

# Compilation of Nepal Tourism Satellite Accounts: Opportunities and Challenges

✉ SIGDEL, Rishi Ram  
(email: sigdelrishiram@gmail.com)



# Outlines

- Introduction
- Methodology
- Results and analysis
  - Stock analysis
  - Analysis of alternative sources
  - Potential data sources for NTSA
  - Opportunities and challenges
- Conclusion

# Introduction

- Nepal became a key destination of international tourists since 1951
- Number of tourists increases after the successful summit of Mount Everest first time in 1953 (Edmond Hillary and Tenzing Norgye Sherpa)
- The exact contribution of tourism industry in Nepalese economy is yet to be estimated

# Methodology

- Review of literature
- Qualitative research design to review on international principles, practices, and agendas
- I communicate and discuss with the agencies involving in keeping administrative records to gather required information

# Inbound tourism

- At present, there is no complete and robust information on inbound tourism in Nepal
- MoCTA publishes tourism statistics every year that includes some information: tourist arrival, length of stay, purpose of visit, royalty received etc.
- Department of Immigration keeps the record of visitors using passport swiping machine for air passenger
- Department of Immigration maintain land port registers only for non-Indian visitors

# Inbound tourism

contd.

- The passport information never qualifies a visitor as inbound tourist or outbound in one hand, and on the other, the missing Indian visitors by land mislead the volume of total tourist arrival
- The data on foreign exchange earnings provided by central bank of Nepal captures the payments made through use of credit cards and formal money exchange transactions

# Domestic and outbound tourism

- No data on domestic tourism
- To some extent, the information on outbound tourism is available through the administrative records of Department of Immigration and central bank
- The data contained in the BoP does not exactly refer to tourism expenditure, but will be useful for triangulation after having the results of other sources

# Production account

- CBS estimates the NAS every year for 15 broad industries
- CBS also prepared SUTs for the years 2004/05 and 2010/11
- The SUTs of 2010/11 has production accounts of 60 industries by 81 products



# Employment on tourism industry

- In 2014, MoCTA conducted tourism employment survey that covers most of tourism industries such as **accommodation**: hotels and home stays, travel agencies, trekking agencies, rafting agencies, **airlines**: international and domestic, sports and other **recreation agencies**: paragliding, sky diving, and ultra-light
- The survey cover broad scope of tourism employment information such as distribution of employee by genders, age, education level, employment status, nature of employment, salary, skill, number of jobs, extra facilities

## Employment on tourism industry contd.

- Tourism employment survey failed to capture the information on number of hours worked by status in employment
- The survey did not cover all types of tourism industries such as tourist vehicles, restaurants and other small-scale tourism establishments and adventure industries, including bungee jumping
- In the survey the selected districts were the areas with relatively high tourism activity, the estimate might have upward bias

# Employment on tourism industry

contd.

- NLFS III conducted in 2017/18 by CBS
- Nepal yet to identify the total number of employees in the tourism related, CBS can provide this
- CBS also conducts NLSS and AHS that provide the data on employment

# Non-monetary indicators

- Economic Census 2018 conducted by CBS can provide the number of establishments and average number of jobs
- MoCTA can provide the information on accommodation, flights and passengers
- Nepal Land Transport Survey 2013 conducted by CBS provides the information on land transport

# Alternative data sources

- Eurostat (2016) shows that mobile positioning data can be a good supplement rather than the replacement of official tourism statistics at the moment
- Ruslani, Madjida, and Nughroho (2019) suggest to use mobile positioning data combining with conventional surveys

# Alternative data sources contd.

- Studies on big data from social media either predict some tourism indicators or tourist perceptions, concerns, and sentiment towards tourist destinations
- Upadhyaya, (2018) states that big data are more useful in estimating growth rather than creating the benchmark statistics
- Upadhyaya also argues that the internet users in Nepal are less than 20 percent, showing that there is limited scope and coverage of big data

# Potential data sources

- At the moment Nepal need two new surveys and one SUTs to compile the experimental NTSA
- Regarding ITES, Indriani, Hasyyati and Kanti (2019) state that the digital surveys are efficient in terms of cost, time and coverage
- With the co-ordination of internet service provider, visitor exit digital survey can be conducted at international airport of Nepal

# Potential data sources

contd.

- For both air and overland visitors Nepal has no proper sampling frame
- For this time use sampling frame from DoI for non-Indian visitors
- TAPI with structured questionnaire would be the best option to save time, cost and get the good quality data at the moment for overland visitors



# Opportunities

- The TSA of India is an opportunity to NTSA because India and Nepal not only share border but has similarity in various social and cultural behavior
- Mirror data can also be used for TSA
- A high-level TSA technical committee headed by secretary of MoCTA is working actively that establish a strong co-ordination among data providers is good news to the NTSA
- MoCTA is in the process of reviving TIMS using modern technology eg. reporting system from star hotels

# Opportunities

contd.

- Various plans and policies such as Periodic Plan of Nepal 2019-2023, National Tourism Strategic Plan of Nepal 2016-2025, Tourism Policy 2008 have clearly spelled out to develop TSA for sustainable monitoring the contribution of tourism sector in national GDP
- Nepal has already endorsed NSDS that visualizes a strong statistical system in the country
- A new statistical bill is tabled in parliament and hopefully it becomes a law very soon

# Challenges

- Capture the information from the overland Indian tourists who cross border via informal entry points
- Weak statistical competency in the area of TSA is also a major challenge to NTSA
- Unavailability of proper sampling frame for inbound tourism is a technical problem to design a robust sampling technique for the survey
- Capture the account of the electronic transaction of foreign resident tourists directly to the foreign resident industries

# Conclusion

- This study has identified seven major data sources for the first experimental TSA of Nepal: **DTS**, **ITES**, NLSS, NAS, Economic Census, Statistical Report of MoCTA, and SUTs
- Slight modification of the sources seems to be essential in future plan such as incorporating DTS module in NLSS, using digital survey technique for ITES, further disaggregation of SUTs to meet the requirement of TSA
- At the moment, big data are not appropriate to the experimental NTSA but continue efforts on studying the usability of big data in tourism statistics is important to the system

# Conclusion

- In the days to come, it is very important to introduce the arrival and departure card for all non-Indian visitors
- For overland Indian visitors, keep record by entry and exit registration at each entry points
- It is recommended to incorporate the DTS module in next round of NLSS and then after
- Regarding new SUTs, it would be better if CBS could consider the industrial and product classification as in TSA framework

# Summary of the findings

TSA Tables	Existing data sources	Purposed data sources
<b>Table 1: Inbound tourism expenditure by products and classes of visitors</b>	Balance of Payment, Nepal Tourism Statistics 2018	Nepal Inbound Tourism Expenditure Survey
<b>Table 2: Domestic tourism expenditure by products, classes of visitors and types of trips</b>		Domestic Tourism Survey
<b>Table 3: Outbound tourism expenditure by products and classes of visitors</b>	Balance of Payment and Administrative records of DoI	
<b>Table 4: Internal tourism consumption by products</b>	NTSA Table 1 and Table 2	
<b>Table 5: Production accounts of tourism industries and other industries (at basic prices)</b>	SUT 2010/11, National Accounts	SUT 2017/18
<b>Table 6: Total domestic supply and internal tourism consumption (at purchasers' prices)</b>	NTSA Table 1, Table 2, Table 3, Table 4, Table 5	
<b>Table 7: Employment in the tourism industries</b>	NLFS III (2017/18); Tourism Employment Survey, 2014; NLSS III (2010/11); AHS, 2016/17	
<b>Table 8: Tourism gross fixed capital formation of tourism industries and other industries</b>		Not expected in the first experimental NTSA
<b>Table 9: Tourism collective consumption by products and levels of government</b>		
<b>Table 10: Non-monetary indicators</b>	Economic Census, 2018; Nepal Tourism Statistics 2018; Nepal Land Transport Survey 2013	

Time for discussion!



**Thank You!**