

Econometric Modeling and Forecasting of Tourism in Nepal

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Abstract

Tourism is a very familiar affair in human life. It has been an industry of vast dimensions and ultimately supports economic growth and social development. In order to promote tourism in Nepal, the ninth five year plan has made a 20 year long strategic program. The main objective of this program is to develop Nepalese tourism up to the desirable standard. Tourism is changing rapidly as nature, heritage, and recreational destinations become more important, and as conventional tourism is forced to meet tougher environmental requirements. This presents a challenge to government and private enterprise to develop new approaches to the tourism market. Successful tourism must benefit local populations economically and culturally to give them incentives to protect the natural resources which create the attraction. Strategies must be economically feasible if private investors are to support the projects. Ecotourism is cultural tourism, nature tourism, a travel-learn experience, a little bit of soft adventure, and benefiting the well-being of indigenous peoples. Ecotourism practice minimizes the environmental and cultural impacts of visitors ensures that financial benefits flow to host communities and places a special emphasis on financial contribution to conservation efforts. This one tries to use econometric models and econometric methods to answer some questions about tourism in Nepal during 20 years. This study identifies some new research directions, which include improving the forecasting accuracy through forecast combination; integrating both qualitative and quantitative forecasting approaches, tourism cycles and seasonality analysis, events' impact assessment and risk forecasting.

Keywords

Ecotourism, Adventure, environment, Ecology, Time series Analysis, Gross Domestic Product, Forecasting