

'Rs 17 billion new investment in tourism in 2017'

Nepal attracted investments worth around Rs 17 billion in the tourism sector in 2017, a recent report shows.

The report, entitled Travel and Tourism Economic Impact 2018 published by World Travel and Tourism Council (WTTC), shows total investments in tourism sector reached Rs 17.3 billion in 2017 compared to Rs 16.5 billion in 2016. Total investment in tourism sector in 2017 was 2.3 percent of the total investments in the country.

The council estimates investments in Nepal's tourism sector to increase by 7.6 percent in 2018 and by 4.7 percent annually over the next decade to reach Rs 29.4 billion in 2028. Travel and tourism investment includes investment activities like buying aircraft, constructing hotels and investment in other tourism activities.

New investments have helped create 1,027,000 new jobs in the country of which 497,500 are directly involved in the tourism industry, the report shows. The direct employment includes employment generated by hotels, travel agents, airlines and other passenger transportation services, and restaurants as well as leisure industries. New jobs created by the tourism industry in 2017 is 6.6 percent of the total jobs created in 2017. In the year 2016, new investments had created 945,000 jobs, including 427,000 people in the tourism sector.

As the government has considered tourism, agriculture and hydropower as the backbone of country's economy, increasing investment in tourism industry country is a good sign for the economy, tourism entrepreneurs say.

Talking to Republica, CN Pandey, president of Nepal Association of Tour & Travel Agents (NATTA), said that 2017 saw more investments in hospitality and aviation sectors compared to last year. "Entrepreneurs poured more money to build hotel and resorts, and buy new aircraft," Pandey said adding: "Domestic airline companies have invested to expand their fleet, while travel agencies have bought more vehicles."

Pandey said that entrepreneurs have loosened their purse strings as they are encouraged by the successful local, provincial and parliamentary elections. "I see investments increasing

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further in the coming years as we will have political stability in the country,” he said, urging the government to facilitate investors by bringing business-friendly policies.

Binaya Shah, general secretary of Hotel Association Nepal (HAN), said the investment in tourism sector is of long-term nature and that it won't bring immediate benefits to the people. “We are seeing huge investments in tourism sector because investors are increasingly becoming confident regarding security of their money,” he added.

More than 50 percent of new investments in tourism sector goes to build hotels and resorts, Shah added. “Not only local investors, the hospitality sector is receiving huge investments from foreign investors. The fact that we are receiving investment from investors from India and China shows that future is bright for the Nepali tourism industry,” said Shah.

Shah further urged the government to bring friendly laws for the industry and make sure that its commitments for the industry as translated into practice.

Source : My Republica, 2nd April 2018