

# THE KHAPTAD TOURISM PROJECT

## SALIENT FEATURES

SN	FEATURES	CHARACTERISTICS
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### GENERAL

1	Name of Project	The Khaptad Tourism Project
2	Sector	Tourism with transportation
3	Type	Spiritual destination development

### PROJECT LOCATION

1	Province	Sudurpaschim Province
2	Project Location	Khaptad National Park ( <a href="#">Location Map</a> )

### PROJECT COMPONENT/TECHNOLOGY

1	Cable Car	Cable car from Jhingrana post to the office of Khaptad National Park, the total length of which will be around 7 km. One of the options for cable car technology is the “Monocable Detachable Circulating Gondola” type carrier. This system consists of a single rope to support and control the motion of the gondolas.
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3	Development of star hotels	A total of two hotels of star standard will also be developed. The hotel would offer both high-end luxury as well as standard travel experiences. These hotels would offer a fully integrated and comprehensive experience with opportunity to explore the National Park. The tariff of these hotels will be fixed and will be changed only in consent with the provincial and local government.
4	Sports and wellness activities	Infrastructure for various activities such as golf, yoga, meditation, horse-riding, climbing, herbal treatment, cycling, heli service, sky-diving, among others will be developed. In addition to this, organic food locally produced will be served to the visitors.
5	Cultural/spiritual/pre-historic village and museum	One of the components of the project will be a village which reflects the spiritual heritage of the Khaptad area. In addition, a museum could be developed to showcase the life, times, and work of Khaptad Baba as well as history and folklore.
6	Development of trails and supporting infrastructure	The road up to Jhingrana will be upgraded by the Government. Smart energy through the provision of energy with photovoltaic solar panel systems (solar irradiation of Khaptad area is around 4.21 kWh/m <sup>2</sup> /day) and hot water consumption be supplied through solar thermal systems.
7	Regeneration, conservation and development	Existing facilities and services of the National Park will be upgraded and renovated, and the conservation activities will also take place alongside.

## MARKET ASSESSMENT

1	Demand	The size of the global luxury tourism market has been increasing and is poised for further growth, particularly due to the rise of high-income people in countries like India and China. Lonely Planet, a leading travel guide, ranked Nepal as the top value destination for 2017 in its annual “Best in Travel List”. Nepal has seen consistent growth in the number of tourist arrivals in the last three years, with impressive growth rates of about 40%, 25% and 25% in 2016, 2017 and 2018, respectively. In 2018, the country welcomed over 1.1 million tourists. However, despite its potential and pristine locations, Nepal is yet to cater to the demand for high-end tourism.
2	Supply	There are only a handful of places that offer high-end luxury tourism, almost all offered in places like Kathmandu, Pokhara and Chitwan. Despite their demand, many of the tourists are unable to explore unique places like Khaptad due to the lack of tourist infrastructure and connectivity.

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3	Market Opportunity	Nepal offers world class destination due to its outstanding natural beauty, biodiversity, and rich cultural and religious heritage. Nepal, with its pleasant climate and warm hospitality, is ideally suited for being developed as world class destination for luxury tourism. It provides peaceful and safe choice along with scenic and splendid natural beauty and unique blend of cultures. Khaptad offers such opportunity to create a 'high value, low impact' tourism due to its 'uniqueness' and potential 'brand imagery'.

### DEVELOPMENT MODALITY

1	Development modality	Public Private Partnership
2	Role of the Government of Nepal	<ul style="list-style-type: none"> <li>■ Provision of government land, land acquisition, facilitation and project security</li> <li>■ Facilitating legal approvals/permits</li> <li>■ Review &amp; monitoring</li> </ul>
3	Role of the Private Sector	<ul style="list-style-type: none"> <li>■ Plan, design, build, finance and operate the facilities during the Concession Period</li> <li>■ Collection of revenues from the project during the Concession Period</li> <li>■ Handover to the Government after the Concession Period</li> </ul>
4	Development Period	<ul style="list-style-type: none"> <li>a. Pre- Construction Period: 1 year</li> <li>b. Financial Closure: 1 year</li> <li>c. Construction Period: 3 years</li> <li>d. Concession Period: 30 years</li> </ul>

### INDICATIVE FINANCIALS

1	Total Project Cost (including Interest During Construction and land acquisition)	~ USD 187 million
2	Interest Rate (including hedging cost)	12.00%
3	Project IRR	16.95% (preliminary estimate)
4	Equity IRR	25.40% (preliminary estimate)