



Review Paper

Economic impact of COVID-19 in the Nepalese Tourism Sector

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Abstract

Covid-19 has affected our overall Nepalese economy, however, especially in the tourism industry calamitous situation can be observed. With the 2020 campaign, the year 2020 was expected with high revenue generation through tourism, which due to the Covid-19 pandemic ruined. Time and again pandemics have struck the world, but the current Covid-19 situation is different in changed perspective, socio-economic situation. In Nepal, the current tourism economic situation and its future economic impact by Covid-19 have been studied minimally. Here, based on secondary data, the descriptive-analytical methodology is undertaken to identify the result by comparing between last and current fiscal years' economic indicators. Mainly, impact on tourism-related revenue, job prospect within, while also considering effects on other major economic sub-sectors, Covid-19 infected rate, and situation by province is taken as part of this study. The economy can't survive with a good socio-health condition, necessary infrastructure should be built beforehand not only for the health sector but also in economic aspects. Tourism is a highly impacted where related jobs, service sector, foreign currency earning, and overall revenue from this sector has been collapsed. Until and unless the government cannot address health and safety issues for easy tourist arrival, normality and revival of this industry are impossible. By the past pandemic scenarios, we have learned that rebound from every economic crisis is possible.

Keywords: Covid-19, pandemic, spillover, tourism economy, impacts.

Introduction

Covid-19 first register dates back to November 17, 2019¹ in Wuhan, Hubei province of China which then disseminated all over the world rapidly with more than 118,000 cases to over 110 nation till march that led to a pandemic manifesto² by WHO on March 11, 2020.

Although the fact of facing an economic crisis, many countries around the world took measures as imposing lockdowns, shutdowns, international travel and borders restrictions, and airline bans were taken as per the expertise knowledge regarding controlling Covid-19.

The first Covid-19 positive confirmed case in Nepal and also in the whole South-Asia was on 23 January 2020, a 32-year native student, who came back from Wuhan on January 9, having shown symptoms on Jan 3 earlier and upon arrival in Nepal visited Sukraraj Tropical and Infectious Disease Hospital³.

Since then, the number of Covid-19 infected patients has been 168,235. Among which 38,357 are still active cases and 920 death tolls till 30 October⁴. Analyzing the current data, the mortality rate has been growing continuously with infected cases growing even quickly.

This paper will present the economic impact of Covid-19 in Nepal, especially concerning tourism sector. Covid-19 has mostly impacted in global tourism, UNWTO estimates that 850 million to 1.1 billion loss in international tourist arrival leading to \$860 million to \$1.2 trillion losses in export proceeds and nearly 120 million occupations being lost⁵. In Nepal, the Tourism industry holds 6.7 per cent of total GDP with employment offering up to 6.9 per cent of total employment, making it one of the huge contributors to the Nepalese economy⁶.

Spillover of COVID-19 in Nepalese economy

Even when Wuhan was in total lockdown due to Covid-19, and the severity of the disease propagation was well-known, the countries around and even WHO was not as triggered as they should be, and many failed to take decisive precautionary measures, as a result, within few months, the Italian and French health system was brought down to knees by the epidemic. Subsequently, the "Pandemic" declaration announced by WHO and lockdown or other measures taken by countries then after revealed the brutality of Covid-19 not only in the health sector but also to the economic as well as every other sector.

The human psychology of taking any disaster to be normal, manageable overtook today's Covid-19 situation as it was in

2007 when the subprime mortgage was believed in the same controllable manner and the global recession was the result in 2008⁷. To analyze the effect of Covid-19 considering its impact in the Nepalese scenario, it is divided into three sectors.

Low Impact Sector: Food and Agriculture: Agriculture as a priority sector has been less impacted than other sectors. The agriculture sector was initially disrupted due to lockdown and supply chain issues causing problems in transporting agricultural products to end-users at one hand, whereas fertilizer supply lagged the timely fertilization which would ultimately affect production. Daily essential goods were least disturbed as compared to poultry products supply and high-end as well as non-essential products like bakery items, dry fruits.

Initially, due to lockdown, demand for non-food items declined substantially leading to reduced average inflation from 6.3 per cent to 4.1 per cent only from March to May 2020⁸. By contrast, before lockdown average food inflation which was 8.6 per cent increased to 9.2 per cent during the period caused by disturbances in supply trade in the agricultural sector. As per trading economics site, Nepal food inflation in July 2020 was 5.7 per cent⁹. Despite favorable monsoon projections for 2020, agriculture growth in FY2021 is projected at 2.2 percent, slightly below the FY2020 growth rate due to an expected shortage of chemical fertilizers following trade restrictions during the crisis.

Banking, Finance, and Insurance: The banking field in contrast to other country was slowly hit in Nepal. Later, the effect of Covid-19 was much felt in relation to trade finance, due to lockdown, cross border transaction had minimized, delay on export goods causing chain effects on banking lending. Despite having this type of scenario, the banking and financial institutions provided the necessary services to their customers with prioritized digital banking via apps and online banking along with one-third of total staff for regulating operational work of banks or reduced working hours even during lockdowns¹⁰. Due to this pandemic, the world's banking and financial institution faced increased liquidity pressure, so does the Nepalese banking sector. Hence, for protecting this area, the central bank of Nepal issued a circular to cut down interest rates. During this pandemic, the GoN has declared the rebate policy for those, who had been directly affected by Covid-19 during the lock-down period.

After flexibility on lock-down by the government in Nepal, Bank and financial institutions have afresh by increasing the interest rate than previously by assuming the demand for the loan would be high. Similarly, in the insurance sector, insurer's investment portfolios might be less impacted but also premium volume declines the income of insurers. Insurance companies manifesto to accept the late premium installment without any charge. At the initial phase of the pandemic in Nepal, the insurance companies were in dilemma, whether they would cover this type of risk or not.

With the support of the government and Rastriya Beema Samiti, the non-life insurance companies made circular and announced the Covid-19 insurance policy after the risk-pooling mechanism¹¹. As far as 1 million people have been covered against Covid-19 insurance schemes in Nepal until September 07¹². As GDP is expected to decline up to 1.5 per cent, this will constrain in trade stock, dropping it by 0.7 per cent in 2020¹³.

Remittance: As highly expected that Covid-19 will cause a heavy impact on remittance volume by economist and forecaster in Nepal, NRB had surprisingly projected of 15 per cent possible remittance decline, World Bank stated 14 per cent and Central Bureau of statistics up to 18 per cent. In contrast, the drop of 0.5 per cent to the last fiscal year mid-July as per NRB macroeconomic report came as surprise but in the same period during last year, it had increased by 16 per cent¹⁴.

Similarly, during the first month of this fiscal year (B.S. 2077/78), the proportion of remittance inflow had abruptly rose by 23 per cent (Rs.92.71 billions) if compared against US dollar terms it accounts for 14.5 per cent increment compared to just 0.7 per cent during the review period 2019/20¹⁵.

The price of Covid-19 in the foreign employment and remittance sector is yet to be felt. Since, from the date, the number of foreign employees returned has highly increased, and also work permit had not been granted for a certain duration (13 March 2020 to August 3) which will ultimately affect in remittance that will be conspicuous in the last quarter of this fiscal year¹⁶. Apart from that, economic prospect worldwide has slowed down that will cause in demand for Nepalese workers and their remit. The chain effect of this sector contributing to a massive 25.3 per cent of GDP will have a severe effect on the Nepalese economy.

Hydropower: The Covid-19 pandemic has a profound effect on our society and economy. It is observed that Covid-19 has apparent impacts on supply chain and projects have been delayed in the hydropower industry. As per the projection made by NEA to add the 1000 MW capacity in the National grid, it is now estimated to add only 355 MW with only 30 projects being ongoing which is slashed down from 50 new projects¹⁷.

In this period, domestic consumption had increased, while demand for commercial and industries was adversely affected. NEA estimates that during the lockdown due to Covid-19, the country's total demand for electricity dropped so as the revenue also, that was further affected since the government offered 25 per cent rebate on the electricity bill, causing Rs 500 million cost for the subsidy plan¹⁸.

Medium Impact Sector: Manufacturing: Nepal's manufacturing business relies on raw materials imported from abroad countries like China, India, Singapore which has been affected by reduced import volume other than that decreased demand in certain goods is affecting this sector⁶.

Else, this sector is performing under par or at their reduced capacity with few available workers and inventory of raw materials behind.

During the lockdown, as per the survey by NRB, 4 per cent of industrial/commercial businesses were completely operational, 35 per cent were partially functional, and 61 per cent were totally closed. Also, the survey reports state, 96.7 per cent of them have reduced production and commercial performance by 73.8 per cent¹⁹. According to Hetauda Industrial Estate, loss due to lockdown amounts to 60 Crores per day²⁰.

Consumer and Retail Business: The import supply chain has been heavily affected due to lockdown. Nonetheless, despite having an unstable market, partially opened consumer and retail business shops had eased to maintain balance for consumer demands and production²¹.

In comparison to medium and big business houses, small retail houses were highly impacted²⁰. The e-commerce line is in heavy demand in the Covid-19 period but without a reliable supply chain for delivering products and non-well-equipped employees, there may be a decline in the growth of this business⁶.

Health: This sector has been medium impacted. However, there is a huge effect in normal health care service in hospitals which are more focused on Covid-19 patient. The government expense is as high as Rs 13.5 Billion on Covid-19 management until August 22²¹. Funding and donations which cover approximately 50 per cent of the health budget in Nepal would be declined due to donors' countries being economically affected by Covid-19 but pledges have been made billions of dollars to aid Nepal's Covid-19 response²².

Manipulation in the available mask, sanitizer at the beginning was an issue. For overcoming the shortage of such, Nepali manufacturers and traders have been sufficiently producing or importing currently. In Nepal, Covid-19 Insurer has been increased substantially with high numbers of claimants as well.

Highly Impact Sector: Transportation and Aviation: This sector has been one of the hardest-hit areas due to Covid-19, from initial when the lockdown was imposed on March 24, both land and air transport was totally halted and time and again restrictions and manifestos are changing with the Covid-19 situation.

As per the DoTM, approximately 1.5 million people are working in the transportation industry and loss in this sector accounts for billions of rupees not yet calculated. Moreover, this sector is highly financed through banks and financial institutions up to 80 per cent²³. Public transportation is the worst-hit area as even after easing in lockdown people are reluctant to use such service due to the risk of Covid-19 infection. Also, Logistics and freight services are seriously disturbed.

The transportation sector is linked with the labor force, interlinked in developmental projects, supply-chain. Overall, the domino effect is almost strong in every relatable field.

Federation of Nepalese National Transport Entrepreneurs stated that over 400,000 public vehicles were garaged during six months implying billion rupees loss in the economy²⁴.

Aviation is the key tool for global connectivity for travel, tourism, business, and trade. Most of the government all over the world annul the immigration, closed down own territories, and bounded to stay at home, for health care and control the outbreak of a pandemic, as a result, recant, halt and postpone of flights. The Nepalese aviation sector is smaller than others where Covid-19 has severely impacted.

It has been announced that the flights can be resumed with 100 per cent of total aircraft by airlines which at first was directed to fly only with 25 per cent passenger²⁵.

Telecom: Telecom sector has faced a huge cost in their income generation. Major players like Nepal telecom and Ncell have suffered 2 billion and 5 billion rupees' respective decline in revenue during the second quarter of 2020. Major reasons behind the huge losses in telecom sector are due to the lockdown factor at first which results in low mobility of people causing effects on voice call services, International services, data consumption, and low purchasing capacity of telecom customers. Apart from that delay in 4G expansion and fiber internet as well as discounts and bonus packages offered in this Covid-19 crisis all led to revenue loss to telecom industries of Nepal till the second quarter 2020²⁶.

Construction and Real-estate: The real estate sector had been affected mostly during lockdown which leads to a standstill of this sector across the country. Projects were deferred due to import and supply issues of raw materials, laborers, and skilled manpower. Post lockdown, low mobility of people, and financial capability being brought down, this sector did not show any growth and expected muted demand risk is continuously hitting in the housing sector.

Following the post-earthquake, the construction sector had observed double-digit growth and in the last FY 2018-19, the growth in this sector was 8 per cent. As per the CBS, the construction sector had declined to -0.31 per cent in the FY2019-20 mid-July.

As construction sectors, major business starts from January in Nepal, and Covid-19 also got worsened from the month onward, the construction sector was halted by lockdowns for almost 5 months (March 24 to July 21). Due to which, access to raw materials, skilled manpower, equipment, and accessories were not readily available causing a delay in construction projects or even halted²⁷.

Education: The country holding 35,055 schools, 1407 colleges, and 15 universities and contributing to 7.06 per cent GDP to the country came to standstill causing turmoil from the day lockdown was implemented in Nepal. Except for very-few schools, educational institutions are not in the state of reopening. Online education has been largely ineffective due to infrastructure not being built to teach online and accessibility of students to the internet is far less especially from outside major city areas²⁸.

Nevertheless, the government has been prioritizing offering online, distance education, where inaccessible direct home-based visits for students, in collaboration with local TV, radios, even coordinating with concerned organizations for providing necessary education mainly targeting underprivileged, remote students²⁹. To overcome the dilemma among the students regarding their future, some of the schools and universities conducted the online exams, and the ministry of education also has declared 7 months education calendar for this year.

Student's socio-psychological state of mind has degraded during this time which would have been valuable time to gain knowledge, social and relatable skills. Apart from that teachers and school staff were not getting a salary during the lockdown duration.

World Bank to provide \$10.85 million in grants to support the education sector amid Covid-19 crisis³⁰.

Tourism: Detail analysis of the Covid-19 effect is undertaken in the following section which has been under one of the heaviest economically hit areas during this pandemic around the country.

Covid-19 and Impact on the tourism industry

During first quarter of 2020, there was a 22 per cent drop in global tourists arrivals stated by global international agency, keeping in mind that pandemic was declared on 11 March 2020 only³¹. UNWTO also stated that from January to June 2020, the international travel drops account for 440 million international travelers with a 460 billion dollar export revenue lost during the same period³². Directly and indirectly millions of jobs and livelihood are at risk which is interlinked with the tourism industry, this crippled sector may take years to heal.

Historical Perspective: Civil war: The pre-civil war period was a decent period for Nepal's tourism industry. During the civil war (1996-2006), many infrastructures, development projects were run-down, security issues were linked with the war. The frequent number of strikes, blockades, shutdowns, and extortions all discouraged the tourism industry during the period. Post this war, the following year, 2007, Nepal Tourism Board had recorded the maximum number of tourists arrival after Sir Edmund Hilary and Tensing Norgay scaled Mount Everest in the year 1953 A.D.³³.

Earthquake: When the tourism industry was flourishing after the end of the civil war, in 2015, a catastrophic earthquake hit Nepal, which was immediately followed by a trade blockade from the southern border which causes huge economic losses where tourism declined by 33 per cent during the time. 7.6 magnitude of Earthquake in April 2015 heavily shook the tourism industries as well as related livelihoods. US\$ 7 billion financial hit by earthquake was accompanied by 0.81241 billion-dollar losses only in the tourism sector. The apparent impact of the earthquake was observed post-earthquake, even after nine months of Earthquake where inbound tourist arrival was so low that was six-year lowest in 2015³⁴. Restoring tourism infrastructures and facilities took time. After five years, when the country was in preparation for "Visit Nepal 2020", Covid-19 strikes.

Current Perspective: Pandemic: The immediate effect of Covid-19 was not so conspicuous when Wuhan, China was in lockdown. When it started to spread on speedily around the world and WHO was forced to declare pandemic and in Nepal, as a consequence, a lockdown was imposed on March 24. It was an immediate action taken by the government of Nepal, when there was just a single case Covid-19 case also already treated and one other confirmed case undergoing isolation.

Lockdown: The main goal behind lockdown was to disable public movement so that Covid-19 would not be communicated with people being restricted to travel around and in fear of having low health infrastructure developed around the country, the government at once decided to go for lockdown. The effect of Lockdown was primarily seen on air flight, public transportation, job sector leading to a standstill in public mobility.

Tourism Revenue: During the civil war period (1996-2006) in Nepal, tourism could not get flourished, Figure-1. In 1998, when the 'Visit Nepal 98' campaign was introduced, tourists' number was at the peak which then fell and could not rise above till 2006. After the peace treaty, in a single year, there was an increment of 37.2 per cent in tourist arrival which again due to global recession declined to -5 per cent. The tourism industry was then prospering highly but in 2015 when the Earthquake struck, there was a sharp decline of up to -31 per cent in the number of tourists. In the following year, there was an increment of a staggering 71 per cent in tourist numbers. The trend was continuously rising in terms of the number of tourist's arrival until 2019. In Nepal, a larger proportion of tourists arrives through air services which were 995,884 whereas, only 201,307 arrived through land mode in 2019 which showed preferences are vastly gaping to air from land routes. Nevertheless, it shows that Nepal has an incremental rate of tourist's arrival and with the "Visit Nepal 2020" campaign, the number was expected to increase high this would have led to incremental growth in revenue generation all being shattered by Covid-19.

Figure-2 shows that the tourism industry in Nepal is overall showing a growing revenue pattern apart from the year 2015 when a major earthquake hits the country during which the number of tourist arrival fell so did the revenue. It nearly has doubled from 379.02 million USD to 724 million USD within 9 years of period indicating it as one of the major contributors to the economy. It backs by direct revenue with employment, necessary foreign exchange, and also with an indirect effect on tourism-related earnings.

How does the COVID-19 crisis affects tourism in Nepal: In Nepal, lockdown measure was taken early on March 24, till April only imported few Covid-19 cases were observed. When the lockdown was eased in May, from the date onwards in June,

many Nepalese people returning from India showed alarming Covid-19 cases. Total cases declined with a decrease of returnee from India in July. Since then it has been growing rapidly. Proportion wise male infection from Covid-19 is higher than female as it has been seen in globally.

Before easing lockdown, Bagmati province was least affected compared to Karnali, province 2, and Sudurpaschim but after flexible lockdown mode taken by the government, the situation has overturned, making Bagmati province the highest affected region in comparison to other provinces (Figure-4). It has been observed that high mobility area like Kathmandu valley, cities like Chitwan, Birgunj where people travels a lot have a high infection rate.

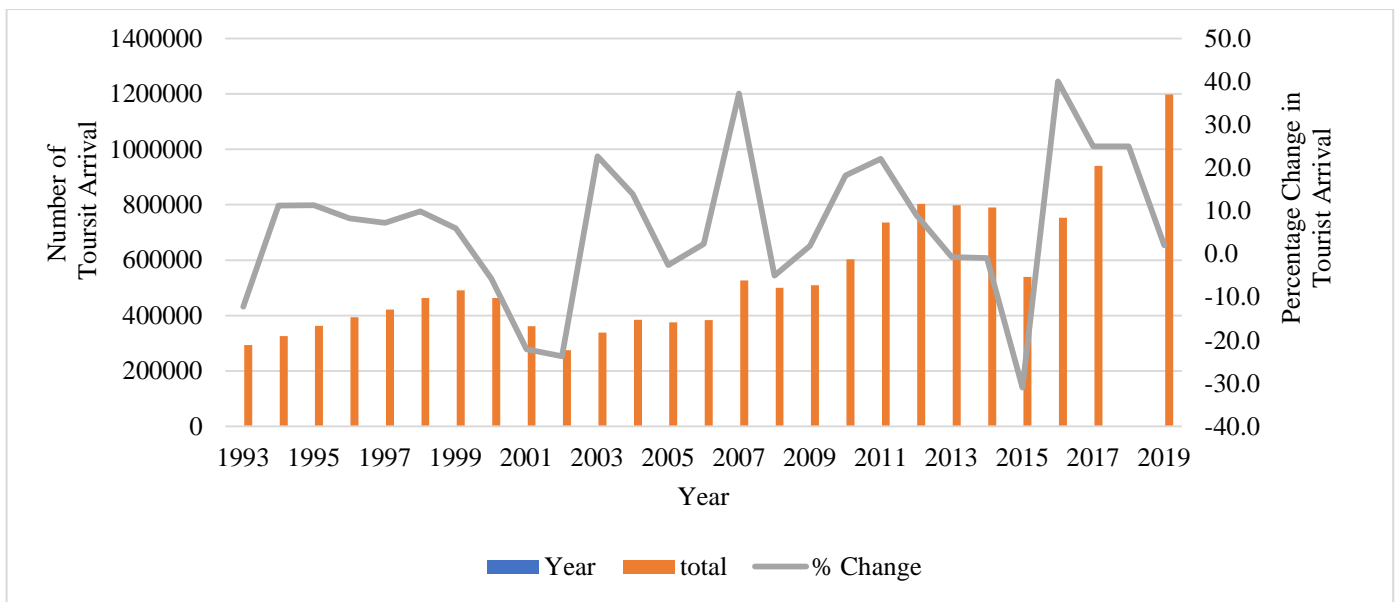


Figure-1: Tourists arrival by year in Nepal (1993-2019)³⁵.

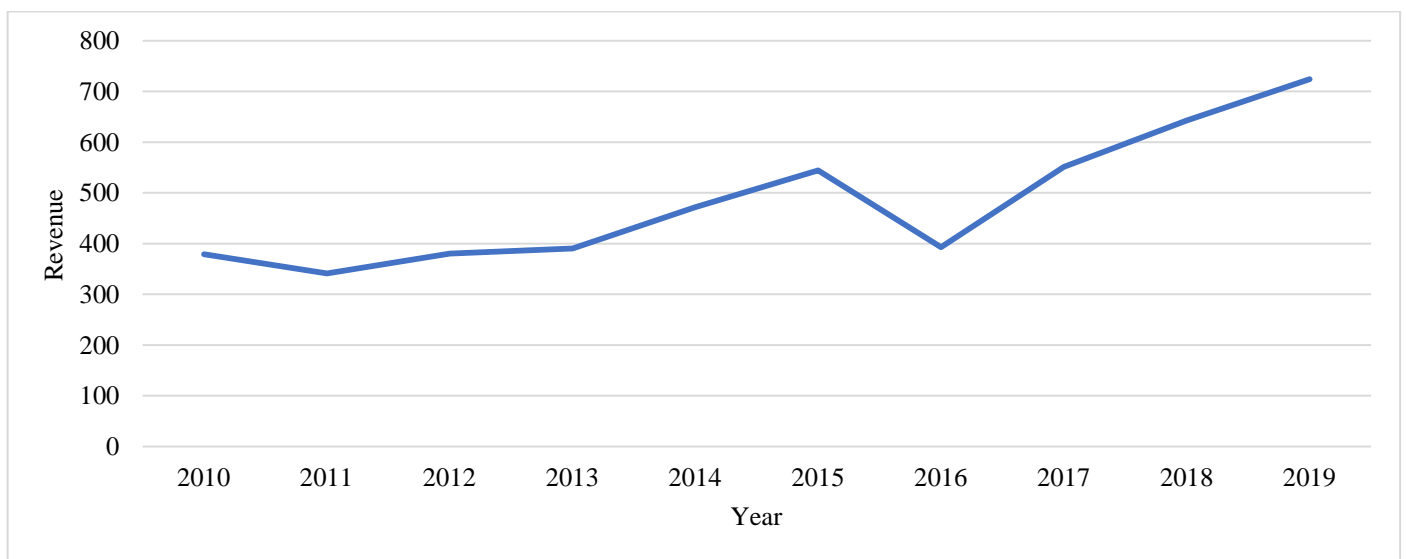


Figure-2: Total Revenue from Tourism (2010-2019)³⁶.

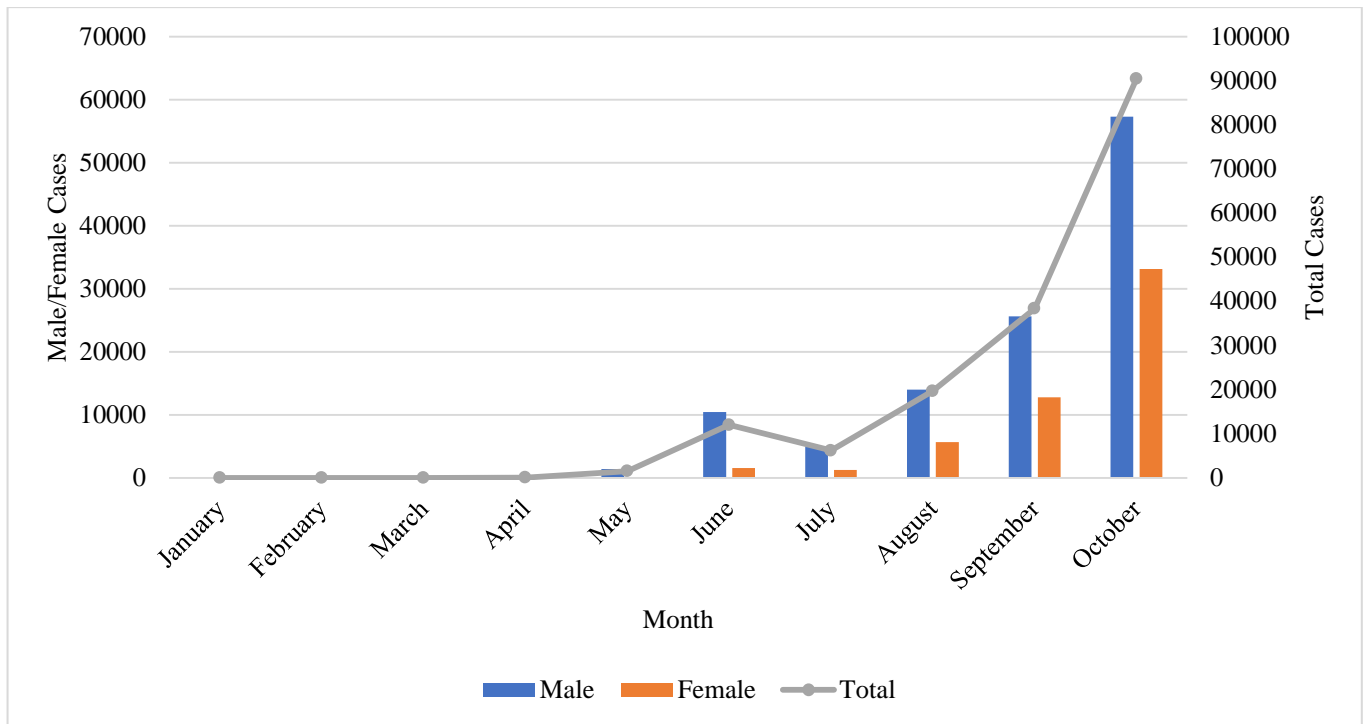


Figure-3: Total Cases (Till October 30)⁴.

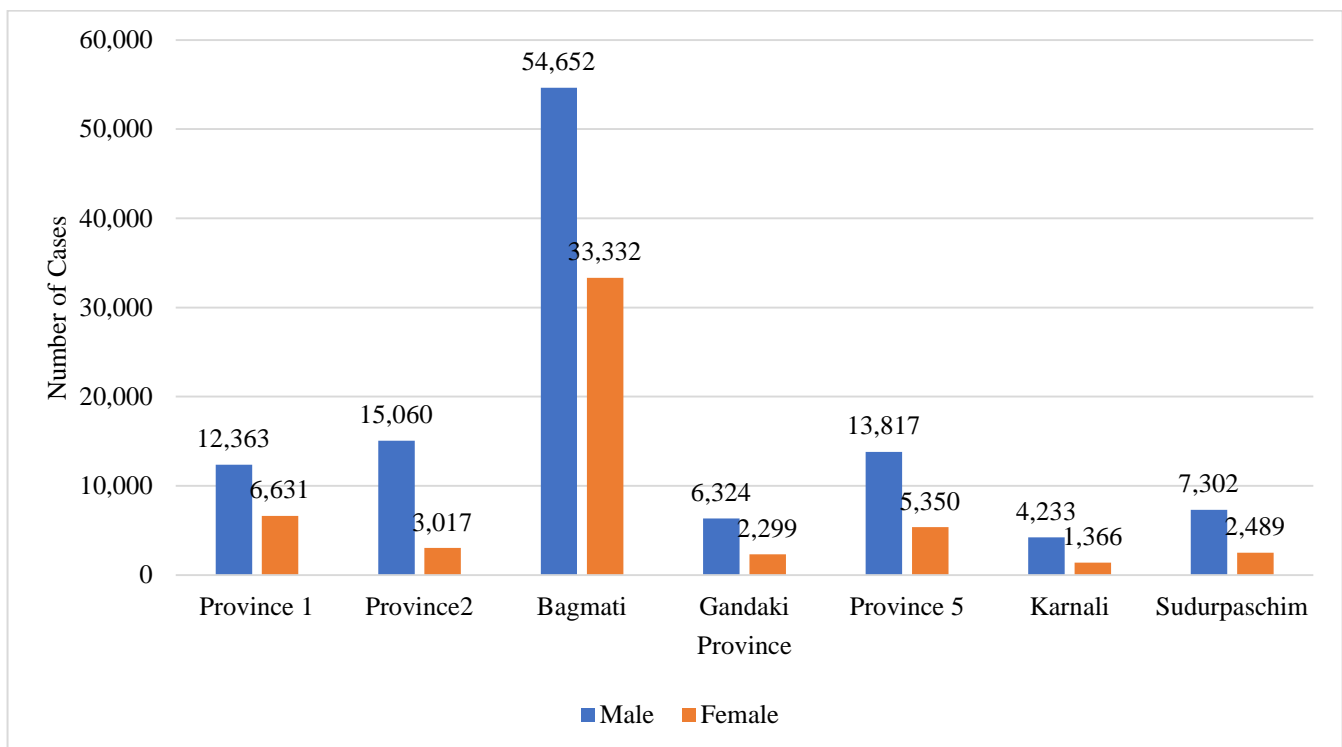


Figure-4: Cases by Provinces (Till October 12)⁴.

As per Figure-5, just food and beverage serving activities contribute to 47.1 per cent of total employment in tourism sector, followed by road passenger transport and accommodation for visitors with 23.4 and 19.2 per cent

respectively. Employment distribution is low in air passenger transport. This indicates, in Nepal, Food and Beverages sector of tourism is highly affected. Apart from that, all these sub-sectors' employees are at major socio-financial risk³⁷.

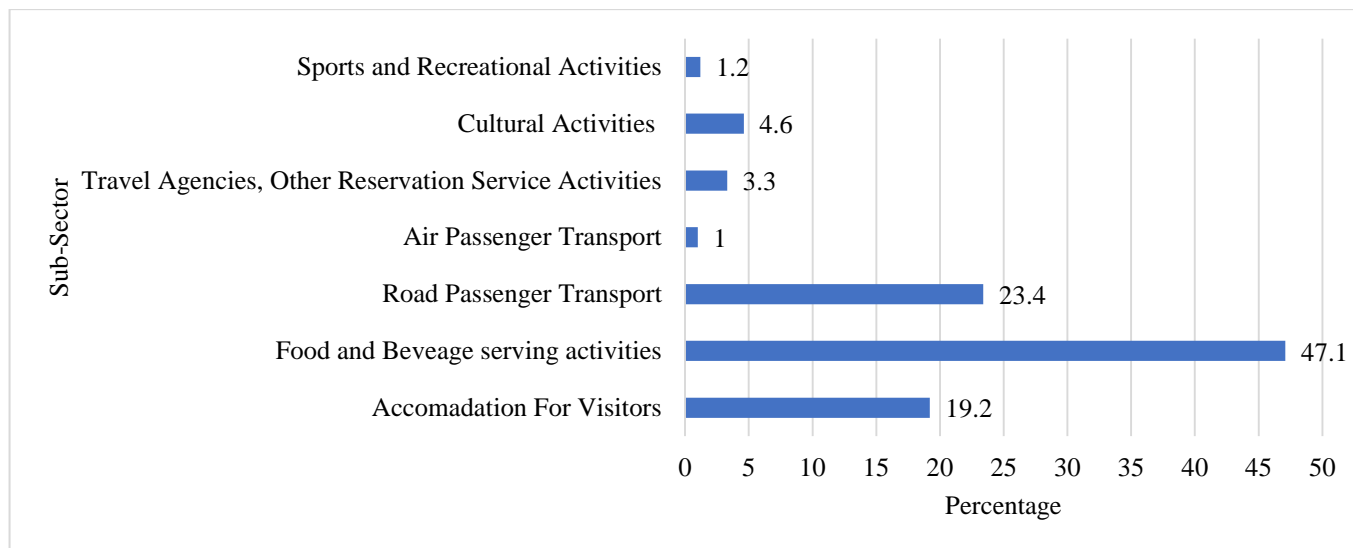


Figure-5: Tourism Employment by Sub-Sectors³⁷.

When public transportation and movement was hindered, it affected directly to the tourism industry in multiple ways. It was before the pandemic declaration when the number of Chinese tourist arrivals was cut down because China was hit first by the virus and in context to Nepal, travelers from China hold as far as 20 per cent of total tourists. The number of international travelers further declined with an increase in Covid-19 and immediately after lockdown, all the flights were in halt, leading to the cancellation of the hotel, motel, air-ticket booking. This caused a severe impact on the government “Visit Nepal 2020” campaign where there was a huge investment for promotion by the government at one side, whereas, many hoteliers, tourism mercantile had huge expenses, loans entirely relying on tourist arrivals and expenses. In this particular year, the government with the 2020 campaign was targeting 2 Million visitors and had enormous expenditures but this year the possibility is nullified by Covid-19.

From the day lockdown was imposed, many firms lost their revenue, within 1 to 2 months they had to reduce their employee by either boycotting, reducing the number of employees, or reduced paycheck measures. In the tourism sector, many hotels and related business houses also have been implementing the same ways to survive. In response to revive and rebound the economy, the government took ease down measure, whilst another business is slowly returning to the normal stage, the tourism sector though opened and domestic tourists having some flow but yet, is far from returning to normal till the Covid-19 vaccine or cure is discovered or similar proper precautionary measures are undertaken.

Many infrastructures were added targeting the “Visit Nepal Year 2020”. As per the HAN, one hundred billion was invested in 2019 to add 3,143 number of beds, and 9 additional star hotels, 26 tourist’s standard hotels in additional to 2018³⁸.

Huge loans were taken, to build this infrastructure, such loans and advances from this sector have repayment issues, many are near to bankruptcy. In response, on September 27, a tourism revival campaign was officially launched by the Government of Nepal.

According to the Department of Immigration, from January to August 199,903 foreigner tourists came to visit Nepal, considering, most of the arrivals were pre lockdown periods. Compared to 2019, within the same eight-month 739,000 tourists arrived in Nepal³⁹. This all sums up to a loss of around NPR 60 billion as sourced from Ministry of Culture, Tourism, and Civil Aviation in Nepalese Tourism Sector⁴⁰. The loss is still profound as there was a “Visit Nepal 2020” campaign with tourist targeting 2 million, the expenses of event promotions are lost. Tourist stay has declined, since out of the foreign entrant 232,082 of them have left Nepal due to the Covid-19 effect. Also, noticeable, as NTB quotes “The NTB has released a budget worth NPR 807 million for the current fiscal against NPR 1.63 billion allocated last fiscal”, which shows significant drop of budget allocation compared to last year.

As per the UNCTAD, within South-Asia, Nepal shares jobs within tourism as much high as 8.1 per cent and since three out of four workers are in informal jobs, Covid-19 has highly affected those susceptible groups of people. Since these informal sectors are considered to even have a lack of basic employment protections from financial to social justice. Since remote working is untypical in this sector, So especially there are disadvantages for such informal workers⁴¹.

According to ILO stat, In Nepal, out of total employment, around 8 per cent is covered by tourism industries where informal employment in the tourism industry accounts for approximately 80 per cent.

As per the same source, total employment in the tourism sector by gender is approximately 7 per cent and 9 per cent female and male respectively⁴².

Also, Nepal's hotel line has been such badly hit, that business is almost nil and many employees took salary cuts and even 25 per cent of employees had been terminated. With Covid-19 hitting hard in the Nepalese scenario, the possibility of sooner revival of tourism industries is almost nil and is said to take minimum five years to completely get well. As per the Ministry of Tourism, 70% of revenue will be lost from this sector it is expected remain same until the spring of 2021⁴³.

Current policies, Stimulus Package, and Subsidize made by Government

In response to Covid-19, during lockdown and post lockdown time, the government has announced several policies and subsidies measures for the survival of the economy. Based on the category of either the sector is high, semi, or least effected relief provisions were provided on a priority basis. In relation to the tourism industry which is categorized as highly affected. Travel and tourism entrepreneurs having credibility with regular installments were made entitled to short term loans with easy 5-day post-application processing.

During the initial phase of the lockdown period, the government of Nepal established the Central Relief Fund of about 5 Million dollars to fight against Covid-19⁴⁴. The government has also prioritized small and medium enterprises for refinancing facility.

Cash Reserve Ratio was reduced by 100 basis points to 3.0 per cent so as to inject liquidity into economy. Likewise, Bank Rate and SLF was declined by 100 basis points to 5.0 per cent by Nepal Rastra Bank⁶. Nepal telecom and NEA had provided 25 per cent privilege to their customers on their internet and electricity charges during the lockdown and non-penal charges till Asoj 22 (Oct. 8) for those whose meter had not been read till Bhadra as per the ministry of energy, water resource and education⁴⁵.

GoN had extended the tax payable period as per the lockdown and relevant situations from March to July 21⁴⁶. The government has made a policy to ensure the health sector frontline medical practitioners and provide risk allowance. Also, the Covid-19 insurance policy is backed up by the government.

The government had announced the deferrals of monthly amortization until for one year without penal charge for such highly affected area. Also, in the case of no tourist hotels, loan repayment is extended by two years. As per the NRB relief package, it has assured to provide additional working capital loan up to 10 per cent of the existing approved limit for business affected by Covid-19 as like small and medium industries, entertainment and export industries, business or projects which

are related to tourism and airlines sector, transport services, etc. Also, in the agriculture sector, the government has provided a necessary grant to farmers for seeds, fertilizers in either free or low priced.

Apart from that, on 29 March 2020 relief packages, the government directed to pay the salary of employees even with the utilization of welfare funds. Social security contribution for Chaitra (mid-March to mid-April) month was deposited by the government⁴⁷.

Free internet services has been declared by Ministry of Education, Science, and Technology targeting students as per Student Learning Facilitation guideline provisioned on 19 Bhadra and has prioritized online education during this pandemic⁴⁸.

As the Civil Aviation Improvement Program, the Ministry of Finance has accepted equivalent to 50 million USD loan from ADB⁴⁹.

Ministry of finance of Nepal and The World Bank, had signed agreement for receiving 29 million USD for Covid-19 Emergency Response and Health Systems Preparedness Project⁵⁰. Also, the team had made a credit agreement of 100 million USD to improve Nepalese energy sector and recover from the Covid-19 pandemic⁵¹.

Conclusion

The trillion-dollar tourism industry around the globe is in jeopardy along with the jobs and economy associated with it. In Nepal, the effect of Covid-19 is at maximum concerning education, transportation, aviation, telecommunication, construction, and the real estate sector which directly and indirectly is correlated to tourism sustenance, the extremely impacted sector. Due to illiteracy and lack of social-health awareness, especially after an ease in lockdown, the rate of Covid-19 infection has sky-rocketed causing a high impact in infrastructure development, informal employment sector ultimately leading to reduced revenue and a grave effect on the economy. GoN has announced different financial stimulus, subsidy packages, time and again to overcome this Covid-19 situation. Even though related entrepreneurs are guessing a long recovery time, it is expected that, just like post-long civil war, mega-earthquake the situation will be contained and tourism in Nepal will rise once again.

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