
Star Hotel	9,371	9,506	9,554	9,710	10,071	10,697	11,146	13,200
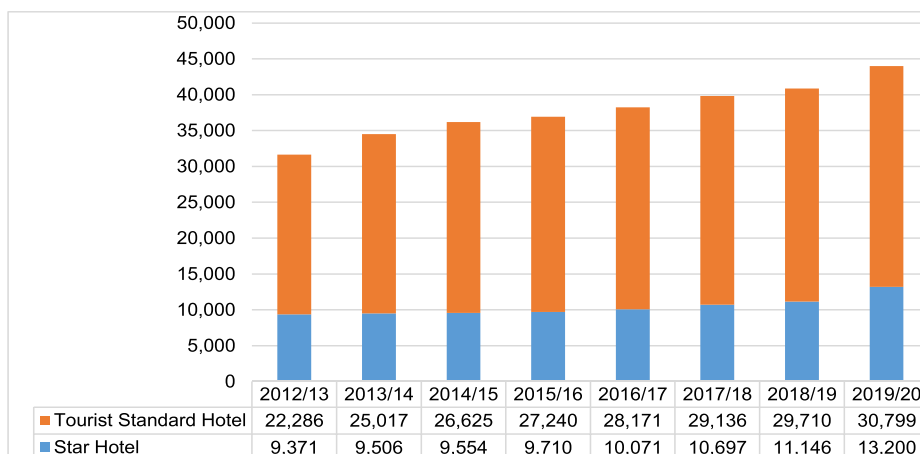
Figure 1.10 Number of beds of star hotel and tourist standard hotel[14]

The number of registered travel agencies, trekking agencies, rafting agencies and tourist transport services are also increasing as described in Table 1.4.

Table 1.4 Number of registered agencies

	2013	2014	2015	2016	2017	2018	2019
Travel Agency	2,239	2,450	2,611	2,768	3,444	3,824	3,508
Trekking Agency	1,598	1,761	1,903	2,019	2,367	2,637	2,649
Rafting Agency	52	60	61	66	72	73	73
Tourist Trans-portation Service	31	50	59	67	72	72	77

According to Tourism Employment Survey conducted by Ministry of Culture, Tourism & Civil Aviation conducted in 2014, 138,148 persons were estimated to be engaged in the tourism industry or the registered businesses under the Ministry.

Please note that restaurants are not included in this estimation.

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[14] Nepal Tourism Statistics 2019, Ministry of Culture, Tourism & Civil Aviation. Government of Nepal

Table 1.5 Estimation of employment generated by tourism industry[15]

Industry type	Total Employment		Total
	Regular	Seasonal	
Star Hotel	13,038	420	13,458
Tourist Standard Hotel	23,566	3,242	26,808
Home Stay	1,784	955	2,739
Trekking Agency	9,958	40,046	50,004
Travel Agency	20,170	5,069	25,239
Rafting Agency	343	392	735
International Airlines	12,822	0	12,822
Domestic Airlines	5,903	0	5,903
Other	396	44	440
Total	87,980	50,168	138,148

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[15] Tourism Employment Survey, Ministry of Culture, Tourism & Civil Aviation

Chapter 2   Number of establishments

This chapter briefly describes the basic characteristics of establishments which has the basic unit of enumeration in the NEC2018. The NEC2018 followed the UN's definition of establishment which has been defined as an economic unit that engages, under a single ownership or control in one predominantly one kind of economic activity at single physical location. Therefore, the establishment can be any size, any type and any type of economic unit.

2-1   Number of establishments in the tourism industry

The number of establishments in the tourism industry is 134,832 and this comprises 14.6% of all establishments in Nepal.

The establishments in the tourism industry in this report cover the following industries;

- ➢ Section H: Division 49 (Land transport and transport via pipelines)
- ➢ Section H: Division 50 (Water transport)
- ➢ Section H: Division 51 (Air transport)
- ➢ Section I: Division 55 (Accommodation)
- ➢ Section I: Division 56 (Food and beverage service activities)
- ➢ Section N: Division 79 (Travel agency, tour operator, reservation service and related activities)
- ➢ Section R: Division 91 (Libraries, archives, museums and other cultural activities)

For more details, please refer to Table 1.1 on page 1 and Table 1.2 on page 2.
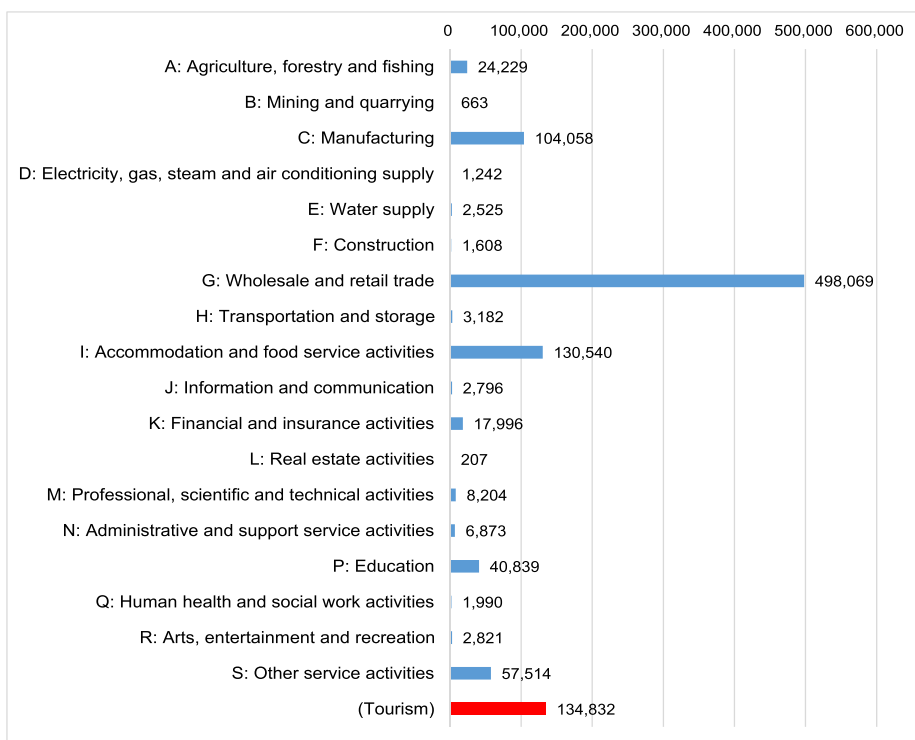
Figure 2.1 Number of establishments by Section of NSIC and tourism industry in Nepal

The share of establishments in the tourism industry of each province is as in the following chart in Figure 2.2.

The proportion of the tourism industry is lowest in Province 2 (9.5%) and highest in Bagamati Province (17.4%). The proportion of the tourism industry is relatively low in Southern provinces and high in Northern provinces.
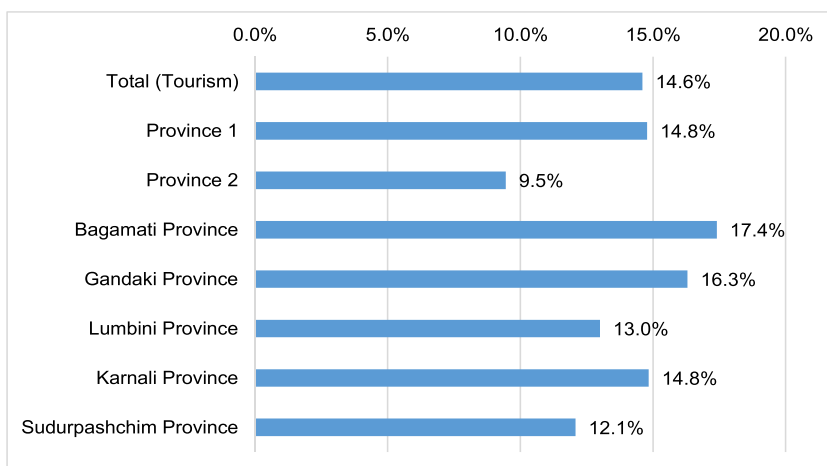
Figure 2.2 Share of the number of establishments in the tourism by province in Nepal

2-2 Number of establishments in the tourism industry by province

The following table shows the number of establishments in the tourism industry by province. Bagamati Province keeps the largest number of establishments (49,234 establishments), which comprises 36.5% of all establishments in the tourism industry.

The number of establishments in the tourism industry of each province would be largely dependent on the number of tourists visiting the province. The following table also shows the major tourism sites in provinces.

Table 2.1 Number and share of establishments in the tourism industry by province

Province	Number of Establishment	Share (%)	Major tourism sites[16]
Province 1	24,900	18.5	- Everest National Park (NP) - Ilam
Province 2	11,120	8.2	- Parsa Wildlife Reserve - Janakpur
Bagamati Province	49,234	36.5	- The Cultural Heritage of the Kathmandu Valley - Chitwan NP
Gandaki Province	16,412	12.2	- Pokhara Valley and Fishtail Mountain - Annnapurunas Mountain Range - Gorka
Lumbini Province	19,211	14.2	- Lumbini - Banke and Bardia NPs
Karnali Province	6,351	4.7	- Rara NP - Shey Phoksundo NP
Sudurpashchim Province	7,604	5.6	- Khaptad NP - Sukla Phanta Wildlife Reserve
Total (Tourism)	134,832	100.0	

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[16] White paper on tourism, Position paper on Nepal hotel industry 2017, Hotel Association of Nepal and other published documents

2-3 Number of establishments in the tourism industry by Class of NSIC

The following Table 2.2 shows the number of establishments in the subindustries of tourism.

Restaurants and mobile food service activities (code 5610) keeps the largest number of establishments (104,415 establishments). Other subindustries with large number of establishments include Short term accommodation activities (code 5510, 16,218 establishments), Beverage serving activities (code 5630, 8,295 establishments) and Travel agency activities (code 7911, 2,664 establishments). These four subindustries are considered as the main subindustries of tourism.

Table 2.2 Number of establishments in the tourism industry by Class of NSIC

Class of NSIC		Number	Share
4921	Urban and suburban passenger land transport	105	0.1%
4922	Other passenger land transport	85	0.1%
4923	Freight transport by road	627	0.5%
5021	Inland passenger water transport	9	0.0%
5110	Passenger air transport	53	0.0%
5120	Freight air transport	8	0.0%
5510	Short term accommodation activities	16,218	12.0%
5520	Camping grounds, recreational vehicle parks and trailer parks	32	0.0%
5590	Other accommodation	538	0.4%
5610	Restaurants and mobile food service activities	104,415	77.4%
5621	Event catering	619	0.5%
5629	Other food service activities	423	0.3%
5630	Beverage serving activities	8,295	6.2%
7911	Travel agency activities	2,664	2.0%
7912	Tour operator activities	333	0.2%
7990	Other reservation service and related activities	152	0.1%
9101	Library and archives activities	103	0.1%
9102	Museums activities and operation of historical sites and buildings	28	0.0%
9103	Botanical and zoological gardens and nature reserves activities	125	0.1%

In all provinces, Restaurants and mobile food service activities (code 5610), Short term accommodation activities (code 5510), Beverage serving activities (code 5630) and Travel agency activities (code 7911) are the main subindustries of tourism, as depicted in the following chart in Figure 2.3.

Restaurants and mobile food service activities (code 5610) keeps the largest share in all provinces. Short term accommodation activities (code 5510) is the second largest in all provinces too except Province 2.
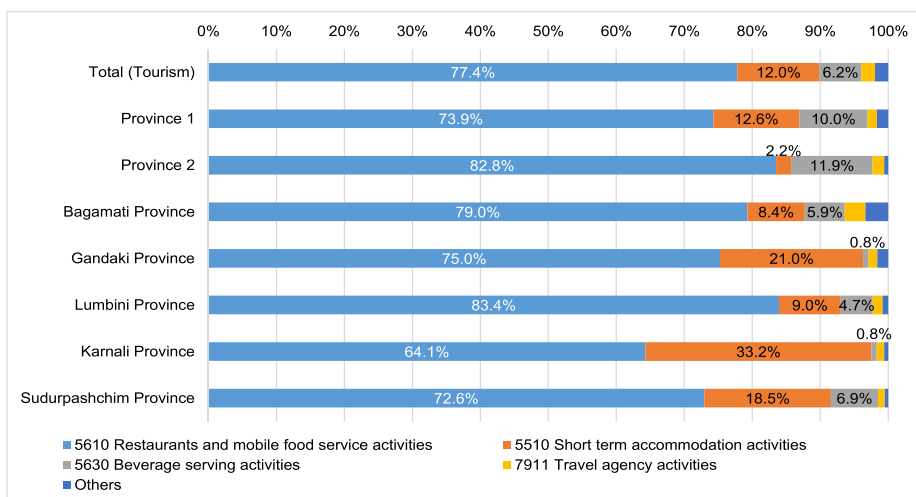
Figure 2.3 Proportion of number of establishments in the tourism industry by Class of NSIC and province

The following tables show the district wise distribution of the establishments involved in the major subindustries of tourism, such as Restaurants and mobile food service activities (code 5610), Short term accommodation activities (code 5510), Beverage serving activities (code 5630) and Travel agency activities (code 7911).

Table 2.3 Number of establishments in the major subindustries of tourism in Province 1

Class of NSIC	5510 Short term accommoda-tion activities		5610 Restaurants and mobile food service		5630 Beverage serving activities		7911 Travel agency activities	
District	No.	Share	No.	Share	No.	Share	No.	Share
Taplejung	202	6.4%	239	1.3%	14	0.6%	21	6.1%
Sankhuwasabha	171	5.5%	445	2.4%	13	0.5%	11	3.2%
Solukhumbu	650	20.7%	548	3.0%	12	0.5%	7	2.0%
Okhaldhunga	197	6.3%	276	1.5%	4	0.2%	14	4.0%
Khotang	313	10.0%	172	0.9%	1	0.0%	21	6.1%
Bhojpur	200	6.4%	255	1.4%	9	0.4%	5	1.4%
Dhankuta	180	5.7%	817	4.4%	58	2.3%	0	0.0%
Terhathum	79	2.5%	237	1.3%	7	0.3%	2	0.6%
Panchthar	178	5.7%	412	2.2%	24	1.0%	13	3.8%
Ilam	250	8.0%	1148	6.2%	56	2.3%	11	3.2%
Jhapa	244	7.8%	4967	27.0%	777	31.3%	87	25.1%
Morang	135	4.3%	4051	22.0%	866	34.8%	65	18.8%
Sunsari	186	5.9%	4004	21.8%	588	23.7%	59	17.1%
Udayapur	148	4.7%	834	4.5%	56	2.3%	30	8.7%

Table 2.4 Number of establishments in the major industries of tourism in Province 2

Class of NSIC	5510 Short term accommoda-tion activities		5610 Restaurants and mobile food service		5630 Beverage serving activities		7911 Travel agency activities	
District	No.	Share	No.	Share	No.	Share	No.	Share
Saptari	14	5.7%	1017	11.0%	282	21.4%	6	3.2%
Siraha	28	11.3%	837	9.1%	158	12.0%	26	13.7%
Dhanusa	41	16.6%	1387	15.1%	314	23.8%	47	24.7%
Mahottari	25	10.1%	1093	11.9%	208	15.8%	23	12.1%
Sarlahi	19	7.7%	1286	14.0%	73	5.5%	16	8.4%
Rautahat	44	17.8%	931	10.1%	124	9.4%	15	7.9%
Bara	25	10.1%	1260	13.7%	76	5.8%	4	2.1%
Parsa	51	20.6%	1398	15.2%	84	6.4%	53	27.9%

Table 2.5 Number of establishments in the major industries of tourism in Bagamati Province

Class of NSIC	5510 Short term accommoda- tion activities		5610 Restaurants and mobile food service		5630 Beverage serving activities		7911 Travel agency activities	
District	No.	Share	No.	Share	No.	Share	No.	Share
Dolakha	216	5.2%	686	1.8%	8	0.3%	5	0.3%
Sindhupalchok	151	3.6%	1,000	2.6%	9	0.3%	2	0.1%
Rasuwa	224	5.4%	202	0.5%	5	0.2%	3	0.2%
Dhading	200	4.8%	1522	3.9%	89	3.1%	15	1.0%
Nuwakot	188	4.5%	1023	2.6%	24	0.8%	8	0.5%
Kathmandu	1,754	42.3%	18,130	46.6%	1,335	46.2%	1,258	84.4%
Bhaktapur	145	3.5%	2,764	7.1%	429	14.8%	19	1.3%
Lalitpur	88	2.1%	3,815	9.8%	328	11.4%	75	5.0%
Kavrepalanchok	196	4.7%	2,216	5.7%	197	6.8%	4	0.3%
Ramechhap	219	5.3%	436	1.1%	13	0.4%	9	0.6%
Sindhuli	157	3.8%	817	2.1%	24	0.8%	20	1.3%
Makwanpur	187	4.5%	2,166	5.6%	205	7.1%	38	2.6%
Chitawan	418	10.1%	4,104	10.6%	223	7.7%	34	2.3%

Table 2.6 Number of establishments in the major industries of tourism in Gandaki Province

Class of NSIC	5510 Short term accommoda- tion activities		5610 Restaurants and mobile food service		5630 Beverage serving activities		7911 Travel agency activities	
District	No.	Share	No.	Share	No.	Share	No.	Share
Gorkha	399	11.6%	1023	8.3%	5	4.0%	1	0.5%
Manang	250	7.3%	61	0.5%	0	0.0%	0	0.0%
Mustang	276	8.0%	107	0.9%	0	0.0%	6	2.8%
Myagdi	246	7.1%	322	2.6%	3	2.4%	6	2.8%
Kaski	1,140	33.1%	4,820	39.2%	47	37.3%	150	69.8%
Lamjung	290	8.4%	638	5.2%	1	0.8%	5	2.3%
Tanahu	189	5.5%	1690	13.7%	6	4.8%	5	2.3%
Nawalparasi	116	3.4%	1585	12.9%	52	41.3%	2	0.9%
Syangja	146	4.2%	938	7.6%	6	4.8%	8	3.7%
Parbat	127	3.7%	518	4.2%	1	0.8%	5	2.3%
Baglung	264	7.7%	607	4.9%	5	4.0%	27	12.6%

Table 2.7 Number of establishments in the major industries of tourism in Lumbini Province

Class of NSIC	5510 Short term accommoda-tion activities		5610 Restaurants and mobile food service		5630 Beverage serving activities		7911 Travel agency activities	
District	No.	Share	No.	Share	No.	Share	No.	Share
Rukum	70	4.0%	38	0.2%	1	0.1%	11	4.0%
Rolpa	89	5.1%	646	4.0%	1	0.1%	20	7.2%
Pyuthan	75	4.3%	549	3.4%	1	0.1%	15	5.4%
Gulmi	304	17.5%	797	5.0%	6	0.7%	30	10.9%
Arghakhanchi	82	4.7%	724	4.5%	19	2.1%	3	1.1%
Palpa	216	12.4%	1,085	6.8%	5	0.6%	4	1.4%
Nawalparasi	28	1.6%	1,257	7.8%	125	13.9%	2	0.7%
Rupandehi	296	17.1%	4,562	28.5%	397	44.0%	90	32.6%
Kapilbastu	74	4.3%	1497	9.3%	166	18.4%	11	4.0%
Dang	143	8.2%	1657	10.3%	51	5.7%	9	3.3%
Banke	258	14.9%	2054	12.8%	60	6.7%	56	20.3%
Bardiya	100	5.8%	1151	7.2%	70	7.8%	25	9.1%

Table 2.8 Number of establishments in the major industries of tourism in Karnali Province

Class of NSIC	5510 Short term accommoda-tion activities		5610 Restaurants and mobile food service		5630 Beverage serving activities		7911 Travel agency activities	
District	No.	Share	No.	Share	No.	Share	No.	Share
Dolpa	137	6.5%	100	2.5%	0	0.0%	0	0.0%
Mugu	363	17.2%	104	2.6%	1	2.1%	0	0.0%
Humla	231	11.0%	99	2.4%	17	35.4%	6	8.5%
Jumla	170	8.1%	260	6.4%	0	0.0%	9	12.7%
Kalikot	121	5.7%	292	7.2%	1	2.1%	3	4.2%
Dailekh	305	14.5%	815	20.0%	4	8.3%	5	7.0%
Jajarkot	218	10.3%	150	3.7%		0.0%	5	7.0%
Rukum	176	8.4%	370	9.1%	14	29.2%	18	25.4%
Salyan	162	7.7%	507	12.5%	4	8.3%	6	8.5%
Surkhet	224	10.6%	1,375	33.8%	7	14.6%	19	26.8%

Table 2.9 Number of establishments in the major industries of tourism in Sudurpashchim Province

Class of NSIC	5510 Short term accommoda-tion activities		5610 Restaurants and mobile food service		5630 Beverage serving activities		7911 Travel agency activities	
District	No.	Share	No.	Share	No.	Share	No.	Share
Bajura	202	14.3%	237	4.3%	1	0.2%	2	2.6%
Bajhang	94	6.7%	383	6.9%	3	0.6%	24	31.6%
Darchula	68	4.8%	205	3.7%	17	3.2%	3	3.9%
Baitadi	74	5.2%	263	4.8%	4	0.8%	10	13.2%
Dadeldhura	108	7.7%	268	4.9%	6	1.1%	1	1.3%
Doti	154	10.9%	344	6.2%	5	1.0%	3	3.9%
Achham	197	14.0%	354	6.4%	38	7.2%	6	7.9%
Kailali	384	27.2%	2,238	40.5%	348	66.2%	23	30.3%
Kanchanpur	129	9.1%	1,230	22.3%	104	19.8%	4	5.3%

2-4 Number of establishments by size of persons engaged

The distribution of the establishments in the tourism industry categorized by the scale of industry is as shown in the following chart in Figure 2.4.

The number of micro establishments is biggest among all categories (131,526 establishments) and this consists of 97.5% of all establishments in the tourism industry.
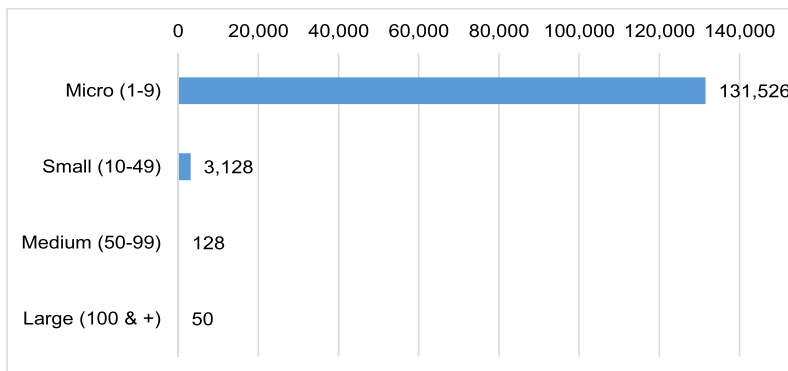
Figure 2.4 Number of establishments in the tourism industry by scale of industry

Taking a look in more details of establishments categorized as Micro (1-9 persons), the number of establishments with one or two (1-2) persons engaged is biggest among all categories (96,322 establishments) and this consist of in 71.4% of all establishments in the tourism industry.
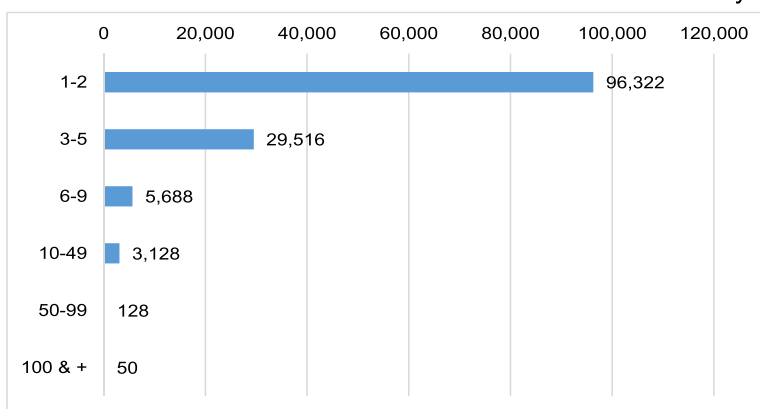
Figure 2.5 Number of establishments in the tourism industry by size of person engaged

In all provinces, the proportions of the establishments with 1-2 persons are biggest as depicted in the following chart in Figure 2.6. The proportion of the establishments with 1-2 persons engaged are highest in Karnali Province (80.5%) and lowest in Bagamati Province (66.5%).
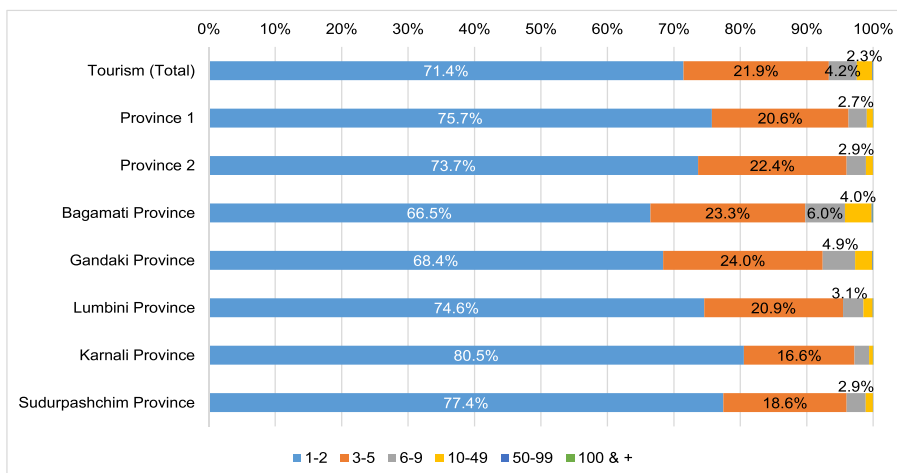
Figure 2.6 Share of number of establishments in the tourism industry by size of persons engaged and province

Table 2.10 Number of establishments in the tourism industry by size of persons engaged and province

	Number of persons engaged						
	1-2	3-5	6-9	10-19	20-49	50-99	100-
Province 1	18,855	5,125	682	178	52	7	1
Province 2	8,191	2,486	321	89	29	4	0
Bagamati Province	32,722	11,484	2,937	1,468	503	80	40
Gandaki Province	11,223	3,942	801	320	102	18	6
Lumbini Province	14,327	4,011	590	213	54	14	2
Karnali Province	5,115	1,057	139	33	4	2	1
Sudurpashchim Province	5,889	1,411	218	72	11	3	0
Total (Tourism)	96,322	29,516	5,688	2,373	755	128	50

In many subindustries of tourism, the proportion of the establishments engaging 1-2 persons is big among all categories.

The subindustries with higher proportions of the establishments with 1-2 persons engaged include Beverage serving activities (code 81.0%), Restaurants and mobile food service activities (code 5610, 76.3%) and Other food service activities (61.7%). On the other hand, the proportions of the establishments with 1-2 persons of Freight air transport (code 5120, 0.0%) and Passenger air transport (code 5110, 3.8%) are very low.
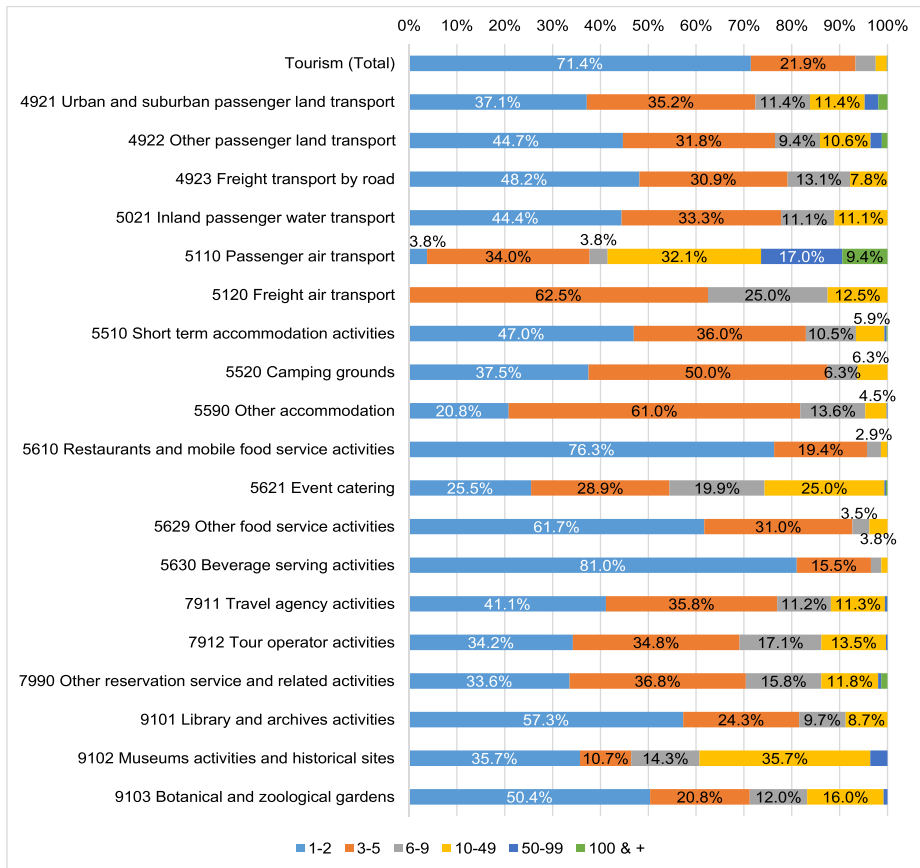
Figure 2.7 Share of number of establishments in the tourism industry by size of persons engaged and Class of NSIC

2-5 Number of establishments by sex of manager

The establishments with male managers comprise 60.7% of all establishments in the tourism industry, while the proportion of establishments with female managers is 39.2%.

The proportion of establishments with female managers in the tourism industry (39.2%) is higher than that of all establishments in Nepal (29.6%).
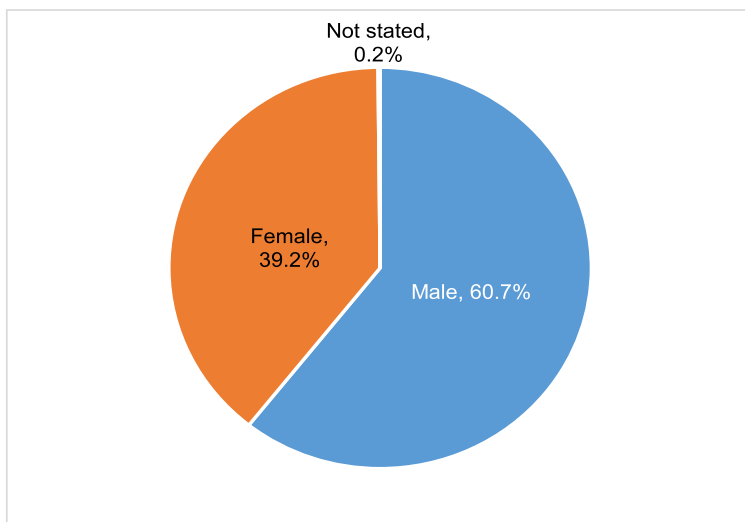
Figure 2.8 Share of number of establishments in the tourism industry by sex of manager

Comparing all provinces, it can be observed that the province with the lowest proportion of female managers is Province 2 (19.3%) and the highest is Province 1 (50.1%)
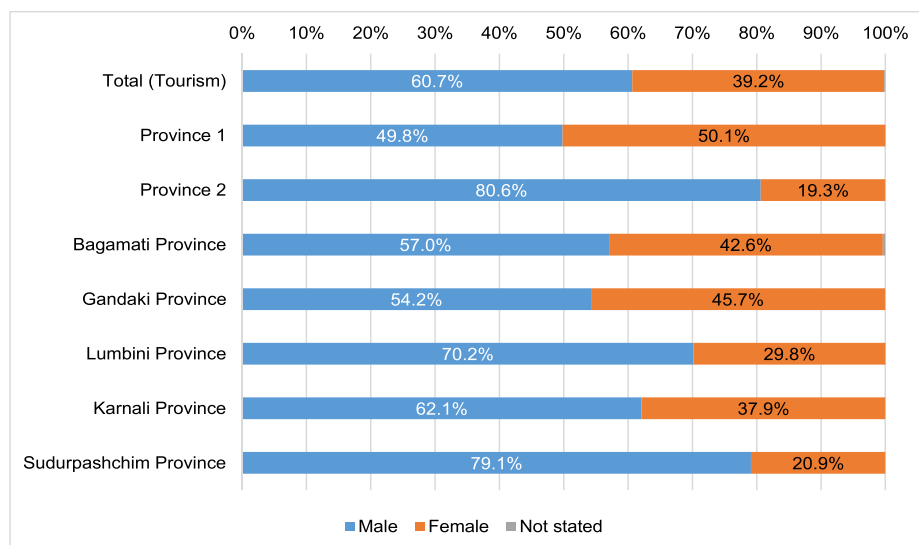
Figure 2.9 Share of number of establishments in the tourism industry by sex of manager and province

Subindustries with the highest proportions of establishments with female managers are Other food services (code 5629, 45.6%), Other accommodation (code 5590, 45.0%) and Restaurants and mobile food service activities (code 5610, 42.4%). Accommodation and food service activities tends to show higher proportions of establishments with female managers than other subindustries.
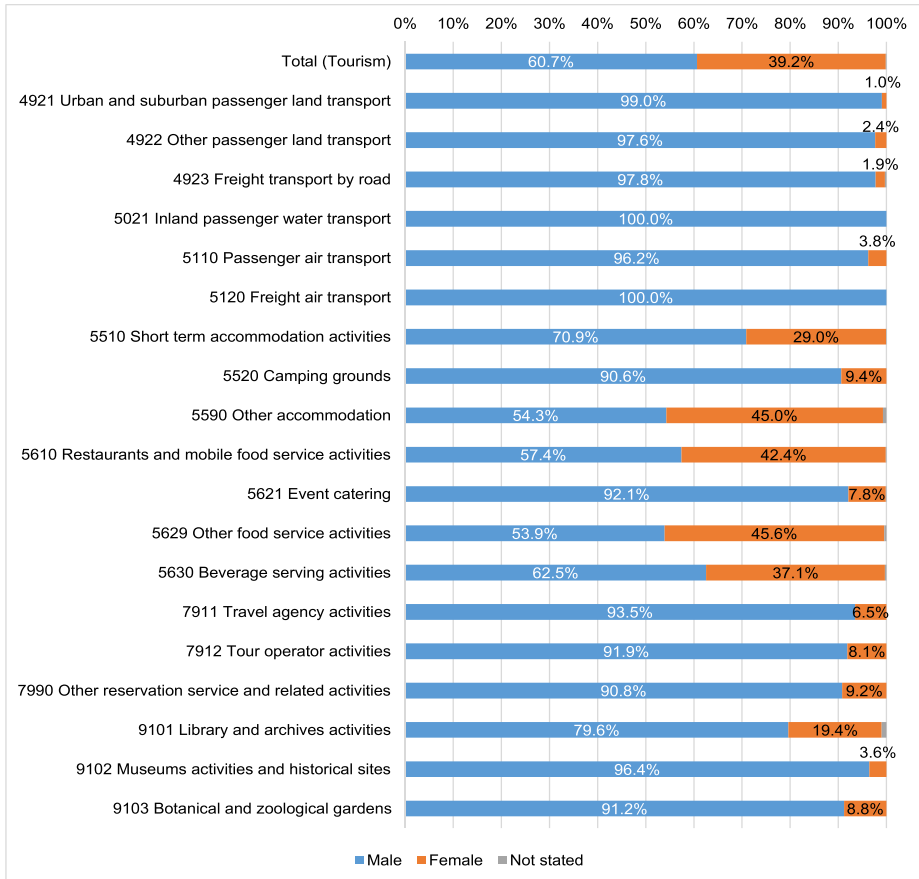
Figure 2.10 Share of number of establishments by sex of manager and Class of NSIC

2-6 Number of establishments by sex of owner

The establishments with male owners comprise 61.8% of all establishments in the tourism industry, while the establishments with female owners comprises 38.2%.

The proportion of establishments with female owners in the tourism industry (38.2%) is higher than that of all establishments in Nepal (29.8%).
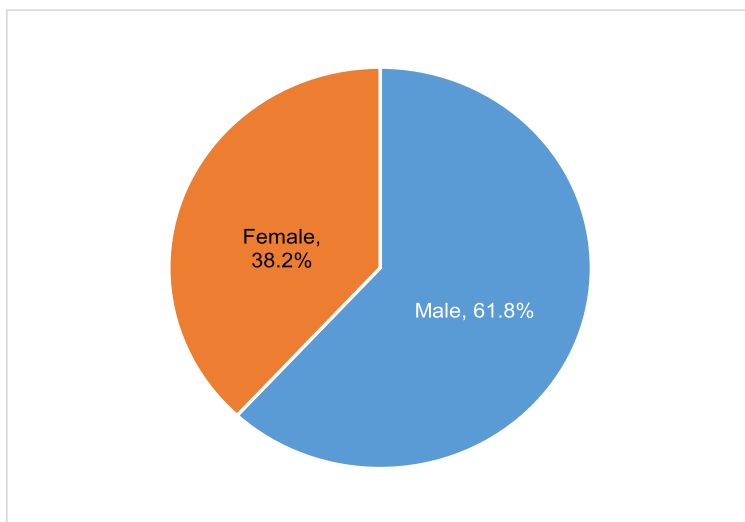
Figure 2.11 Share of number of establishments in tourism industry by sex of owner

The proportions of the establishments with female owners are low in Province 2 (19.5%) and Sudurpashchim Province (20.0%) while highest in Province 1 (50.8%).
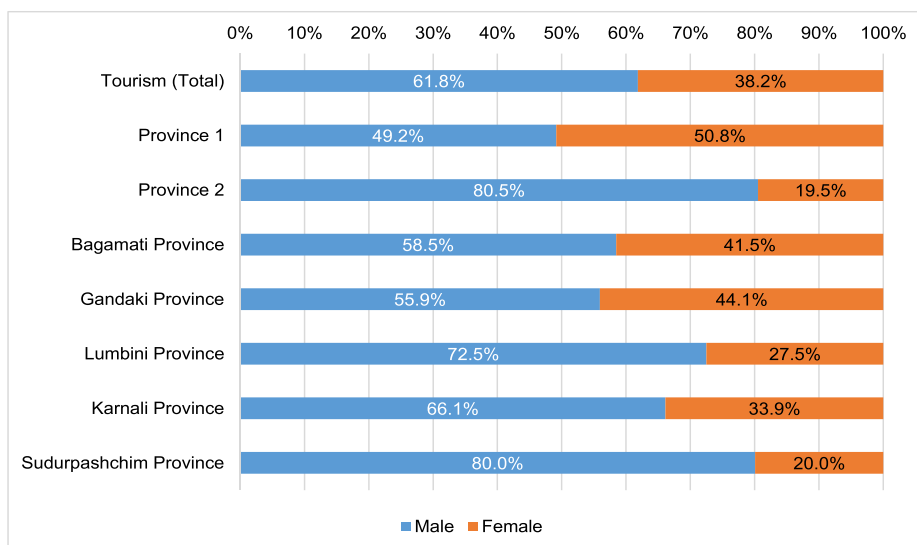
Figure 2.12 Share of number of establishments in the tourism industry by sex of owner and province

The subindustries with highest proportions of the establishments with female owners include Other food service activities (code 5629, 47.0%), Other accommodation (code 5590, 45.1%) and Restaurants and mobile food service activities (code 5610, 41.2%).
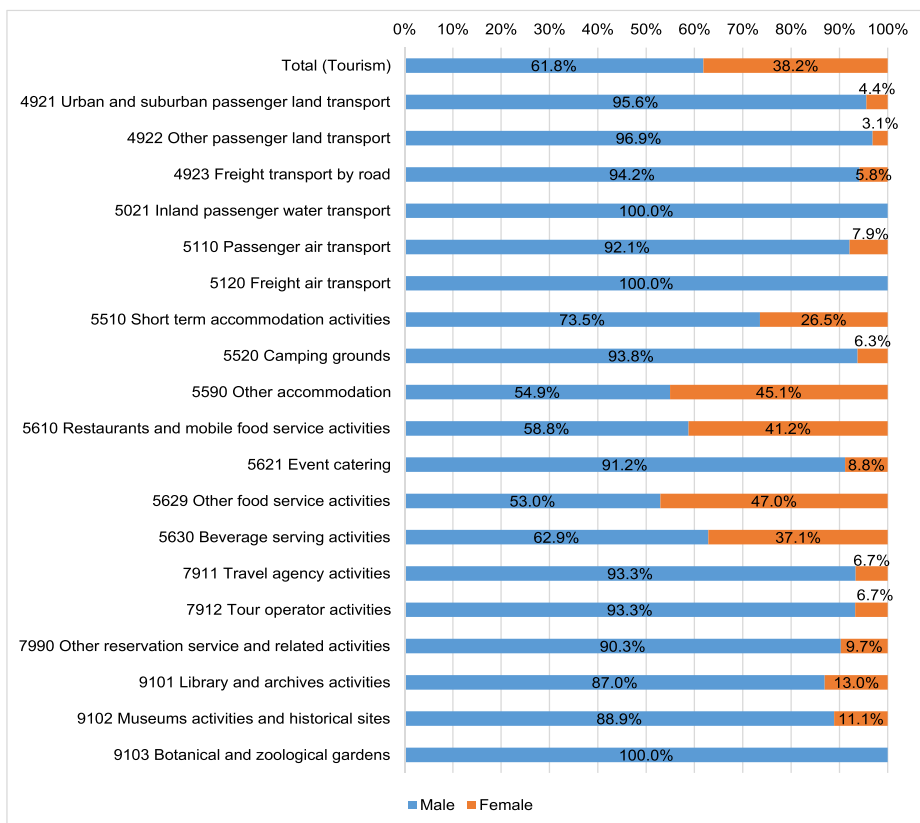
Figure 2.13 Proportion of number of establishments in the tourism industry by sex of owner and Class of NSIC

2-7 Number of establishments by nationality of owner

The following chart in Figure 2.14 shows the proportion of the establishments with the owners of different nationalities. As this chart shows, most of the owners of the establishments in the tourism industry are Nepali (98.8%).
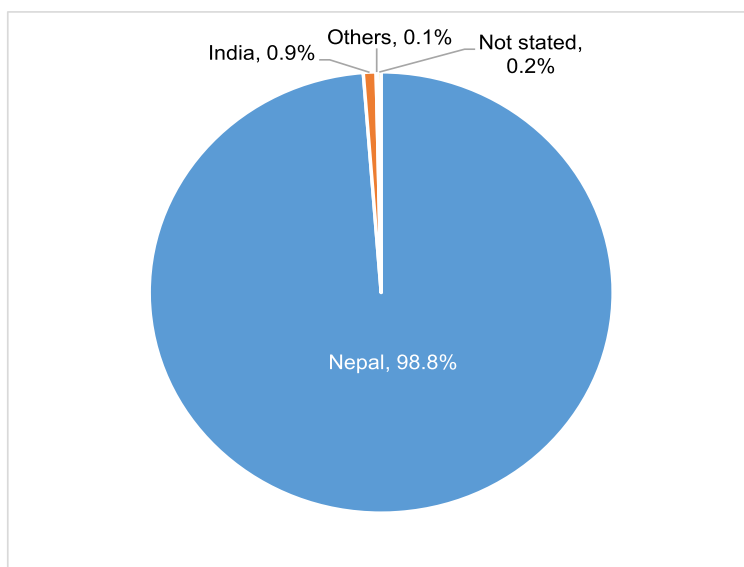
Figure 2.14 Share of number of establishments in the tourism industry by nationality of owner

The compositions of establishments in the tourism industry by nationality of owner and Class of NSIC are as showed in the following chart in Figure 2.15.

In all subsectors, the owners are mostly Nepali, while there are some Indian owners. The subindustries with higher proportions of Indian owners are Beverage serving activities (code 5630, 1.4%) and Restaurants and mobile food service activities (code 5610, 1.0%).

The subindustries with large number of establishments with Indian owners are Beverage serving activities (code 5630, 113 establishment) and Restaurants and mobile food service activities (code 5610, 1,025 establishments).
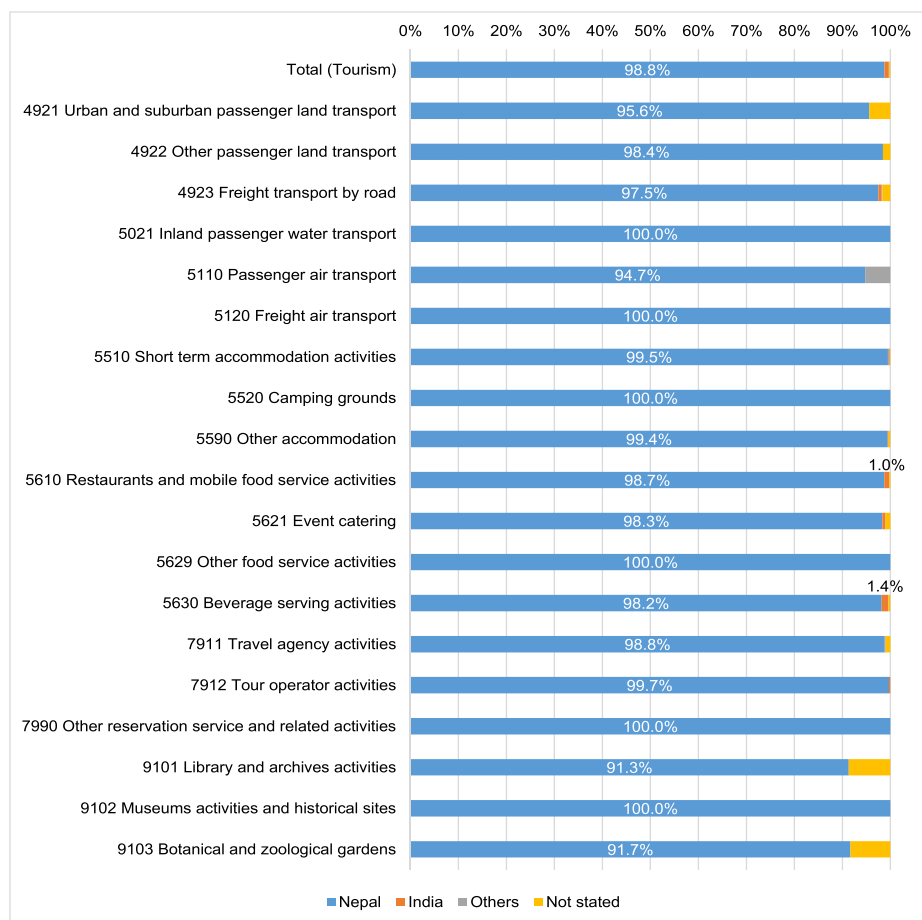
Figure 2.15 Share of establishments in the tourism industry by nationality of owner and class of NSIC

2-8 Number of establishments by registration

In the tourism industry, only 38.2% of the establishments are registered as depicted in the following chart in Figure 2.16. This proportion is much lower than that of all establishment in in Nepal (50.1%).

The proportion of registered establishments varies among provinces. The proportion is lowest in Province 2 (20.8%) and highest in Sudurpashchim Province (46.4%).
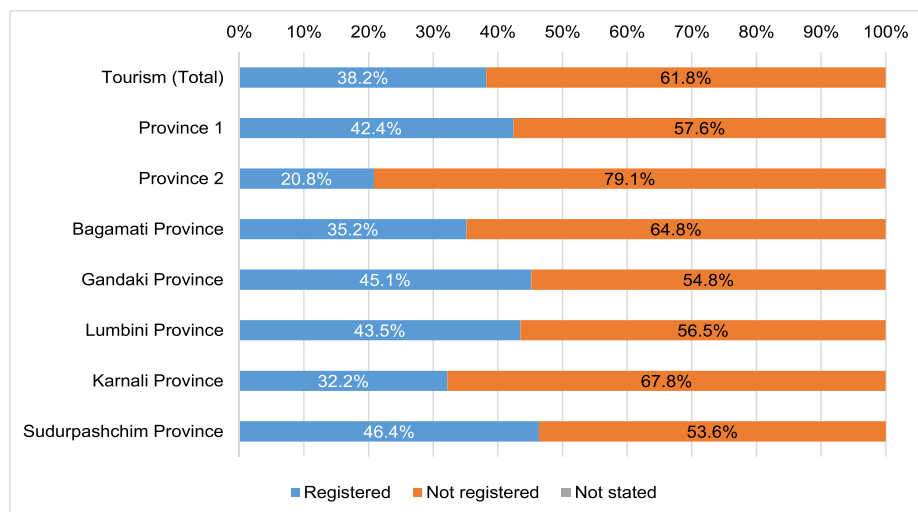
Figure 2.16 Share of number of establishments in the tourism industry by registration and province

Subindustries with highest proportion of registered establishments include Passenger air transport (code 5110, 100%), Freight air transport (code 5120, 100%) and Tour operator activities (code 7912, 94.6%).

In contrast, the subindustries with low proportions of registered establishments are Other food service activities (code 5629, 15.1%), Restaurants and mobile food service activities (code 5610, 31.8%) and Beverage Serving activities (code 5630, 37.8%).

Some subindustries in the tourism industry, such as Travel agency activities (code 7911) and Tour operator activities (code 7912), are required to have licenses, according to Tourism Act, 2035 and relevant regulations. The proportions of the registered establishments are higher in these subindustries.

On the other hand, the proportions of registered establishment are low in the subindustries of Food and beverage service activities (Division code 56) since those subindustries of micro scale are often operational without registration knowingly or unknowingly although there exist the legal provision for any business operation..
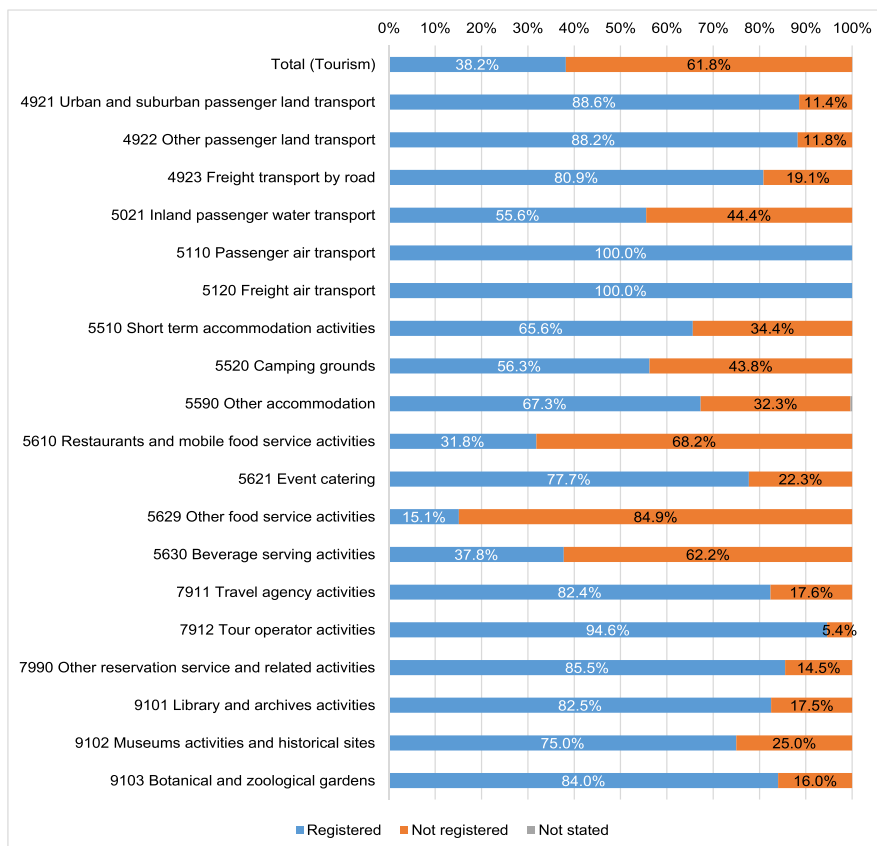
Figure 2.17 Share of number of establishments in the tourism industry by registration and Class of NSIC

2-9 Number of establishments by years after establishment

Categorizing establishments in the tourism industry by year of starting business, it can be observed that a large portion of establishments are established recently, as described in the following chart in Figure 2.18.

The proportions of the establishments in the tourism industry started business in 2070-73 and 2074-75 are 38.1% and 29.0% respectively. This means that the establishments started business for the last five years (from 2070 to 2075) comprises 67.1% of all establishment in the tourism industry. This proportion is much higher than that of all establishments in Nepal (57.8%).
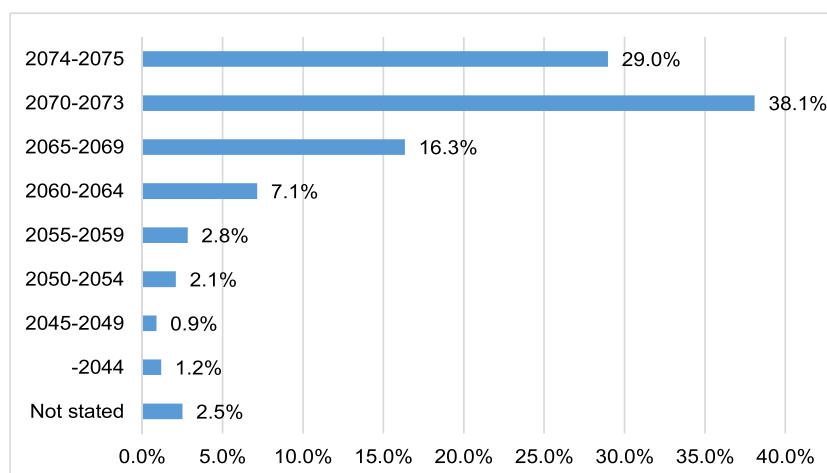
Figure 2.18 Proportion of number of establishments in the tourism industry by year of starting business[17]

Comparing the subindustries as in Figure 2.19, it can be observed that the proportion of establishments started business recently (after 2070) are rather high in Other accommodation (code 5590, 77.5%), Other food service activities (code 5629, 72.6%), Other passenger land transport (code 4922, 70.6%) and Restaurants and mobile food service activities (code 5610, 69.9%).

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[17] Baishakh 1, new year's day of Bikram Sambat, Nepal calendar 2075, was 14 April 2018 in the western calendar.
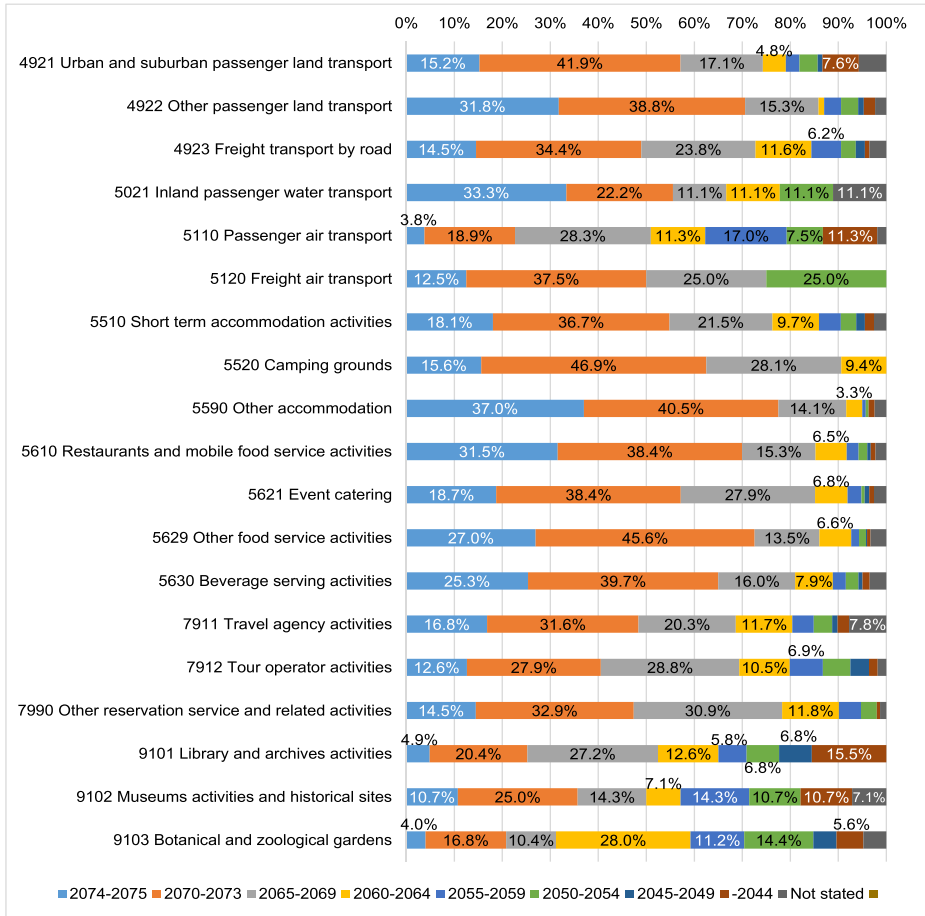
Figure 2.19 Share of number of establishments in the tourism industry by year of starting business and Class of NSIC

Chapter 3   Number of persons engaged

The NEC2018 collected information on the persons' active involvement in the establishments for the production of goods or services.

The number of persons engaged in establishments is one of the prime indicators derived from the NEC2018. The persons engaged in the NEC2018 of establishments are the total number of persons who actively worked in or for the establishment including working proprietors, active business partners and unpaid family workers, executive directors, regular staff (working continuously for six months and more) as well as temporary staff other than regular staff in the census reference period.

This chapter analyzes number of persons engaged in the tourism industry from different perspectives.

3-1 Number of persons engaged in the tourism industry

The number of persons engaged in the tourism industry is 371,140 persons and this comprises 11.5% of persons engaged in all industries in Nepal. The tourist industry can be then regarded as the fourth largest industry after Wholesale and retail trade (30.6%) Education (15.9%) and Manufacturing (15.8%) in terms of the number of persons engaged.
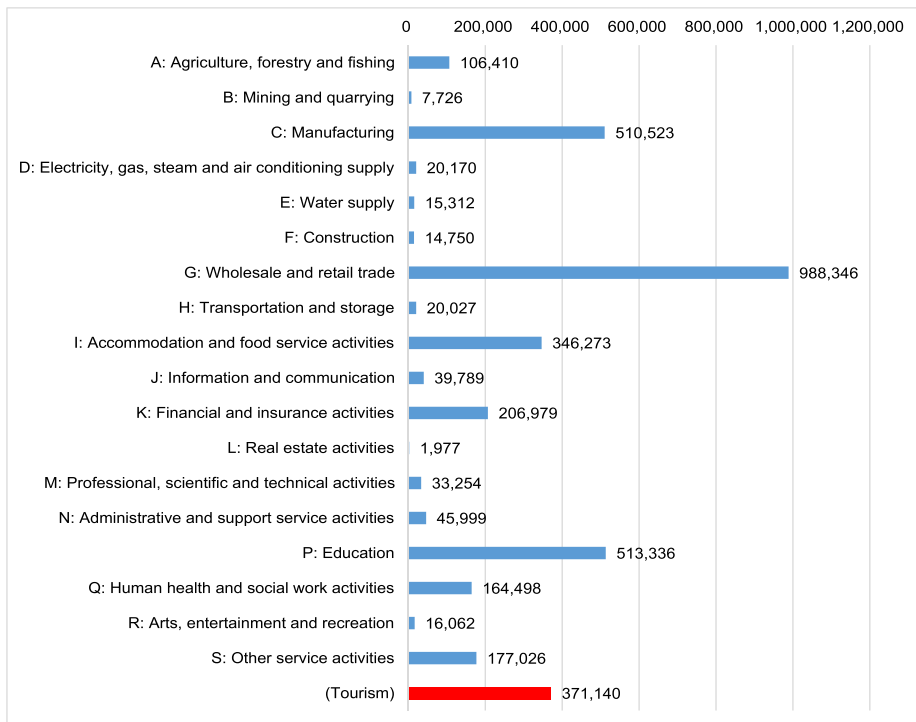
Figure 3.1 Number of persons engaged by Section of NSIC and the tourism industry

3-2 Number of persons engaged in the tourism industry by province

The following chart in Figure 3.2 shows the number of persons engaged in the tourism industry by province.

Bagamati Province (161,674 persons, 43.6%) keeps the largest population engaged in the industry, and Province 1 has the second largest share (56,782 persons, 15.3%) after Bagamati Province. Numbers of persons engaged in the tourism industry in Karnali Province and Sudurpashchim Province are smaller than other provinces.
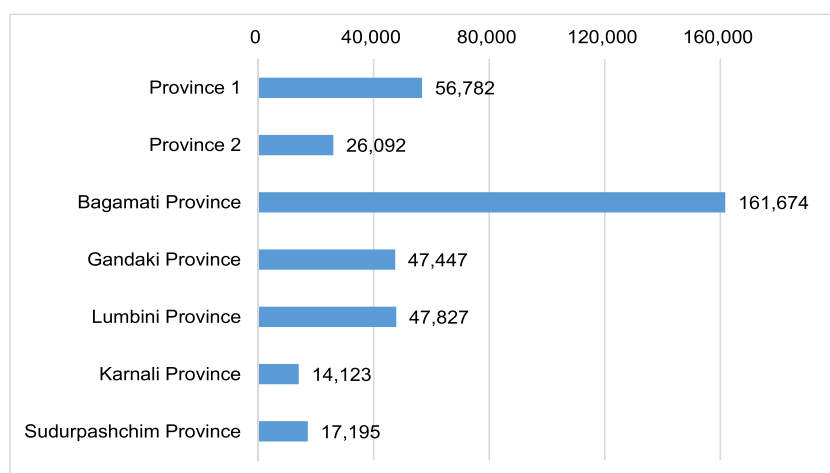
Figure 3.2 Number of persons engaged in the tourism industry by province

As shown in the following chart in Figure 3.3, the number of persons engaged per establishment in the tourism industry is 2.8. This is smaller than the national average in Nepal (3.5 persons).

The number of persons engaged per establishment is largest in Bagamati Province (3.3 persons per establishment) and smallest in Karnali Province (2.2 persons).

	0.0	0.5	1.0	1.5	2.0	2.5	3.0	3.5

Total (Tourism) — 2.8
Province 1 — 2.3
Province 2 — 2.3
Bagamati Province — 3.3
Gandaki Province — 2.9
Lumbini Province — 2.5
Karnali Province — 2.2
Sudurpashchim Province — 2.3
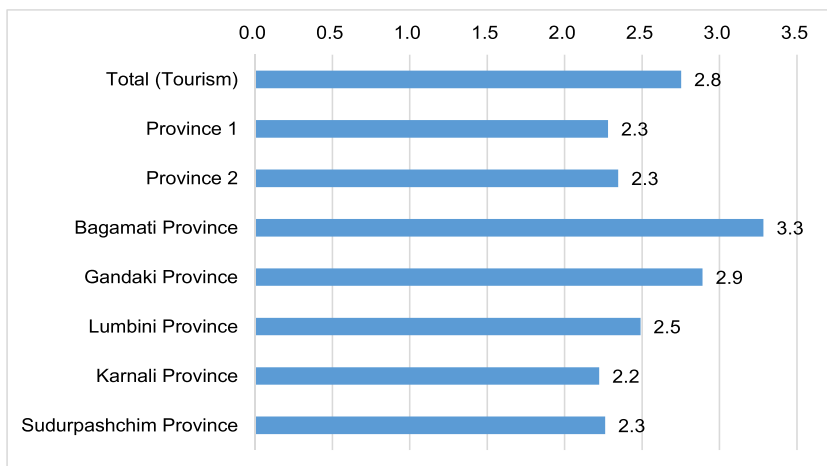
Figure 3.3 Number of persons engaged per establishment in the tourism industry by province

3-3 Number of persons engaged in the tourism industry by Class of NSIC

The following table shows the number of persons engaged in the tourism industry categorized by Class of NSIC.

The number of persons engaged in Restaurants and mobile food service activities (code 5610, 243,790 persons, 65.7%) is overwhelmingly largest among all subindustries. Other subindustries engaging large number of persons include Short term accommodation activities (code 5510, 76,010 persons, 20.5%), Beverage serving activities (code 5630, 17,899 persons, 4.8%) and Travel agency activities (code 7911, 13,223 persons, 3.6%).

Table 3.1 Number of person engaged in the tourism industry by Class of NSIC

Class of NSIC		Number	Share
4921	Urban and suburban passenger land transport	941	0.3%
4922	Other passenger land transport	938	0.3%
4923	Freight transport by road	2,470	0.7%
5021	Inland passenger water transport	35	0.0%
5110	Passenger air transport	2,750	0.7%
5120	Freight air transport	47	0.0%
5510	Short term accommodation activities	76,010	20.5%
5520	Camping grounds, recreational vehicle parks and trailer parks	132	0.0%
5590	Other accommodation	2,308	0.6%
5610	Restaurants and mobile food service activities	243,790	65.7%
5621	Event catering	4,874	1.3%
5629	Other food service activities	1,260	0.3%
5630	Beverage serving activities	17,899	4.8%
7911	Travel agency activities	13,223	3.6%
7912	Tour operator activities	1,754	0.5%
7990	Other reservation service and related activities	1,258	0.3%
9101	Library and archives activities	414	0.1%
9102	Museums activities and operation of historical sites and buildings	296	0.1%
9103	Botanical and zoological gardens and nature reserves activities	741	0.2%

The distributions of persons engaged in the tourism industry by Class of NSIC and province are shown in the following chart in Figure 3.4.

In all provinces, the largest subindustry is Restaurants and mobile food service activities (code 5610). The second largest subindustry is Short term accommodation activities (code 5510) also in all provinces except Province 2.
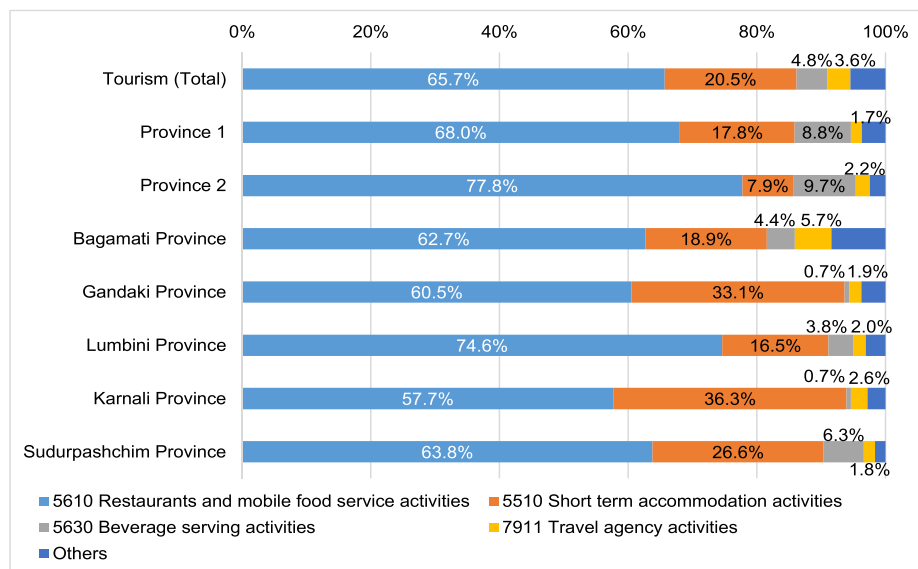
Figure 3.4 Share of the number of persons engaged in the tourism industry by Class of NSIC and province

The following chart in Figure 3.5 shows the numbers of persons engaged per establishment in the subindustries of the tourism industry.

As described in the chart, one establishment in Passenger air transport (code 5110) engages 51.9 persons and this is much bigger than any other subindustries. Other subindustries engaging many persons are Other passenger land transport (code 4922, 11.0 persons) and Museums activities and operation of historical sites and buildings (code 9102, 10.6 persons).

Among the major subindustries, the numbers of persons engaged per establishment of Restaurants and mobile food service activities (code 5610, 2.3

persons) and Beverage serving activities (code 5630, 2.2 persons) are much smaller than the average.

On the other hand, those of Short-term accommodation service activities (code 5510) and Travel agency activities (code 7911) are around 5.0 persons and bigger than the average of the tourism industry.

	0.0	10.0	20.0	30.0	40.0	50.0	60.0
Total (Tourism)	2.8						
4921 Urban and suburban passenger land transport	9.0						
4922 Other passenger land transport	11.0						
4923 Freight transport by road	3.9						
5021 Inland passenger water transport	3.9						
5110 Passenger air transport						51.9	
5120 Freight air transport	5.9						
5510 Short term accommodation activities	4.7						
5520 Camping grounds	4.1						
5590 Other accommodation	4.3						
5610 Restaurants and mobile food service activities	2.3						
5621 Event catering	7.9						
5629 Other food service activities	3.0						
5630 Beverage serving activities	2.2						
7911 Travel agency activities	5.0						
7912 Tour operator activities	5.3						
7990 Other reservation service and related activities	8.3						
9101 Library and archives activities	4.0						
9102 Museums activities and historical sites	10.6						
9103 Botanical and zoological gardens	5.9						

Figure 3.5 Number of persons engaged per establishment in the tourism industry by Class of NSIC

Chapter 4   Financial status of the entities in the tourism industry

The NEC2018 collected information on the finance related information of entities, such as preparation of accounting records, annual sales, annual profits and access to credit. The entity means the establishment with single unit or head office status.

This chapter analyzes the financial status of the entities in the tourism industry from different aspects. For example, the sales of the entities in this industry are compared among provinces and also among subsectors.

This chapter also analyzes the key factors which might affect the level of access to credit.

4-1 Preparation of accounting records

Out of the 133,209 entities in the tourism industry in Nepal, 40.1% answered that they have accounting records, while 59.8% answered they did not.

The proportion of entities which do not have accounting records in the tourism industry as a whole (59.8%) is higher than that of all entities in Nepal (52.4%).
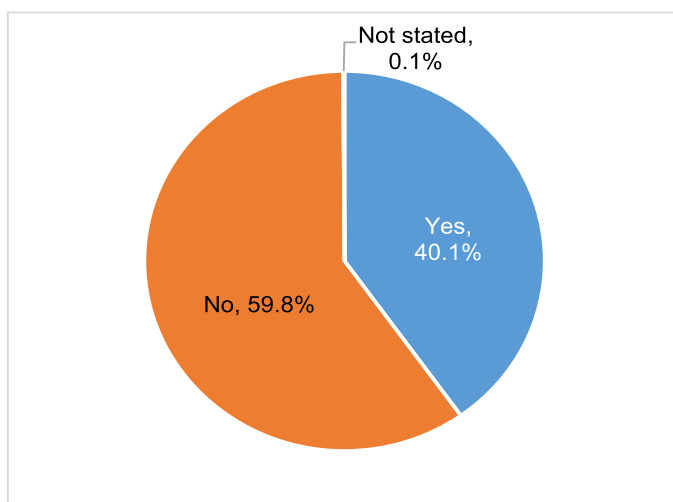
Figure 4.1 Share of entities having accounting records or not

The proportions of the entities which have accounting records in all province are as shown in the following chart in Figure 4.2.

The proportion of the entities which have accounting records is lowest in Province 2 (30.9%), and highest in Gandaki Province (57.0%).
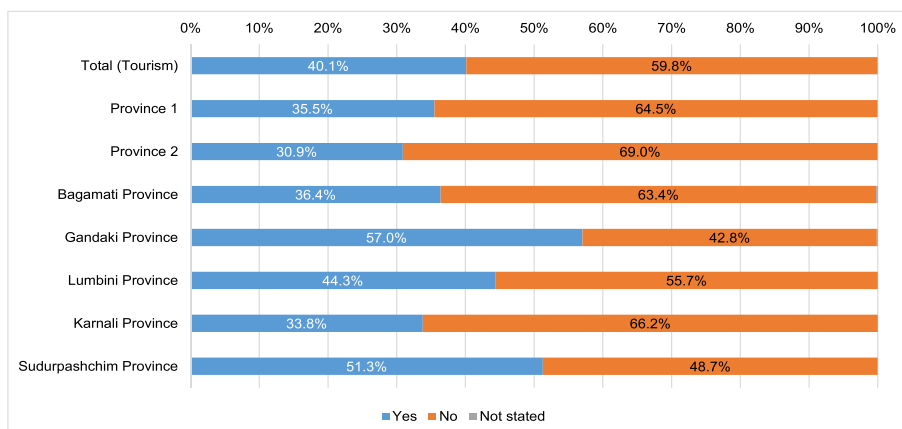
Figure 4.2 Share of entities having accounting records or not by province

The proportions of the entities which have accounting records of the subindustries of the tourism industry are as shown in the following chart in Figure 4.3.

The proportions of entities which have accounting records are low in the subindustries, such as Beverage serving activities (code 5630, 33.3%), Restaurants and mobile food service activities (code 5610, 36.8%).

In contrast, a large proportion of entities in Travel agency activities (code 7911, 83.9%), one of main subindustries of tourism, have accounting records.
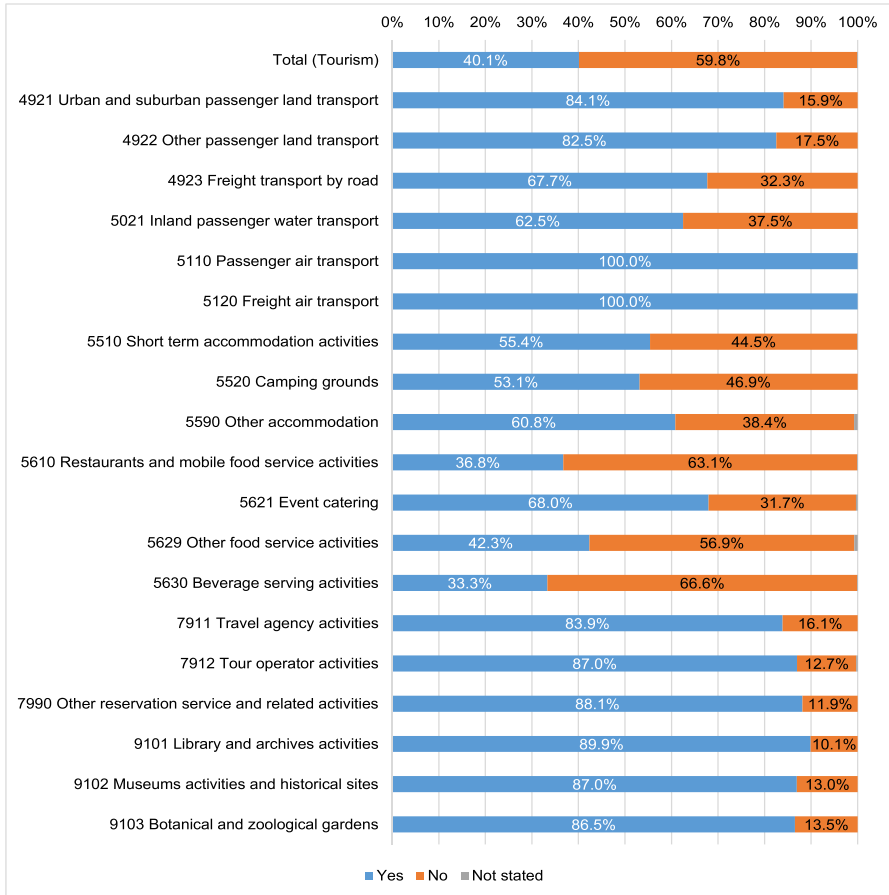
Figure 4.3 Share of entities having accounting records or not by Class of NSIC

The proportion of entities which have accounting records rises as the scale of industry increases, as described in the following chart in Figure 4.4.

The proportion of micro entities which have accounting records is only 39.0%, while around 90% of small, medium and large entities have accounting records.
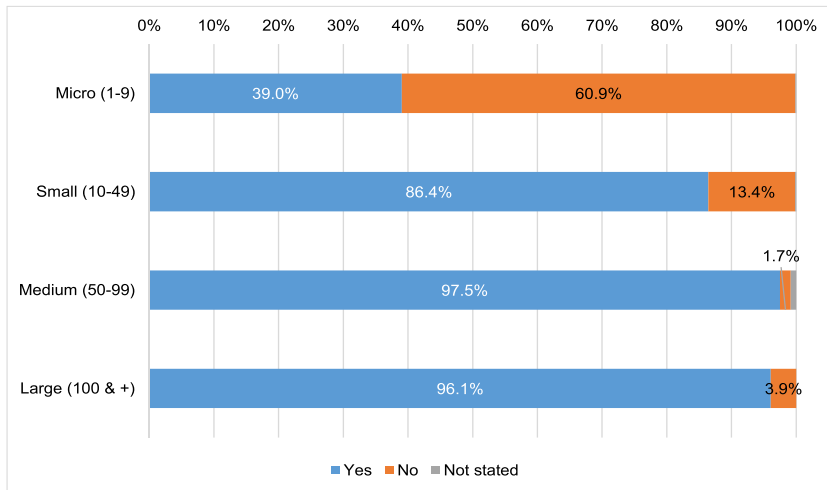
Figure 4.4 Share of entities having accounting records or not by scale of industry

4-2 Annual revenue / sales

The distribution of the entities in the tourism industry according to the size of annual revenue / sales (sales) is as in the following chart in Figure 4.5.

The number of entities whose annual sales are between 200,000 and -499,999 is biggest among all categories (39,870 entities).
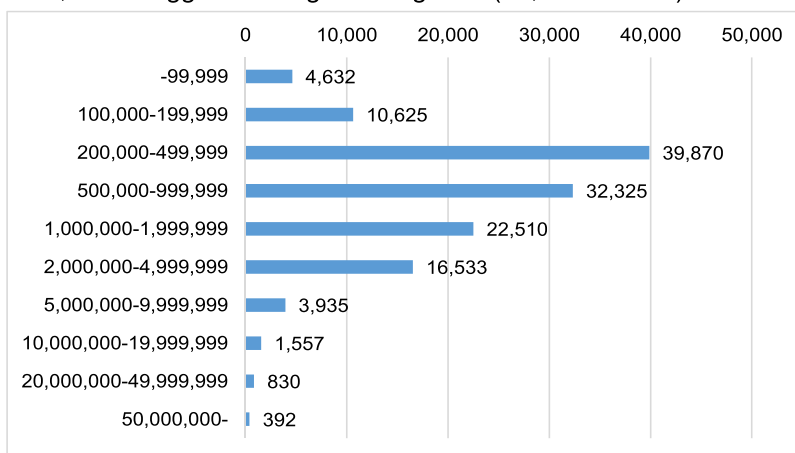
Figure 4.5 Number of entities by size of annual sales in the tourism industry

(Average annual sales)

The amount of average annual sales or the annual sales per entity in the tourism industry is Rs. 2,538 thousand as shown in the chart in Figure 4.6. It is smaller than that of all entities in Nepal (Rs. 3,236 thousand).

The amount of average sales is biggest in Bagamati Province (Rs. 4,323 thousand) and smallest in Karnali Province (Rs. 1,045 thousand).
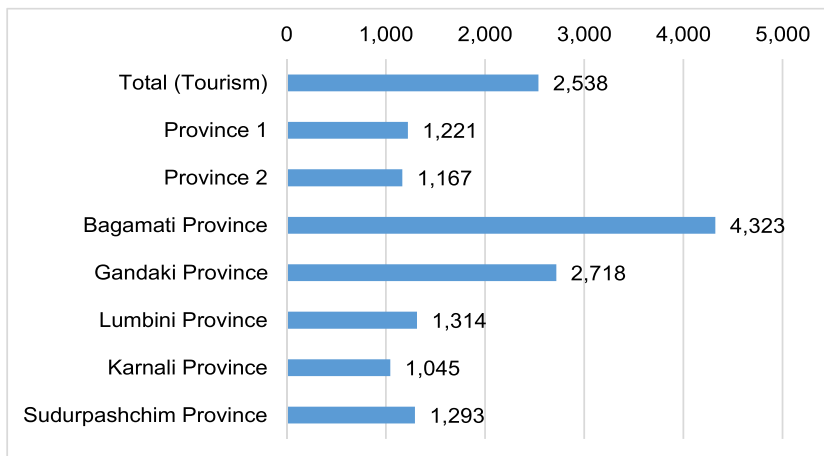
Figure 4.6 Average annual sales by province (1,000 Rs.)

The amounts of average annual sales of the subindustries of tourism are as shown in the following chart Figure 4.7.

The average sales of Passenger air transport (code 5110, Rs. 2,303,814 thousand) is biggest among all subindustries. Other subindustries with bigger average sales are Other reservation service and related activities (code; 7990, Rs. 107,455 thousand) and Other passenger land transport (code 4922, Rs. 35,090 thousand).

The amounts of average sales of Restaurants and mobile food service activities (code 5610, Rs. 1,248 thousand) and Beverage serving activities (code 5630, Rs. 1,253 thousand) are smaller than other subindustries.
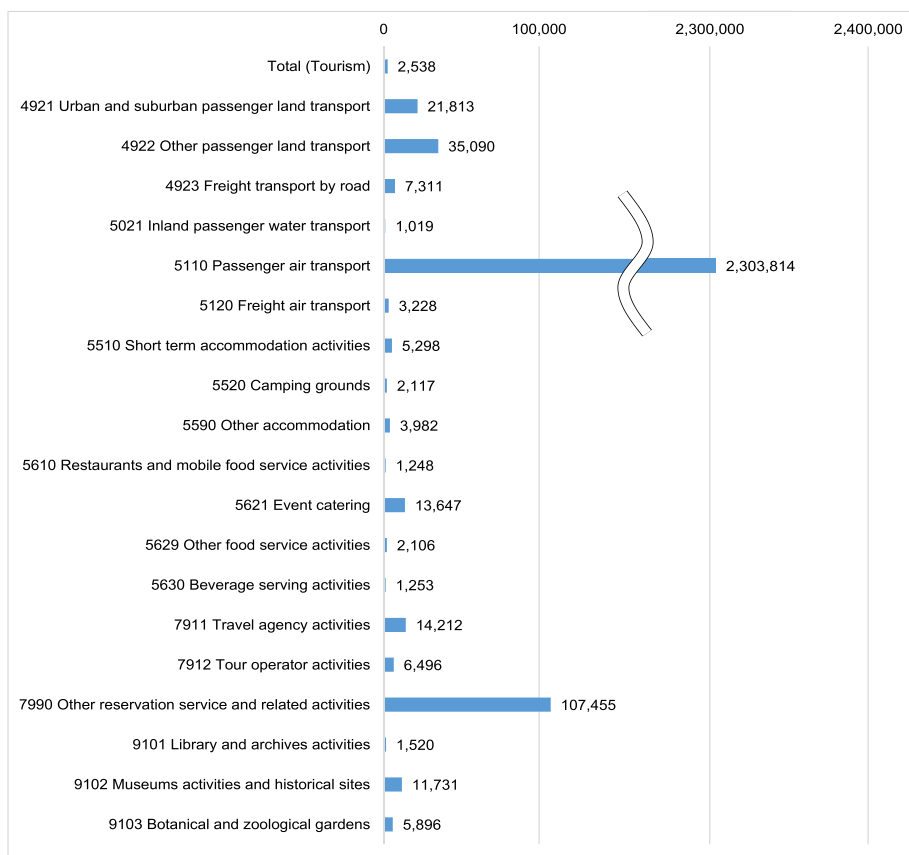
Figure 4.7 Average annual sales by Class of NSIC (1,000 Rs.)

(Annual sales per person engaged)

The distribution of the entities in the tourism industry according to the size of annual sales per person engaged is as in the following chart in Figure 4.8.

The number of entities whose annual sales per person engaged is between 200,000 and 499,999 is biggest among all categories (52,617 entities).

Out of the 133,209 entities in the tourism industries, the number of entities whose annual sales per person engaged are smaller than 500,000 is 88,744 entities, and this comprises 66.6% of all entities in the tourism industry.
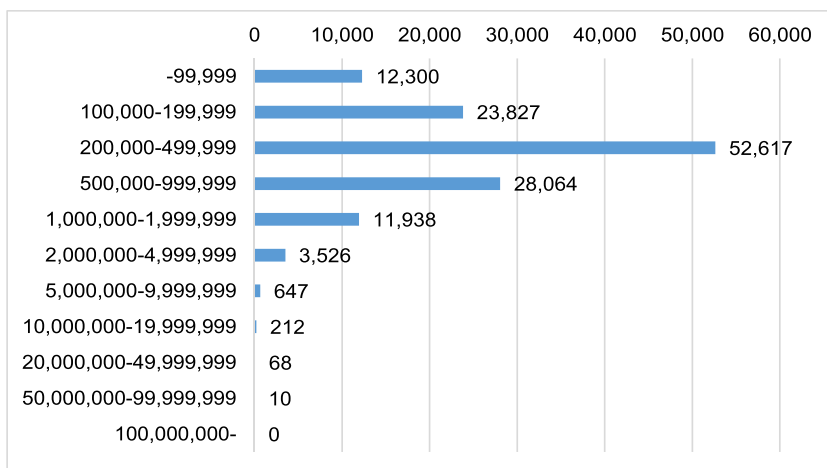
Figure 4.8 Number of entities by size of annual sales per person engaged in the tourism industry

The annual sales per person engaged in the tourism industry as a whole is Rs. 931 thousand and this is almost same as that of all entities in Nepal (Rs. 936 thousand).

Comparing the provinces, the amount of average sales per person is highest at Bagamati Province (Rs. 1,326 thousand) and lowest at Karnali Province (Rs. 475 thousand).
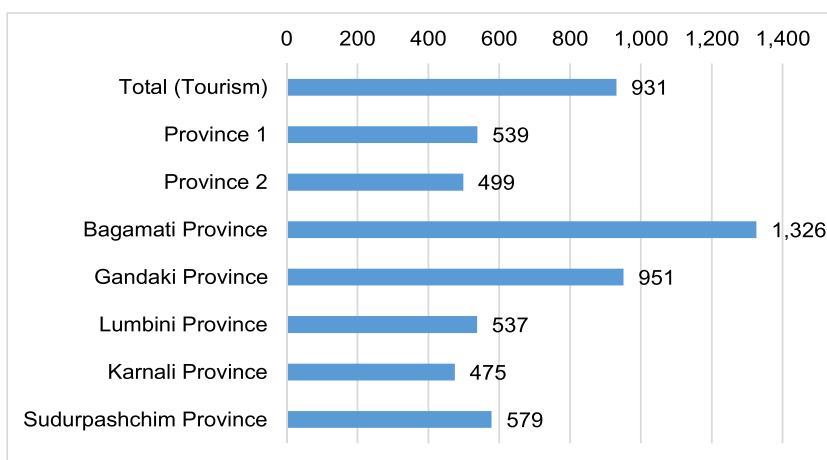
Figure 4.9 Annual sales per person engaged by province (1,000 Rs.)

The subindustry of the tourism industry whose annual sales per person engaged is biggest is Passenger air transport (code 5110, Rs. 24,556 thousand), which is followed by Other reservation service and related activities (code 7990, Rs. 10,362 thousand).

On the other hand, the subindustries whose annual sales per person engaged are small are Library and archives activities (code 9101, Rs. 392 thousand), Inland passenger water transport (code 5021, Rs. 407 thousand), and Camping grounds, recreational vehicle parks and trailer parks (code 5520, Rs. 513 thousand).

	0	5,000	10,000	25,000	30,000
Total (Tourism)	931				
4921 Urban and suburban passenger land transport	1,145				
4922 Other passenger land transport	2,518				
4923 Freight transport by road	1,777				
5021 Inland passenger water transport	407				
5110 Passenger air transport				24,556	
5120 Freight air transport	514				
5510 Short term accommodation activities	1,146				
5520 Camping grounds	513				
5590 Other accommodation	925				
5610 Restaurants and mobile food service activities	540				
5621 Event catering	1,453				
5629 Other food service activities	724				
5630 Beverage serving activities	587				
7911 Travel agency activities	2,391				
7912 Tour operator activities	1,201				
7990 Other reservation service and related activities			10,362		
9101 Library and archives activities	392				
9102 Museums activities and historical sites	1,110				
9103 Botanical and zoological gardens	1,025				

Figure 4.10 Annual sales per person engaged by Class of NSIC (1,000 Rs.)

4-3 Annual profit

The distribution of the entities in the tourism industry according to the size of profit is as shown in the following chart in Figure 4.11.

As described in the chart, 22,684 entities or 17.0% of the entities in the tourism industry made deficits. Except this, the number of entities whose annual profit are between 100,000 and 199,999 is biggest among all categories (21,981 entities).
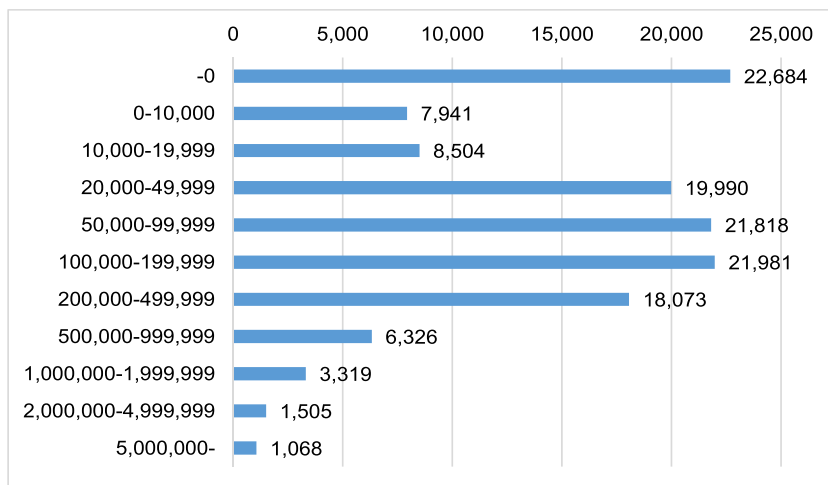
Figure 4.11 Number of entities by size of annual profit in the tourism industry

(Average profit)

The average profit or the annual profit per entity is Rs. 450 thousand in the tourism industry as described in the following chart in Figure 4.12. This is much smaller than the average of all entities in Nepal (Rs. 947 thousand).

The average profit of each province is as described in the following chart in Figure 4.12. It is highest in Bagamati Province (Rs. 786 thousand) and lowest at Province 1 (Rs. 223 thousand).
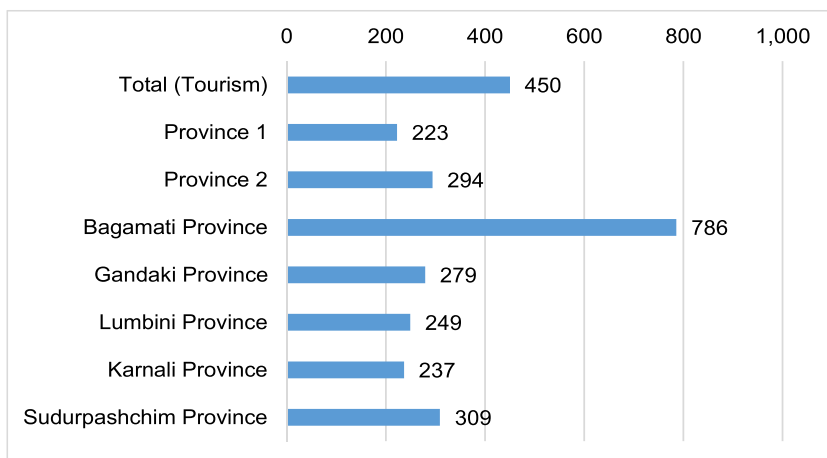
Figure 4.12 Average annual profit by province (1,000 Rs.)

The following chart in Figure 4.13 shows the average profits of entities in the subindustries of the tourism industry.

As the chart shows, the average profit is highest at Passenger air transport (code 5110, Rs. 567,817 thousand). The average profit of Other passenger land transport (code 4922, Rs. 18,818 thousand) is also high.

The subindustries with lower average profits include Freight air transport (code 5120, Rs. 89 thousand), Other food service activities (code 5629, Rs. 125 thousand) and Library and archives activities (code 9101, Rs. 151 thousand).

	0	20,000	40,000	560,000	580,000
Total (Tourism)	450				
4921 Urban and suburban passenger land transport	6,348				
4922 Other passenger land transport	18,818				
4923 Freight transport by road	1,529				
5021 Inland passenger water transport	236				
5110 Passenger air transport				567,817	
5120 Freight air transport	89				
5510 Short term accommodation activities	704				
5520 Camping grounds	377				
5590 Other accommodation	770				
5610 Restaurants and mobile food service activities	211				
5621 Event catering	2,238				
5629 Other food service activities	125				
5630 Beverage serving activities	215				
7911 Travel agency activities	3,599				
7912 Tour operator activities	1,858				
7990 Other reservation service and related activities	6,550				
9101 Library and archives activities	151				
9102 Museums activities and historical sites	1,003				
9103 Botanical and zoological gardens	1,557				

Figure 4.13 Average annual profit by Class of NSIC (1,000 Rs.)

(Annual profit per person engaged)

The distribution of the entities in the tourism industry according to the size of annual profit per person engaged is as shown in the following chart.

The number of entities whose annual profits per person engaged are between 20,000 and 49,999 is largest among all categories (28,566 entities).

Out of the 133,209 entities in the tourism industry, the number of the entities whose annual profits per person engaged are positive and smaller than 50,000 is 56,736. This consists 42.6% of all entities in the industry.
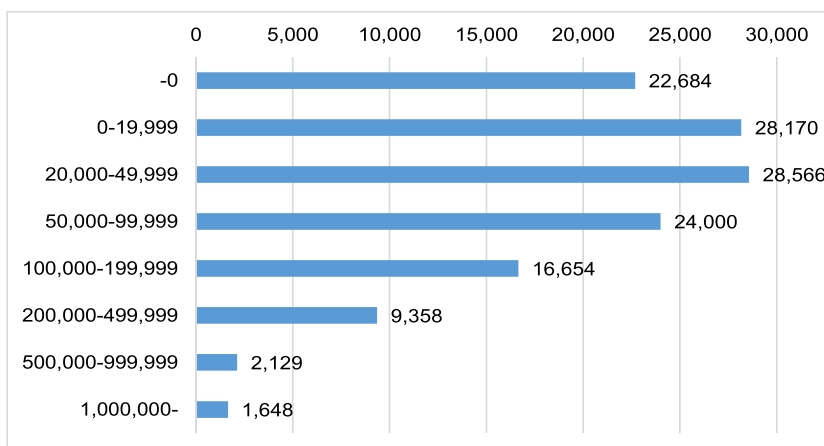
Figure 4.14 Number of entities by size of annual profit per person engaged in the tourism industry

The annual profit per person engaged in the tourism industry as a whole is Rs. 165 thousand, and the level of annual profits per person varies among provinces. It is much smaller than those of all industries in Nepal (Rs. 274 thousand).

The provinces which achieved the largest profits per person engaged is Bagamati Province (Rs. 241 thousand). On the other hand, the annual profits per person were low in Province 1 (Rs. 98 thousand) and Gandaki Province (Rs. 98 thousand).
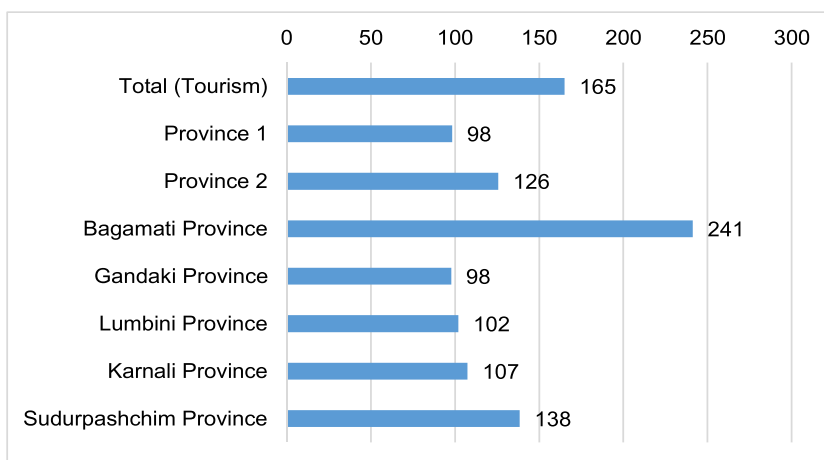
Figure 4.15 Average annual profit per person engaged by province (1,000 Rs.)

The subindustry of the tourism industry whose annual profit per person engaged is largest at Passenger air transport (code 5110, Rs. 6,052 thousand), which was followed by Other passenger land transport (code 4922, Rs. 1,350 thousand) and Other reservation service and related activities (code 7990, Rs. 632 thousand).

The subindustries whose annual profits per person engaged are small include Freight air transport (code 5120, Rs. 14 thousand), Library and archives activities (code 9101, Rs. 39 thousand) and Other food service activities (code 5629, Rs. 43 thousand).

	0	1,000	6,000
Total (Tourism)	165		
4921 Urban and suburban passenger land transport	333		
4922 Other passenger land transport		1,350	
4923 Freight transport by road	372		
5021 Inland passenger water transport	94		
5110 Passenger air transport			6,052
5120 Freight air transport	14		
5510 Short term accommodation activities	152		
5520 Camping grounds	91		
5590 Other accommodation	179		
5610 Restaurants and mobile food service activities	91		
5621 Event catering	238		
5629 Other food service activities	43		
5630 Beverage serving activities	101		
7911 Travel agency activities	605		
7912 Tour operator activities	343		
7990 Other reservation service and related activities	632		
9101 Library and archives activities	39		
9102 Museums activities and historical sites	95		
9103 Botanical and zoological gardens	271		

Figure 4.16 Average annual profit per person engaged by Class of NSIC (1,000 Rs.)

(Profit to sales ratio)

The distribution of the entities in the tourism industry according to the range of profit to sales ratio is as described in the following chart. The number of entities whose profit to sale ratios are more than 0% and smaller than 20% (0 - 20%) is largest among all categories (64,823 entities).
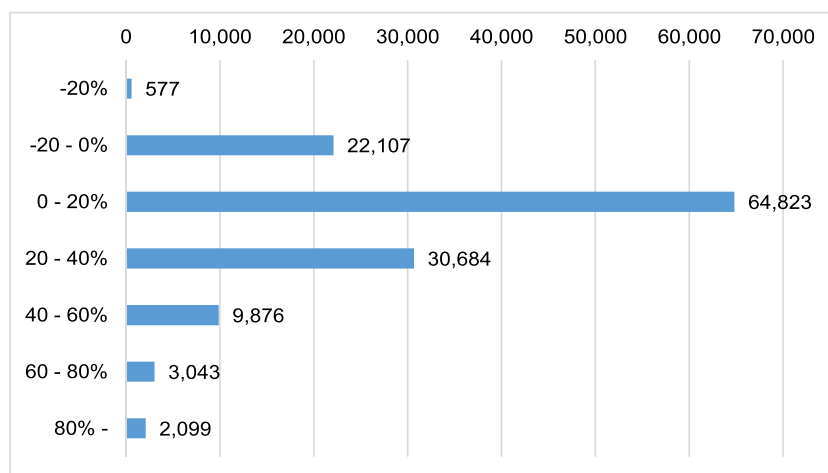
Figure 4.17 Number of entities by profit to sales ratio in the tourism industry

The profit to sales ratio of the tourism industry in Nepal was 17.7% and this varies among provinces. The ratio in Province 2 is the highest among all provinces (25.2%), while lowest in Gandaki Province (10.3%) .
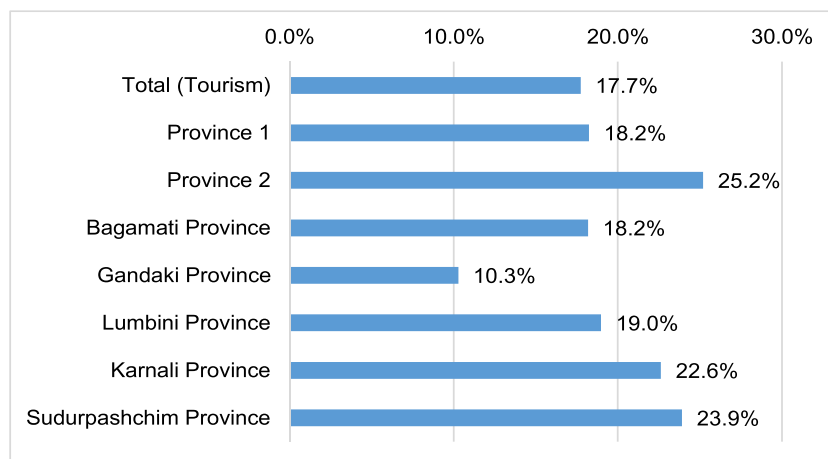
Figure 4.18 Average profit to sales ratio by province

The profit to sales ratios of the subindustries of the tourism industry were as shown in the following chart.

The subindustry with highest profit to sales ratio is Other passenger land transport (code 4922, 53.6%). Other subindustries with higher profitability include Urban and suburban passenger transport (code 4921, 29.1%), Tour operator activities (code 7912, 28.6%) and Botanical and zoological gardens and nature reserves activities (code 9103, 26.4%).
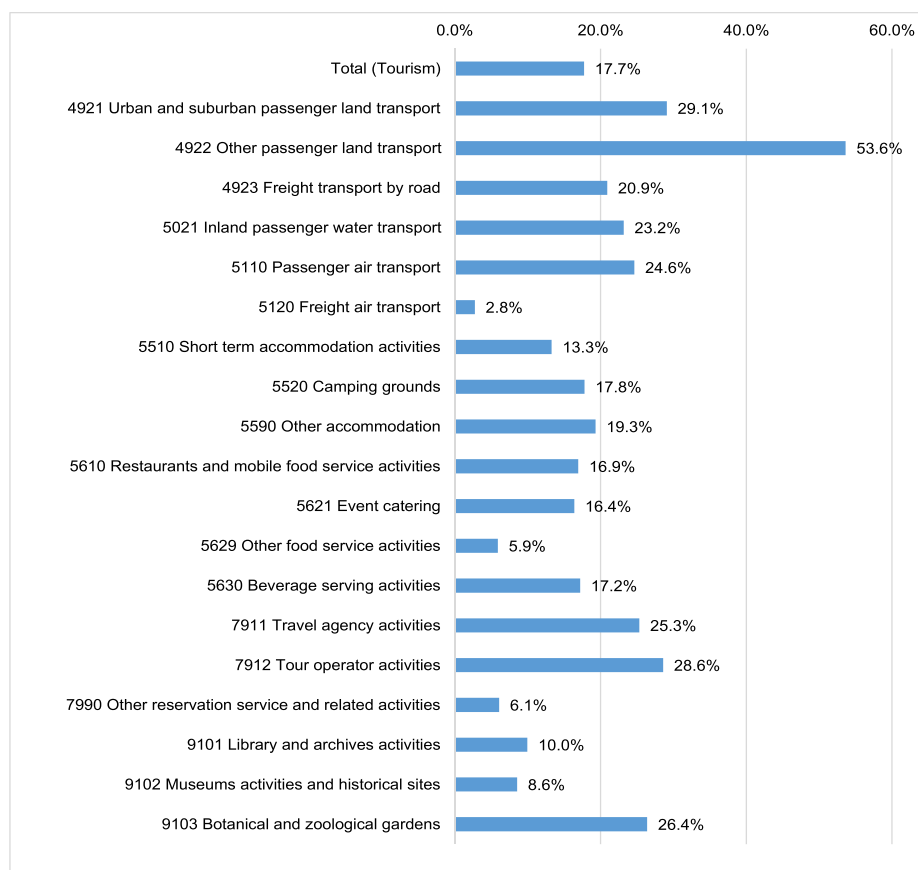
Figure 4.19 Average profit to sales ratio by Class of NSIC

4-4 Access to Credit

The NEC2018 also collected the information on the access to credit of entities. The entities which actually took loans for the last three years, including those which already repaid the loans, are regarded as the entities with access to credit.

(Access to Credit)

The proportion of the entities which have or used to have loans in the tourism industry is 36.2%, and 63.7% of entities have not received any loans before.
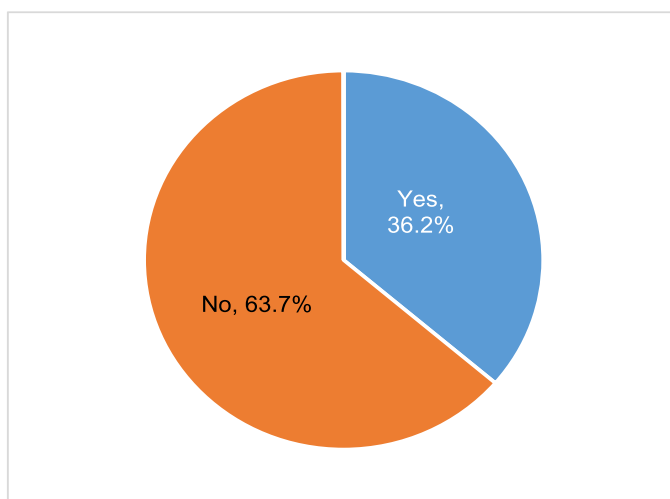
Figure 4.20 Share of entities with access to credit in the tourism industry

The proportions of the entities which have access to credit in the tourism industry is higher in Karnali Province (48.7%) and lowest in Province 2 (33.1%).
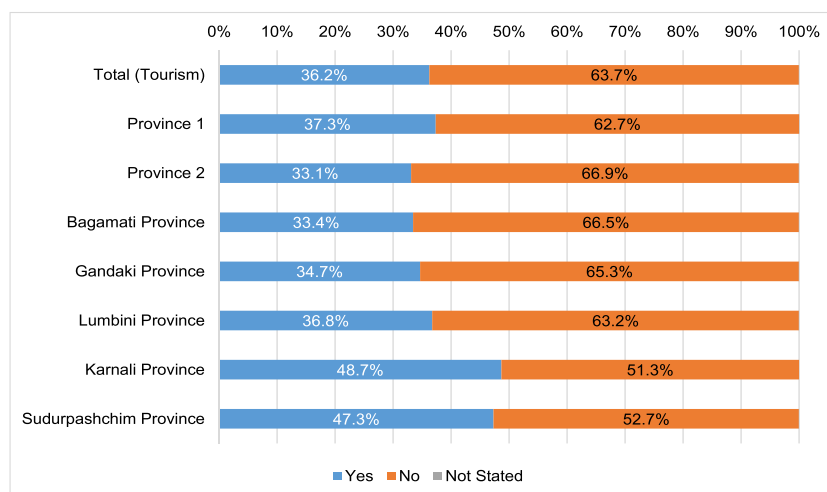
Figure 4.21 Share of entities with access to credit by province

The distributions of the entities which have access to credit in the subindustries of the tourism industry are shown in the following chart. Such proportions are lower in Botanical and zoological gardens and nature reserves activities (code 9103, 5.8%), Library and archives activities (code 9101, 7.1%), and Museum activities and operation of historical sites and buildings (code 9102, 13.0%).

On the other hand, the subindustries, such as Passenger air transport (code 5110, 59.1%), Camping grounds, recreational vehicle parks and trailer parks (code 5520, 50.0%) and Short-term accommodation activities (code 5510, 44.0%) have higher proportion of access to credit.
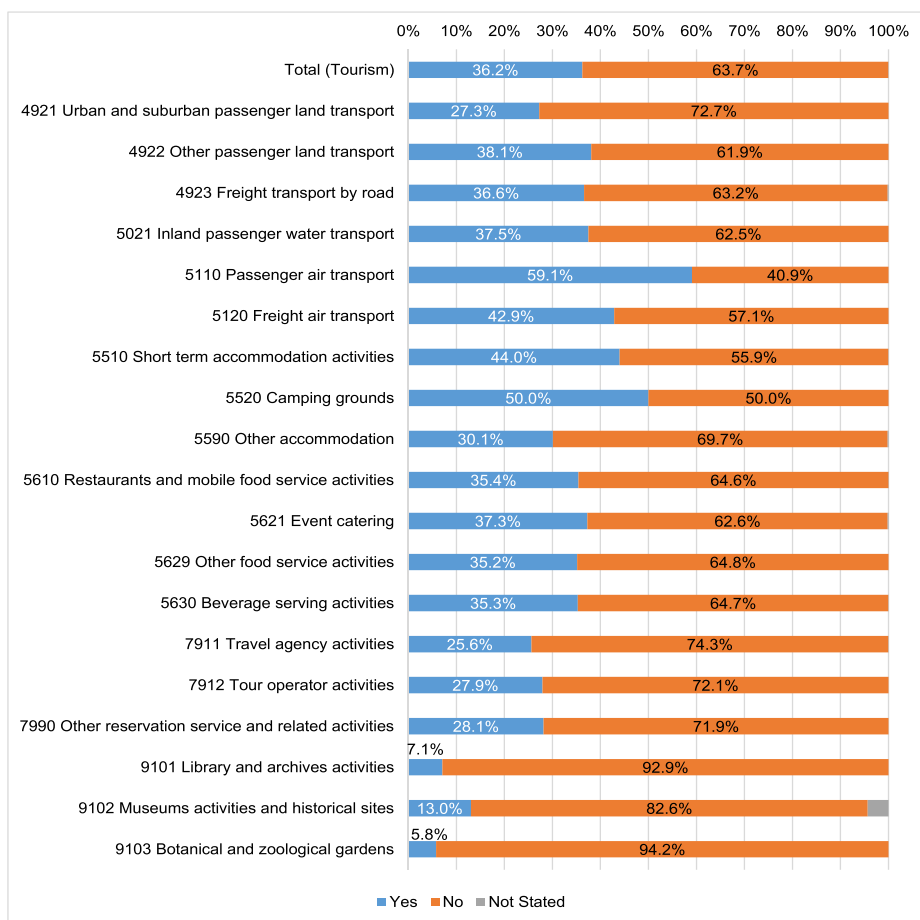
Figure 4.22 Share of entities with access to credit by Class of NSIC

(Loan providers)

The composition of the loan providers to the entities in the tourism industry is as described in the following chart in Figure 4.23.

The major loan providers to the entities in the tourism industry are cooperatives (35.5%), which are followed by banks (25.4%). Personal loans are also commonly used in the tourism industry in Nepal (16.0%).
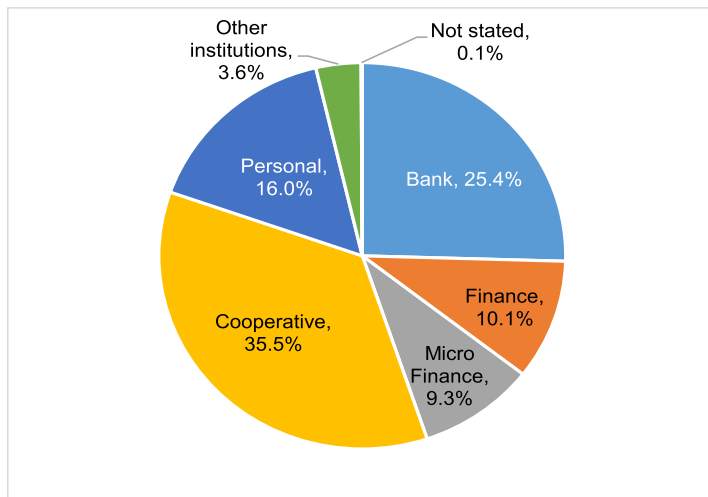
Figure 4.23 Share of the loan providers to entities in the tourism industry

The compositions of the loan providers are different among provinces. For example, the proportion of the entities which take loans from banks is very high in Gandaki Province (38.2%) and Lumbini Province (34.9%).

In contrast, the proportion of the entities which take loans from finance in Bagamati Province is high (23.2%) and that of banks is low (18.6%).
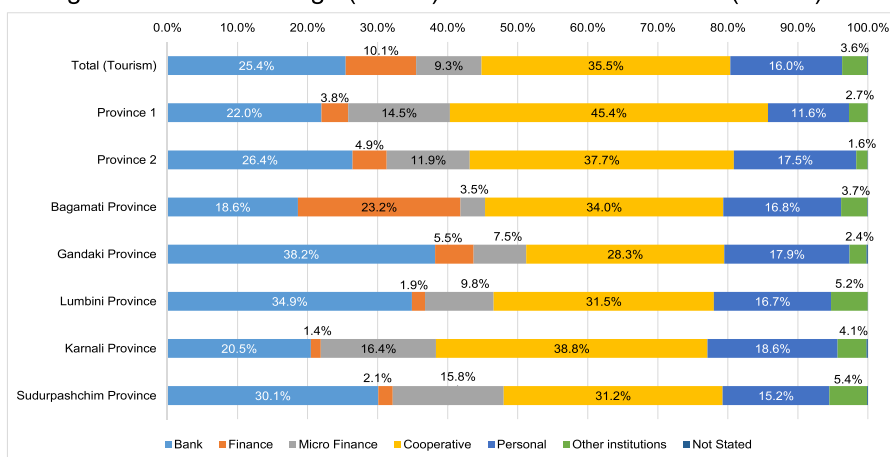
Figure 4.24 Share of loan providers to entities by province

The compositions of the loan providers are different among subindustries. For example, the subindustries which mainly take loans from banks are Museums activities and operation of historical sites and buildings

(code 9102, 100%), Other passenger land transport (code 4922, 87.5 %) and Passenger air transport (code 5110, 84.6%).

In contrast, all entities in Inland passenger water transport (code 5021) take loans form micro finance and cooperatives.
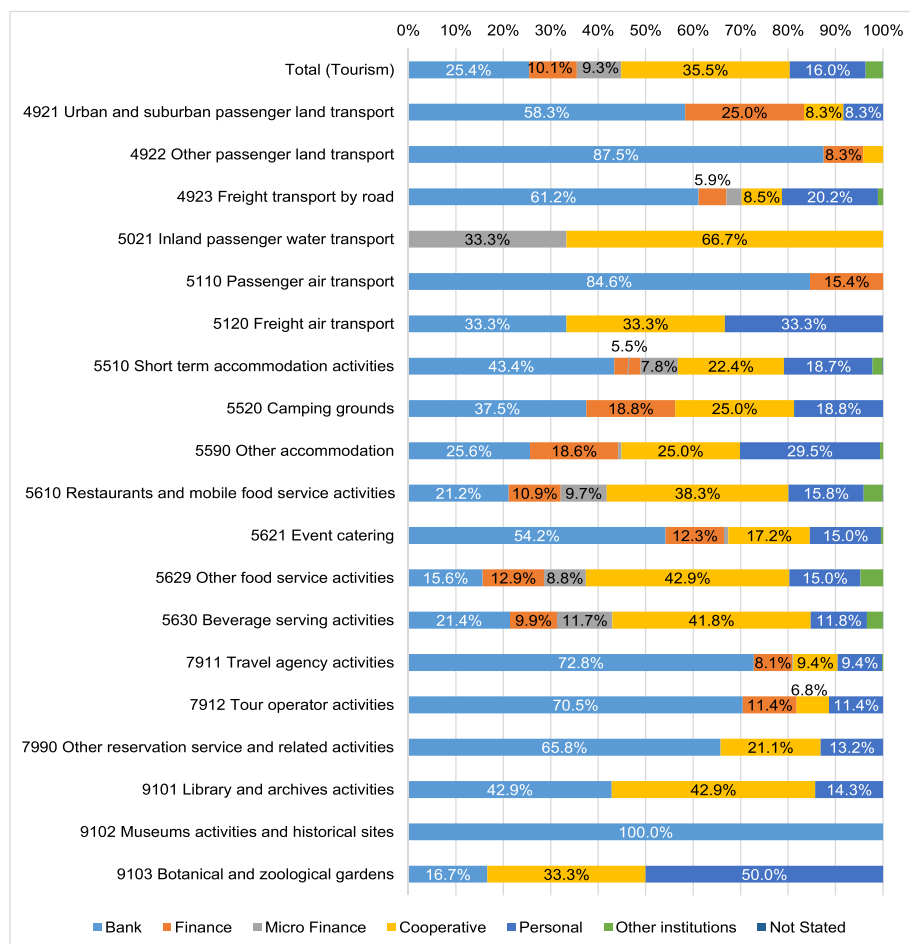
Figure 4.25 Share of loan providers to entities by Class of NSIC

(Loan interest rate)

The distribution of the entities in the tourism industry according to the level of loan interest rate is as shown in the following chart in Figure 4.26.

The number of entities whose loan interest rates are more than 15% and smaller than 20% (15-20%) is biggest among all categories (25,258 entities).

Because many entities take loans at 36% per year or 3% per month, the number of entities whose loan interest rates are 35-40% is rather big.
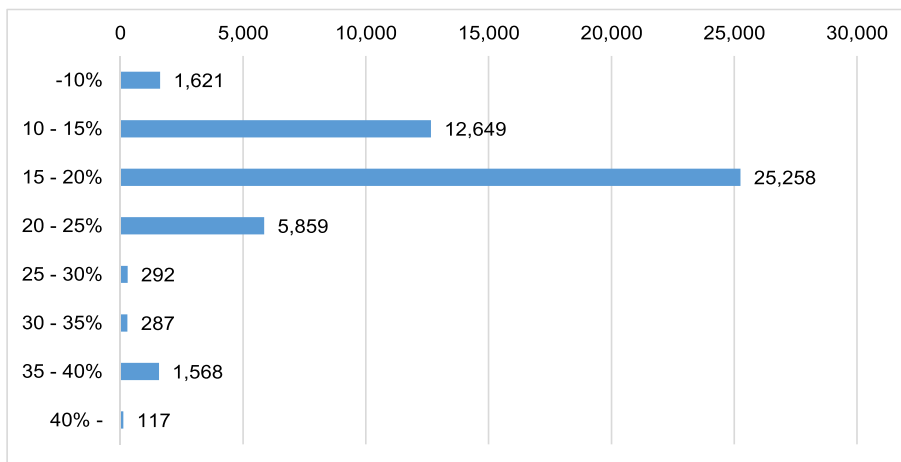
Figure 4.26 Number of entities by loan interest rate in the tourism industry

Loan interest rates vary among types of loan providers. Most typically, the loan interest rate of banks stood at 14.3% and this is much lower than the average loan interest rate, which is 17.1%. The loan interest rate of personal loans is highest among all categories, which is 22.8%.
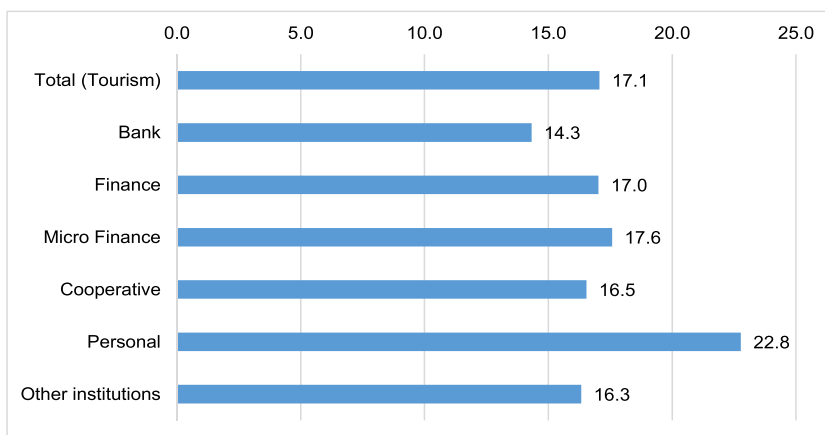
Figure 4.27 Average loan interest rate per year by type of loan providers

The average interest rate of the tourism industry by province is as illustrated in the following chart. Among all provinces, the average loan interest rates of Province 2 (19.6%) and Karnali Province (19.2%) are much higher than

the average. The high interest rate in Karnali Province would be due to its low proportion of the entities taking loans from banks and high proportions of personal loans.
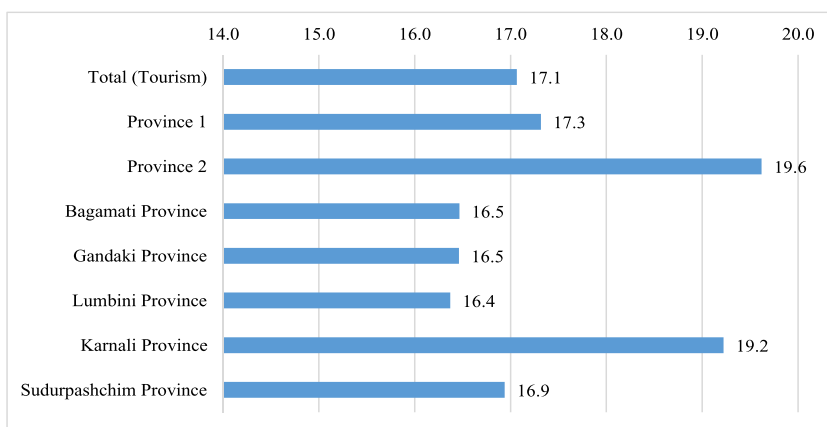
Figure 4.28 Average loan interest rate per year by province

The loan interest rates of subindustries are higher than average in Botanical and zoological gardens and nature reserves activities (code 9103, 18.5%) and Beverage serving activities (code 5630, 17.3%).

In contrast, the loan interest rates of Passenger air transport (code 5110, 12.4%) and Museums activities and operation of historical sites and buildings (code 9102, 12.7%) are much lower than the average.

	0.0	2.0	4.0	6.0	8.0	10.0	12.0	14.0	16.0	18.0	20.0
Total (Tourism)										17.1	
4921 Urban and suburban passenger land transport								15.0			
4922 Other passenger land transport								14.2			
4923 Freight transport by road								14.9			
5021 Inland passenger water transport									16.0		
5110 Passenger air transport							12.4				
5120 Freight air transport								15.3			
5510 Short term accommodation activities									16.9		
5520 Camping grounds									17.2		
5590 Other accommodation									17.0		
5610 Restaurants and mobile food service activities									17.1		
5621 Event catering								14.9			
5629 Other food service activities									17.0		
5630 Beverage serving activities									17.3		
7911 Travel agency activities								14.8			
7912 Tour operator activities								15.0			
7990 Other reservation service and related activities								14.0			
9101 Library and archives activities								14.3			
9102 Museums activities and historical sites							12.7				
9103 Botanical and zoological gardens										18.5	

Figure 4.29 Average loan interest rate per year by Class of NSIC

Appendices

Appendix 1: Specimen of Form B of NEC2018

Appendix 2: Coverage of National Economic Census 2018

Appendix 1

Specimen of Form B of NEC2018

To be replaced (8 pages)

STRICTLY CONFIDENTIAL

Government of Nepal
National Planning Commission
Central Bureau of Statistics
National Economic Census 2018
Form B

The information collected with this questionnaire will be kept confidential according to Statistical Act. 1958 of Nepal. No any information of individual business establishment will be published as not to disclose individual identification. The information collected in this census will not be used for taxation purpose. These collected individual data will only be used as statistical aggregates. That is, economic statistics required for formulating of plans and policies are produced by collecting basic information on the current status of the establishment.

Please fill in the following questions as of Baishakh 1, 2075 (14 April 2018 in Western calendar) if no other individual instruction. The questions should be asked to establishment owner, manager, or concerned person of the establishment.

If a response is not applicable, please fill in a bar "-" in the appropriate box.

1- Area Information		AI
Area	**Name**	**Code**
AI1. District		
AI2. Municipality/ Rural Municipality		
AI3. Ward		
AI4. Village/ Settlement Name		
AI5. Enumeration Area (EA)		
AI6. Sub Enumeration Area (SEA)		

2- Establishment Information	
EI1. Establishment Number (Please transcribe from column 2 of Form A: Establishment List.)	
EI2. Name of Establishment or Business	
EI3. Type of Business	
EI4. Address of Establishment	**EI4A.** Name of Road/ Street: / **EI4B.** House Number: **EI4C.** Name of the Business Complex/ Mall/ Building: **EI4D.** Flat Number/ Floor Number: / **EI4E.** Shop Number:
EI5. Information for Contact	**EI5A.** Phone Number of Establishment: / **EI5B.** E-mail Address: / **EI5C.** Website Address: **EI5D.** Name of Contact Person: / **EI5E.** Designation of Contact Person: / **EI5F.** Phone Number of Contact Person:

3- Registration at Government Agencies			
RI1. Is this establishment registered at any Government Agencies? (if not go to OW1)	**1-** Registered	**2-** Not registered (Go to OW1)	

Registered or not at the following Government Agencies			
RI2. Inland Revenue Office	**1-** Registered	**2-** Not registered (Go to RI3)	
RI2.1 Permanent Account Number (PAN) , VAT No., or TPIN			
RI3. District Office/ Development Committee of Cottage and Small Industries	**1-** Registered	**2-** Not registered	
RI4. Office of Company Registrar	**1-** Registered	**2-** Not registered	
RI5. Department of Industry	**1-** Registered	**2-** Not registered	
RI6. Office of Commerce and Supplies	**1-** Registered	**2-** Not registered	
RI7. District Administrative Office	**1-** Registered	**2-** Not registered	
RI8. Ministry of Health	**1-** Registered	**2-** Not registered	
RI9. Ministry of Education	**1-** Registered	**2-** Not registered	
RI10. Office of Cooperative Registrar	**1-** Registered	**2-** Not registered	
RI11. District Development Committee/ District Coordinating Committee	**1-** Registered	**2-** Not registered	
RI12. Municipality/ VDC/ Rural Municipality	**1-** Registered	**2-** Not registered	
RI13A. Other (specify):			*CBS and SOs use only*
RI13B. Other (specify):			

4- Legal Status of Registered Establishment or Business		
LS1. Legal Status of Registered Establishment or Business		
1- Individual proprietor	**6-** Government agency	
2- Partnership	**7-** State-owned organization (including quasi government and autonomy-owned organization)	
3- Private limited company	**8-** NGO (Non-Governmental Organization)	
4- Public limited company	**9-** Users' Group / Consumer Group	
5- Cooperative	**10-** Others (specify):	
LS2. Is this Establishment or Business Multinational Company ?		
	1- Yes	
	2- No	(Go to MO1)

5- Ownership Status of "Not Registered" Establishment or Business	
OW1. Ownership of "Not Registered" Establishment or Business	
1- Individual proprietor	
2- Partnership	
3- Others (specify) ………………………………………………………………………………	

6- Characteristics of Manager and Owner (*If there are any owners, the most investing owner should be filled in.*)			
MO1. Sex of Manager	1- Male 2- Female		**Age in completed years** ……………………..
MO2. Sex of Owner	1- Male 2- Female 3- Not applicable (Go to BO1)		**Age in completed years** ……………………..
MO3. Country of Owner	1- Nepal 2- India 3- China 4- Pakistan 5- Bangladesh 6- Sri Lanka 7- Malaysia 8- Thailand	9- Singapore 10- Other ASEAN countries 11- Japan 12- Gulf countries 13- United State of America 14- United Kingdom 15- EU countries 16- Others (specify country) ………………………………………………………	

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7- Business Operation Information				
	o'clock	minutes	working hours	Circle either of them
BO1. Opening Time				1- AM 2- PM
BO2. Closing Time				1- AM 2- PM
BO3. Working Hours				

BO4. Business Period
    Is this establishment regularly operating through the year?
    Circle Yes or No.
	1- Yes
	2- No (seasonal business) (Go to BO6)	

BO5. How many working days did this establishment have for the last one year?	working days (Go to BO8)	
BO6. When is the season? Choose the opening month and the closing month.	Opening month 1 Baishakh 2 Jestha 3 Ashadh 4 Shrawan 5 Bhadra 6 Ashwin 7 Kartik 8 Mangsir 9 Poush 10 Magh 11 Phalgun 12 Chaitra	Closing month 1 Baishakh 2 Jestha 3 Ashadh 4 Shrawan 5 Bhadra 6 Ashwin 7 Kartik 8 Mangsir 9 Poush 10 Magh 11 Phalgun 12 Chaitra	Opening month Closing month

BO7. How many working days did this establishment have in the season?		working days
BO8 Year of Starting the Business (Baishakh 1, 2075 in Nepali calendar is April 14, 2018 in western calendar.) ▶ Fill in the month and year of starting the business in Nepali calendar.	yyyy	mm

8- Tenure, Kind, and Area (square feet: ft^2) of Business Place (If using land directly, respond not only building but also land.)		
BP1. Tenure of Business Place (Building)	1- Owned 2- Rented 3- Lease or contract out 4- Others (Specify: ....) 5- Not applicable	

BP2. Tenure of Business Place (Land)	1- Owned 2- Rented 3- Lease or contract out 4- Others (Specify: ....) 5- Not applicable	
BP3. Kind of Business Place	1- Street business 2- Home business (Business place and owner's residence are united into one) 3- Business in a building with sturdy construction for shop, office, apartment, etc. (Business place and owner's residence are separate.) 4- Business in traditional market with flat building or simple construction 5- Business in modern shopping mall with signboard and sturdy construction (building with more than two stories where a number of establishments are operating) 6- Business occupying exclusively one block or one building with signboard and sturdy construction (Ex: Factory, Bank, Hospital, School, Hotel, etc.) 7- Others	
BP4. Total Area of Business Place (square feet: ft^2)		
BP4.1 Building / Room occupied area using for Business (square feet: ft^2)	1- Yes 2- Not applicable (Go to BP4.2)	Specify the total area .... ft^2
BP4.2 Land occupied area using for Business (square feet: ft^2)	1- Yes 2- Not applicable (Go to Part 9)	Specify the total area .... ft^2

9- Number of Persons Engaged in this establishment as of the reference date						
(In the case of "Head office" (OF1=2), all persons engaged in its branch office(s) and subbranch office(s) are excluded.)						
		Persons engaged				
		1- Total	Nepali		Foreigner	
			2- Male	3- Female	4- Male	5- Female
(1)	(2)	(3)	(4)	(5)	(6)	(7)
PE1.1	Working proprietors/ partners					
PE1.2	Unpaid family workers					
PE1.3	Working directors (Managers) (excluding unpaid directors)					
PE1.4	Regular employees (those who are employed on a continuous basis with six month period or longer)					
PE1.5	Temporary employees (other employees than "regular employees")					
PE1.	Total number of persons engaged (Total of "PE1.1" to "PE1.5")					

		Persons engaged or Workers				
		1- Total	Nepali		Foreigner	
			2- Male	3- Female	4- Male	5- Female
(1)	(2)	(3)	(4)	(5)	(6)	(7)
PE2.1	Aged 15 and under					
PE2.2	Technical staff					
PE2.3	Disabled staff					
PE2.4	Accepted workers from other institutions (Other than the employees cited in PE1, persons dispatched from separately operated establishments to work at the establishment)					

10- Main Economic Activity
▸Describe a main economic activity that is done in this establishment. For example, selling (to wholesalers or consumers), manufacturing or repairing goods, or providing services.
▸Describe about these goods or services also.
▸In the case of "Head office" (OF1), all activities of its branch office(s) are excluded.

EA1. Main Economic Activity

....

....

....

CBS and SOs use only

11- Single Unit, Head Office or Branch Office		
OF1. Single Unit, Head Office, or Branch Office	**1-** Single unit (Go to AR1) **2-** Head office (Go to HO1) **3-** Branch office **4-** Subbranch office	

OF2. Name, Address and PAN of Head Office

▸In case of "Branch office" or "Subbranch office".

▸In case of "Subbranch office", fill in the name and address of its upper-level office.

OF2.1 Name:	
OF2.2 Address:	(Go to CS1 Part 18)
OF2.3 Permanent Account Number (PAN):	

12- Questions HO1 to HO4 below refer only to establishments of "Head office".	
HO1. Number of Branch Offices and Subbranch Offices that establishment supervises	
HO2. Total number of entire regular employees ▸ The "entire regular employees" include regular employees of head office, branch office(s), and subbranch office(s) (namely, "Head office + Branch office(s) + Subbranch office(s)")	

Economic activities of the entire entity that include not only those of this head office but also those of branch office(s) and subbranch office(s) (namely, "Head office + Branch office(s) + Subbranch office(s)")		
HO3. Main economic activity ▸ State a main economic activity in terms of the largest value added or the largest manpower input.	....	*CBS and SOs use only*
HO4. Secondary economic activity if this entity has two or more kinds of economic activities.	....	

Part 13 to 17 are asked only to establishments of "Single unit" and "Head office".

13- Accounting Record

AR1. Does this establishment or this enterprise prepare its accounting record?
    ► An accounting record includes an account book, an income statement, etc.
    ► An enterprise consists of a head office and its branches.
	1- Yes
	
	 2- No	

14- Average monthly revenues/ sales and operating expenses in the fiscal year of 2073/2074 or in 2074

► If the average monthly figures are unclear, that of past one month should be filled in.

► In the case of "Head office", average amount of revenues/ sales and operating expenses including its branch office(s) and subbranch offices should be filled in.

► These amounts should be filled in with left alignment and a thousand separator, ending with a bar "-".

IE1. Average monthly revenues/sales in fiscal year of 2073/2074 or in 2074
  ► Include all income gained from operating activities such as selling of goods, providing services, etc.
    (Sales and non-operating revenues)
	Rs. _____

IE2. Average monthly expenses in fiscal year of 2073/2074 or in 2074
  ► Include all expenses for operating activities such as purchase of products for sales, costs for providing services, rent for shops, salaries and wages for managers and workers, tax, etc.
  (Cost of goods sold, operating expenses, non-operating expenses, and tax)
	Rs. _____

IE2.1 Average monthly compensation (salaries and wages) for managers and workers in fiscal year of 2073/2074 or in 2074	Rs. _____

15- Capital and Ratio of Foreign Capital

CI1. Capital ► Fill in the amount of capital, investment, and funds. (both fixed and current capital) ► This amount should be filled in with left alignment and a thousand separator, ending with a bar.	Rs. _____					
CI1.1 Ratio of Foreign Capital (Please round off it to the one decimal place.)					.	%
CI1.2 Fixed Capital Land, building, plant, equipment, machineries, etc.	Rs. _____					

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16- Access to Credit		
AC1. Has this establishment or this enterprise borrowed or paid back financial loan for business purpose within the last three years? ▶ Circle the code.	**1-** Yes **2-** No　(Go to AC4)	
AC2. From where has this establishment or this enterprise borrowed the financial loan?	**1-** Bank **2-** Finance **3-** Micro Finance **4-** Cooperative **5-** Personal **6-** Other Institutions	

AC3. How much is its average interest rate per year? (Please round off it to the one decimal place.)				.		%	Go to PC1

AC4. Has this establishment or this enterprise had experience that it couldn't borrow institutional financial loan although it tried to do? ▶ Circle the code.	**1-** Yes **2-** No	

17- Parent Company		
PC1. Does this establishment have a parent company? Parent company holds a majority of all shares in this company.	**1-** Yes **2-** No　(Go to CS1)	
PC2. Name, Address and PAN of Parent Company		
PC2.1 Name:		
PC2.2 Address:		
PC2.3 Permanent Account Number (PAN):		

18- Census Status　　　(To be filled in by enumerator)

CS1. Status of Survey ▶ Circle the code.	**1-** Completely enumerated **2-** Partially completed **3-** Unable to complete	

19- Respondent's Information

Respondent's Name :
Designation :
Date of Interview :
Stamp of Establishment :

	Name	Signature	Date
Enumerator			
Supervisor			

Appendix 2

14 April 2018

Coverage of National Economic Census 2018

Section of ISIC Rev. 4		Kind of Establishment		
		Registered / Not registered	Not registered	
		Fixed location	Movable but the same place	Mobile
A	Agriculture, forestry and fishing	(Registered only)		
B	Mining and quarrying			
C	Manufacturing			
D	Electricity, gas, steam and air conditioning supply			
E	Water supply; sewerage, waste management and remediation activities			
F	Construction			
G	Wholesale and retail trade; repair of motor vehicles and motorcycles			
H	Transportation and storage			
I	Accommodation and food service activities			
J	Information and communication			
K	Financial and insurance activities			
L	Real estate activities			
M	Professional, scientific and technical activities			
N	Administrative and support service activities			
O	Public administration and defence; compulsory social security			
P	Education			
Q	Human health and social work activities			
R	Arts, entertainment and recreation			
S	Other service activities			
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use			
U	Activities of extraterritorial organizations and bodies			

shows the coverage of the Economic Census.