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EFFECT OF COVID-19 IN NEPALESE TOURISM SECTOR AND ITS POTENTIAL MEASURES IN NEPAL

Tirtha Raj Timsina

*Lecturer, Department of Rural Development, Bhaktapur Multiple Campus, TU.
Corresponding author: tirtha.timsina2@gmail.com*

ABSTRACT

Tourism is a service-based industry with multiplicity of inter-linkages to the various other sectors in an economy. It contributes the significant amount of Gross Domestic Product (GDP) with remarkable employment opportunities in many countries of the world. This research work is conducted to identify the effect of corona virus disease 2019 (COVID-19) in Nepalese tourism industry and potential measure to cope with the effect in the economy by which necessary suggestions would recommended for this sector. This is a qualitative research based on the qualitative data gathered from primary as well as secondary sources. Fifteen respondents from different parts of Kathmandu valley have been purposively selected to obtain the first-hand responses who are formally engaged in tourism sector. It is found that there is significant effect in entire tourism sector and considerable decline globally and even the final statistics has not been measured yet. Nepal is also in the similar stream. Still there are lots of possibilities to cope with and develop new paradigm by handling the same things differently. This study concludes that there are plenty of measures to handle the problem created by the pandemic like COVID-19 throughout the economy including tourism. The knowledge acquired and lesson learned from the experiences make everything possible to handle it wisely so as to produce expected outcome that is why there is the enough sphere to revive Nepalese tourism in days to come.

Keywords: travelling - pandemic - tourism earning - hardest hit - revive - cope with.

INTRODUCTION

By nature, human beings are conscious and rational animal with having bundle of desire to experience new things every day. That means there is no limits of human desire to move from one place to another for the

sake of curiosity or having fun of travelling the place other than they usually reside. International Labour Organization (ILO) (2011) defined tourism as the exercises of people moving to and staying other than their usually residing environment for not exceeding the period of one year for leisure, trade or any other purposes. Actually, that is the principal causes behind the movement of the people from one place to another through which numbers of sectors in an economy are circulated such as transportation, market centers, agriculture, job markets, manufacturing and many more. The history of travel conceived with the human civilization such as; the nomadic nature of human in ancient period that makes possible to the recent form of highly advanced mode of travel like- space tourism. It has direct relation with the economic, political, social, cultural as well as environmental aspects of the entire economy. Cooper and Hall (2008) argued tourism as matter that is practiced by a lot of people in the developed societies and is considered as an significant mechanism for socio-economic development for highly developed as well as in many developing communities. Therefore, the extent of such movements all over the world and large number of people travelling from one place to another means that tourism is commonly described as one of the largest and fastest growing sectors in the World. Sharma (2012) opined that tourism sector occupies as a second highest potential income generating industry next to hydropower in Nepal. Therefore, it can be managed in such a way that the collective effort in cooperative manner ultimately benefits to the huge masses of the people. Tourism is the main source of income, primarily for foreign exchange earnings and a large proportion of the Nepalese active population are formally or informally engaged in this sector and counted as a better source of livelihood.

MoTCA (2009) keeping the Slogan of “*Tourism for Peace, People and Prosperity*” regard that in Nepal tourism is considered as a powerful driver of development. The People use to have growing expectation and the government has intended to develop people-centered approach through which people could cope with global challenges of climate change, economic disparity and unstable energy price. At the same time the government of Nepal has set the aim of annual arrival of two million tourists which has unfortunately stopped by the government itself at the beginning of 2020 showing the causes of global pandemic since this sector has considered as the hardest hit by the panic pandemic.

However, the Nepalese case was not so worse in comparison with immediate neighbors India. In the first wave COVID-19 there were only

28257 confirmed cases having only 114 death cases (WHO 2020). The nationwide lockdown in Nepal has been started from 25th of March, 2020 which was slightly loosened from 10th July and formally ended by 21st midnight of July, 2020 even the risk of pandemic has not been remarkably reduced. The recent statistics by Worldometers (an online data source) shows that, up to 03 May 2021 the total cases of corona virus reach to 153 million worldwide whereas 3.21 million deaths have been confirmed. Similarly, the recent new infected case of India reaches nearly 4 lakhs everyday with total of 20 million infection and 2.2 lakhs death cases. Being an immediate neighbor with open boarder of India, there is high risk of mass transmission even it has already crossed 7 thousand infection per day.

UNWTO (2020) identified that tourism has a proven power to set back quickly and support for the recovery of rest of the others. It directly contributes to the global job creation and economic recovery with its multiplier effect. Unfortunately, there are uncountable job losses and business lock up in tourism and allied sectors due to restricted traveler's mobility after numbers countries including Nepal decided to lockdown as a strategy to check the rapid transmission of corona virus. Various statistics from national as well as international organization shows that, international tourist arrival have sharply decreased due to the COVID-19 pandemic in first quarter of 2020 by 22 percent with possible scenarios for the pear pointing to an annual decline of between 60 to 80 percent. Pandey, Mahadevan and Joshi (2021) has identified that tourism industry has been remarkably impacted by COVID-19 pandemic and disrupted everyday life in India. The effect in Nepalese case is not much different with Indian case. Timsina (2020), also concluded that COVID-19 has intense effect in most of the sectors of Nepalese economy whereas the weaker segments of the society are hardest hit. Connecting to this view point, tourism in Nepal is as same as the weaker segment of the society that intensely disrupted and needs more intensive action for its recovery.

Since the interest of visitors depends of the security provided by the host in one hand and the existing scenario that encourage people to visit the particular place, on the other that are basic sine qua none for tourism development, the global flow of tourism doesn't have good scenario this needs remarkable efforts from the public as well as private sector to get in a track. Different updated literature related to the tourism shows that the countries which have fragile financial and infrastructural platform are facing the massive effect to their entire economy including trade and tourism. So,

the current research paper aims to explore the effect of COVID-19 pandemic in Nepalese tourism sectors and to search the potential measures that could be suggested to the concerned sectors to cope with.

METHODS

This research article is prepared on the descriptive research design which is based on the qualitative information accessed from primary as well as secondary sources. The primary data are collected through mailed questionnaire with 15 purposively selected respondents associated with tourism and hotel management sectors to collect the necessary information. It is conducted being based on the information collected from the different areas of related field in Kathmandu valley because of the centrality and accessibility of the information. Secondary data are collected from the different published and unpublished and electronic sources including with the review of various national as well as international sources.

RESULTS

Because of the unique natural and cultural heritages of Nepal, tourism is the sector of comparative advantage where minimum investment could raise the maximum amount of advantages. Therefore, by securing and promoting such natural, cultural, biological and man made heritage of this country, Nepal has set the long-term goal to attract 2.5 million tourists up to 2025 and creating 896 thousand employment opportunities in the country (MoF 2020). Nepal is considered to be at a highly vulnerable stage from the view point of risks associated to climate change. The effects of COVID-19 pandemic along with climate change issues can seriously affect to those who are at the vulnerable situation and even those who are seeking their livelihood from the sectors like agriculture and natural resources which are considered as climate sensitive sectors (UNDP 2020). Tourism is not only the prime source of foreign earnings and employment but also the significant means of entrepreneurship development through considerably small scale of investment. Which means the process of participating in production and transaction of goods and services aims to create the needs of travelers to contribute for the economic growth and development of the nations (Kharel, Bhandari & Rai 2019).

Joshi (2021), wrote that the second wave of COVID pandemic has forcibly hit Nepal as daily reported infections has been rising exponentially every passing day, and marked as highest intra-day cases by breaking the

record of first wave of October 21, 2020 with 5,743 cases by the new record of 7,137 cases in May 2, 2021. It has also mentioned that the transmission of infections is very fast during the second wave comparing with the first wave.

Nepal Rastra Bank (NRB) published a survey report on August 5, 2020 by including 674 industries/business from 52 different districts pointed out the following statistical facts relating to the impact of COVID-19 in Nepal. There were 61% completely closed, 35% partially closed and 4% completely opened industries/business during lockdown (survey period). Similarly, all the sampled industries/business reduced/cut their staff/workers by 22.5% whereas 18.2% industries reduced the salary of their staff in an average. Out of total, 96.7% business houses argued to decreased production/transaction by 73.8% and it would take at least 9 months to become normal (NRB 2077BS) .

A report published by UNDP, Nepal regarding the effect of COVID-19 truly highlighted that, accommodation and food; which may include; various means of entertainment with transport and communication are taken as the highly affected areas in the economy. As the international travel ban and fall in tangible disposable earnings globally, Nepalese tourism receipts has been projected to decline by 60 per cent in 2020 as a result of loss of foreign earnings by US\$ 400 million. On the same way, the decline in remittance earning is likely to range between 15 to 20 percent in the year 2020. The cumulative impact of COVID-19 in trade, tourism and remittance as well as the negative economic externalities that massively trigger in various other sectors. Before the inception of COVID-19, the GDP growth rate of Nepal has been projected to 8.5 percent has estimated to fall down below 2.5 percent in 2019-2020, and will severely obstruct to recovered in 2020-2021 (UNDP 2020). The table 1 shows that there would be serious impact of COVID-19 in global economy and the suitable policy measure could minimize the effect. Similarly, tourism as a hardest hit sector of pandemic needs plenty of policy and fiscal measures to revive in a new track.

Table 1: Estimated economic losses of COVID-19 with and without policy measure

	Estimated global and regional economic losses of COVID-19				Estimated global and regional economic losses of COVID-19 with policy measures			
	In billion dollars		As percent of GDP		In billion dollars		As percent of GDP	
Containment	3 mos.	6 mos.	3 mos.	6 mos.	3 mos.	6 mos.	3 mos.	6 mos.
Global	-5,796.9	-8,789.9	-6.4	-9.7	-4,095.8	-5,387.8	-4.5	-5.9
Asia	-1,667.8	-2,529.1	-6.2	-9.3	-1,328.6	-1,854.3	-4.9	-6.8
Australia/NZ	-91.2	-139.5	-4.6	-7.0	-81.0	-119.1	-4.1	-6.0
Central Asia	-21.1	-34.0	-3.4	-5.5	-11.4	-14.8	-1.8	-2.4
East Asia ex PRC	-164.1	-256.7	-6	-9.3	-145.6	-220.0	-5.3	-8.0
PRC	-1,083.1	-1,623.4	-7.5	-11.2	-833.8	-1,126.8	-5.8	-7.8
Southeast Asia	-163.2	-252.9	-4.6	-7.2	-119.6	-166.3	-3.4	-4.7
South Asia	-141.9	-217.6	-3.9	-6.0	-134.3	-202.9	-3.7	-5.6
Pacific	-3.3	-5.0	-4.6	-7.0	-2.9	-4.3	-4.1	-6.0

Source: Asian Development Bank, 2020

(Note: PRC- People's Republic of China, ex- excluding, GDP- Gross Domestic Product)

Tourism suffering related response during COVID-19 period

Nepal is struggling with the massive effect of covid-19 and all the economic and social activities have been deteriorating during its first as well as second wave. The response about visitor's status in first wave and the responses are as follows:

Table 2: Nature of suffering in tourism sector

Response	Number of respondent	Percentage
Terribly suffered	12	80
Moderately suffered	2	13.33
Less suffered	1	6.66
Not suffered	0	00
Total	15	100

Source: Field Survey, 2020

Table 2 shows that most of the people who involved in tourism sector realized it is terribly suffered sectors in the economy. It means travel restriction, nationwide lockdown and closure of international boarder badly influenced over the entry and the movements of visitors.

Sector wise effect of pandemic in tourism

During the field survey, the responses regarding the effect on the various sectors of tourism have been asked with the respondents. Different options have been given to rank them and the result is as follows:

Table 3: Sector based influence in Nepalese Tourism

S. N.	Ranking of effect	Sectors
1	Massively Influenced	Hotel and Hospitality sector
2	Highly Influenced	Tour Operator and Guide services
3	Moderate Influenced	Transportation
4	Basic Influenced	Rest of others

Source: Field Survey, 2020

As shown in the table 3, the respondent during the field survey argued that the hotel and hospitality sector is highly influenced sectors within tourism although each of the sectors related to tourism were hardly hit by the pandemic.

Major negative impact of COVID-19 in tourism

It is well stated that tourism is the sector of hardest hit among others in such pandemic like COVID-19. The arguments of the respondents on the negative effect are as follows:

Table 4: Nature of suffering in tourism sector

Response	Number of respondent	Percentage
Business loss	8	53.33
Loss on employment	4	26.66
Loss of public prestige	1	6.66
Professional Challenge	2	13.33
Total	15	100

Source: Field Survey, 2020

Table 4 depicts that more than half of the respondents have realized that the pandemic has serious impact on business loss within which tourism occupies the greatest possible sector among others.

Prospects of tourism recovery after pandemic

Of course, tourism is hardest hit sector of the economy globally, it is said that at the same time tourism has the power of the fastest recovery because it can reestablish with the nominal setup if the existing infrastructure

have not been damaged. The arguments of the respondents regarding the prospects of tourism after COVID-19 are given below:

Table 5: Nature of suffering in tourism sector

Response	Number of Respondent	Percentage
Highly potential	7	46.66
Moderately potential	4	26.66
Potential with some reform	4	26.66
Not possible	0	00
Total	15	100

Source: Field survey, 2020

Table 5 shows that the people who are engaged in tourism sectors shows there is greater potentiality of tourism recovery after the end of COVID-19 pandemic in Nepal. Since it has nature and culture-based tourism in greater extent, majority of the respondent argued that still there are greater potential of tourism recovery. Because COVID-19 only break the social and physical contact and discourage the gathering but not destroyed the assets what we have yesterday for tourist's attraction.

Responsibility of the concerned authority for tourism recovery

It has already been discussed that there is greater potentiality of tourism recovery in Nepal. The information obtained from the respondents of Kathmandu valley where the largest number of tourists concentrated, depicts that there is not uniformity in the arguments regarding the responsibility to be taken by the concerned sectors of the country. The responses collected during the field survey are as follows:

Table 6: Nature of suffering in tourism sector

Responsible Authority	Number of Respondent	Percentage
Government	6	40.00
National Tourism organization	2	13.33
Private tour operators	4	26.66
Hospitality Industries	2	13.33
Tourists themselves	1	6.66
Total	15	100

Source: Field survey, 2020

Table 6 shows that there are the differentiated responsibilities of related sectors among which majority of the respondents argued that

government and the national tourism organization like Nepal Tourism Board is highly responsible which can create the tourism friendly policy and conducive environment to cope with the circumstances. It does not mean that others have no responsibility.

DISCUSSION

Nepalese economy is largely dependent with the external transaction like trade and tourism. Literature shows that such international as well as internal mobility has been blocked by the four-month elongated lockdown in most of the developing countries like Nepal. Most of the industries/businesses are facing the number of deficiencies for production inputs. Similarly, tourism and its associate business like, hotel, travel (land and air) are highly suffered by the pandemic and there is no exact point of time to be revived. However, all the business, industries, trade and tourism must be revived at any cost for the normal operation of the economy. Revival of tourism and its associate sectors is possible only when there would be the favorable environment to the visitors get in. It is possible only when they ensure all the safety nets that are essential for safe visiting anywhere. Therefore, government as well as private sectors involving in travel and tourism business must be responsible to make and manage such type of policy and action plan to cope with the growing effect of pandemic. The suggestion and guidelines forwarded by different international organization related to tourism should follow thoroughly so that the fastest recovery of the sector is possible. Some of the policy measure forwarded by multinational organization is given below.

In this regard, UNWTO (2020) forwarded following priority areas for the recovery of tourism:

1. Provision of liquidity and job protection.
2. Safety & security for the recovery of confidence.
3. Efficient reopening through public-private collaboration.
4. Open borders with responsible authority.
5. Harmony as well as coordination of protocols & procedures.
6. Create the value jobs through technological innovation.
7. Functional sustainability for new normal tourism sector.

So, the responsible authorities all over the nation should not be late to formulate such policies to cope with the formal and informal impact of COVID-19 so that the value chain of each of the sectors in the economy including tourism sectors have to be raised in progressive way. The government at national, provincial as well as local level must be responsible to cope with the effect of pandemic and the private and business houses should adopt the pathway so that it would be helpful to their own business; like tourism enterprises and the entire community as a whole. That will gradually support the government's regulations to mitigate the crisis and manage the situation as well. It is said that "*desperate situation requires the desperate measure to handle it*". Considering this proverb every citizen has the responsibility to handle and cope with the crisis from the bottom of the efforts they have ever made.

Ulak (2020) in his article mentioned that "even if there is widespread effect of pandemic, tourism will never deteriorates forever nor remain constant for long time, as movement of the people will always survive and provides wide range of prospect for tourism revival." Of course, there is greater effect of pandemic in Nepalese tourism, it is not in our control. Before settling the problem caused by the first wave, the aggressive attack of second wave of COVID-19 from the first trimester of the year 2021 is widespread all over the country. Therefore, we must keep our patience right now and search the prospects by coping with the disturbance right after the rate of transmission just get down to the normal.

Tourism related business in developing countries like Nepal needs to be altered if we want to survive in crisis situation like; COVID-19 pandemic in the days to come. The fundamental socio-economic and political order are distorted and over-sighted due to moral bankruptcy in most of the developing countries like Nepal which are considered as a result of institutionalized corruption and crime. Therefore, tourism might be the strong sectors of systematic recovery and to escape form potential economic and environmental collapse (Nepal 2020). As like this argument, the perfect recovery of tourism sector is really based on our intensity and mind-set. We never make our economy including tourism highly competitive unless such evil sides of the society are truly destroyed. The effect of COVID-19 would be possible to minimized through the combined and conscious efforts and active involvement and collaboration of all stakeholders (K. C. 2020). Khanal (2021) has also concluded that COVID-19 pandemic brings varieties of change in the life of common people not only in tourism area

but it also equally impacted on economy, employment, income generation, livelihood strategies and many more due to which people are compelled to involved in different illegal activities and break the existing social norms and values of the society. It is further suggested that the government should bring new programs and address the problem of lower middle-class workers and entrepreneurs to revive the tourism industries in Nepal.

Keeping in view the recommendation and policy measures, the government of Nepal must be able to identify new perspectives of tourism market where the new form of visitors could attract. In spite of crowd based gathering and concentration, some specific tourism product like off-beat tourism, rural tourism, Argo-based and eco-tourism as well as home stay might be the better options. The agriculture and industries with tourism should go hand in hand. Any single sector in the economy is not sufficient to cope with the crisis but rather each of them cooperates to one another. That would be the better option to get rid of the pandemic and quick recovery.

CONCLUSION

Tourism in Nepal is considered as the highly potential sector with multiple interrelations to other sectors in the economy. It is preferred by most of the countries around the world because of its multidisciplinary nature and principal sources of foreign exchange earnings. Despite its global importance, the hardest hit of the pandemic of COVID-19 keep it in a vulnerable situation globally. Due to the greater potentialities, Nepalese tourism industry has been evolving as a significant one and major contributor for employment and foreign currency. Because of the rapid decline in tourism earning including the various sectors like- hotel, transport and tourism service delivery organizations. It has greater pressure in the entire economy by which the projection of the national growth has also been compelled to reduce. Even if there is no fixed point of elimination, the country must be prepared for searching alternatives to cope with the pandemic. Before ending the effect of first wave the second wave of COVID-19 pandemic has already been taken place in Nepal as well as various parts of the world from first quarter of 2021. It will massively aggravate to the tourism sector because of the fact that first step to control it is restriction over movement without which tourism is impossible. The government at local, provincial and national level should set the policies and plan of action with reference to the international community to revive entire economy with tourism. Priority should be given to those sectors which are highly infected like tourism,

transport and hotels. Specific policies and action plan in tourism should be immediately formulated and honestly implemented so that visitors could be assured and feel safe to travel to Nepal. It will help in recovering the tourism sector.

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