

Mountain Tourism Revenue

Mountain resources can generate substantially more revenue than the amount currently generated. Mountain resources can generate income in various forms which accrue to Nepal directly. This revenue can be grouped into: wages earned by porters, expenditure on food and accommodation, mountaineering expenditure, and royalties and other forms of fees (peak, trekking, and park). Estimates indicate that, in real terms, this revenue has not increased substantially (Table 9).

Of the total revenue generated, wages paid to porters and other support staff account for about 23 per cent and food and accommodation expenditure for nearly 50 per cent of the total mountain revenue on an average. It is unlikely that all this income is retained locally as a sizeable number of porters hired during treks belong to other areas. Also, this expenditure is subject to a certain amount of leakage because lodges serve food which requires imported items. There is considerable scope for increasing the retention of income in local areas by developing tourism linkages with local production units (Wells 1993; Banskota and Sharma 1994).

It is clear that great scope exists for increasing the already substantial income generated by mountain resources. The various user fees charged have been based on *ad hoc* decisions, and no scientific studies have been conducted to base these user fees on the tourists' willingness to pay. Benefits have been identified in terms of the expenditure of tourists, whereas willingness to pay for the enjoyment of the unique environmental resources of the Himalayas remains untapped. Willingness to pay is an expression of preference which

reflects how much tourists are willing to pay over and above the actual cash cost of consumption of the environmental resources. In order to obtain all possible economic benefits, willingness to pay is the appropriate concept to use. In the context of Nepal, so far no study has been conducted to estimate the visitors' willingness to pay. Appropriate user fees could be stipulated on this basis.