

# Assessing the Socio-economic Impact and Post-pandemic Recovery of Bhaktapur's Tourism Sector

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## Abstract

**Background:** The COVID-19 pandemic caused significant disruptions to the global tourism industry, including business, economic instability, and a substantial loss of jobs. One of the hardest-hit industries, tourism, was almost entirely shut down by travel restrictions and health controls. Numerous companies that depended on tourism suffered, and Bhaktapur, a city in Nepal famous for its UNESCO World Heritage sites, saw severe economic effects.

**Methodology:** This study assesses the socioeconomic effects of the COVID-19 pandemic on Bhaktapur's tourism industry using primary and secondary data sources. A comparison of pre-pandemic and post-pandemic tourism patterns was conducted using surveys and interviews with residents, entrepreneurs, and staff members of the tourism sector. The collected data was examined using statistical tools such as correlation analysis, trend analysis, and percentage changes.

**Results:** The findings show a dramatic decline in tourism-related income and employment, with visitor arrivals in 2020–21 falling by 98.5% from 2019–20. The socioeconomic effects, which were especially apparent among small businesses, street vendors, and local guides, worsened the poverty and economic instability in the area.

**Conclusion:** The findings indicate the need for recovery plans that are urgently focused, such as investments in digital marketing, infrastructure upgrades, and public-private partnerships, in order to boost Bhaktapur's tourism industry. Additionally, government initiatives should focus on improving resilience in order to safeguard the travel and tourism industry from future global crises.

**Keywords:** COVID-19, Tourism, Revenue, Economic, Recovery, Pandemic.



## Introduction

One of the most culturally significant cities in Nepal, Bhaktapur, has a large population of people employed in the tourism industry. Nepal's Bhaktapur has always been a well-liked travel destination because of its vibrant cultural past and ancient buildings (Sharma, 2020). The 301,012 tourists that visited the city in 2014 illustrate its importance to Nepal's tourism economy (Nepal Economic Forum, 2021). Nevertheless, the global COVID-19 epidemic, which began

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in late 2019, significantly curtailed international travel, which had a detrimental effect on Bhaktapur's journey. Bhaktapur still has a long way to go before visitor numbers return to their pre-pandemic levels, even if there has been some improvement in foreign tourism by 2024. This study focuses on the socioeconomic impacts of COVID-19 on Bhaktapur's tourism sector and its implications for the local community.

## **Literature Review**

Because it generates foreign cash, jobs, and cross-cultural contacts, tourism plays a major role in Nepal's economy. In 2023, tourism brought in NPR 327.9 billion, or 6.1% of Nepal's total GDP, and brought in NPR 61.5 billion in foreign exchange earnings (Investment Board Nepal [IBN], 2023). Furthermore, the tourist industry supports 1.19 million jobs, or 15.2% of all jobs (The Kathmandu Post, 2024). The COVID-19 pandemic had a devastating impact on tourism globally in 2020, causing a 74% decline in foreign visitor numbers (UNWTO, 2021). Due to mounting pandemic concerns, the government discontinued the "Visit Nepal 2020" campaign in March 2020, resulting in a decline in the tourism sector's GDP contribution from 7.5% in 2019 to 4.3% in 2020 (UNWTO, 2021). The elimination of COVID-19 vaccination requirements for tourists by June 2023 was a sign that tourism was returning to normal (U.S. Embassy in Nepal, 2023). A major factor in the sector's recovery has been the government's efforts to endorse vaccination campaigns and other financial initiatives. Nepal also benefited from the diplomatic use of immunizations, which boosted trade and tourism, according to the International Institute for Development Studies (IIDS, 2020). According to the World Travel & Tourism Council (2024), the direct contribution of travel and tourism to Nepal's GDP is predicted to grow by 4.1% annually between 2024 and 2034, reaching NPR 186.4 billion (approximately 2.5% of GDP), driven by increased tourist arrivals, improved infrastructure, and continued government support.

## **Methodology**

A mixed-method strategy is used in this study to gather data, which includes both qualitative and quantitative methods. Using surveys and interviews, primary data was collected from 70 households, 18 street vendors, 15 store owners, 18 local guides, and 19 tourism entrepreneurs who are involved in the local tourism business. Secondary data came from municipal records, government reports, and relevant literature. To assess the socioeconomic impacts of the COVID-19 pandemic on Bhaktapur's tourism sector, trend analysis, percentage changes, and correlation analysis were employed.

## **Sample Distribution**

Category	Sample Size
Households	70
Street Vendors	18
Tourism Businesses (Hotels & Restaurants)	15
Local Tour Guides	18
Tourism Entrepreneurs (Souvenir Shops)	19

## **Results and Discussion**

### **Tourism Trends in Bhaktapur**

There are notable differences between the 2015 and 2020 visitor arrival records, especially due to the 2015 earthquake and the COVID-19 pandemic. Tourism saw a sharp decline as a result of the outbreak, and it only partially recovered in 2021.

Table 1

Tourism Trends from 2052/53 B.S. to 2062/63 B.S.

Year	No. of Tourists	Trend
2052/53	112,740	Increasing

Year	No. of Tourists	Trend
2053/54	110,852	Increasing
2054/55	121,350	Increasing
2055/56	140,077	Increasing
2056/57	148,117	Increasing
2057/58	141,312	Increasing
2058/59	69,700	Decreasing
2059/60	54,561	Decreasing
2060/61	84,914	Increasing
2061/62	68,467	Decreasing
2062/63	69,411	Increasing
Total	1,121,501	

Between the years 2052–2053 and 2057–2058 B.S., Bhaktapur's tourists steadily increased. But in 2058/59 and 2059/60 B.S., there was a decline, either due to political disturbance or economic difficulties. Up until 2062/63 B.S., there was a recovery that began in 2060/61 B.S.

Table 2

Tourism Trends from 2069/70 B.S. to 2078/79 B.S.

Year	No. of Tourists	Percentage Change
2069/70	147,898	-
2070/71	153,895	+4.05%
2071/72	135,015	-12.27% (Earthquake)
2072/73	61,747	-54.26% (Earthquake)
2073/74	108,853	+76.31% (Recovery)
2074/75	127,634	+17.28%
2075/76	141,216	+10.63%
2076/77	93,434	-33.84% (COVID-19)
2077/78	1,383	-98.52% (COVID-19)
2078/79	22,087	+1497.68% (Recovery)
Total	993,262	

The above-mentioned study was based on the data from the table for Bhaktapur's tourism patterns from 2069–2070 to 2078–2079 B.S. It explains the impact of external events on tourism, such as the 2015 earthquake, the COVID-19 pandemic, and the subsequent recovery. According to the data, the pandemic caused a significant decline in 2076–2077 and 2077–2078 B.S., but in 2078–2079 B.S., visitor visits had a stunning recovery, rising by 1497.68%.

Table 3

Economic Impact of COVID-19 (Entrance Fee Revenue)

Year	No. of Tourists	Ticket Fee (Rs.)	Total Revenue (Rs.)
2069/70	147,898	1,500	221,847,000
2070/71	153,895	1,500	230,842,500
2071/72	135,015	1,500	202,522,500
2077/78	1,383	1,500	2,074,500
2078/79	22,087	1,500	33,130,500

With 153,895 visitors in 2070–71 B.S., admission charge earnings peaked at Rs. 230,842,500. However, the

COVID-19 lockout caused revenue to drop sharply to Rs. 2,074,500 in 2077/78 B.S. Revenue climbed to Rs. 33,130,500 in 2078/79 B.S. as a result of an increase in tourists.

Table 4

Employment in the Tourism Sector Before and After COVID-19

Category	Employment Pre-COVID (2019)	Employment Post-COVID (2021)	Percentage Change (%)
Tourist Guides	250	80	-68.0
Hotel/Restaurant Staff	1,500	600	-60.0
Souvenir Shop Owners	300	100	-66.7
Street Vendors	400	150	-62.5

The severe socio-economic impact of the pandemic was shown by a chi-square test that confirmed a statistically significant drop in employment across all categories (p-value < 0.05).

## Discussion

The tourism sector of Bhaktapur was strictly impacted by the COVID-19 pandemic, leading to a 98.5% loss in visitors between 2020 and 2021. An example of this decline was the significant decline in entry charge income during the epidemic transported on by rigorous travel restrictions and lockdowns. The data indicates a disastrous impact on the local economy, with tourism-related revenue production considerably declining throughout this period. The tourism business in Bhaktapur exhibited signs of recovery in 2021–2022, despite these challenges, as indicated by a stunning 1,497.68% rise in visitor arrivals. This recovery resulted in a notable boost in revenue, while it was still much below pre-pandemic levels. Although the dynamics and challenges will be different, the post-pandemic recovery increases the likelihood of tourism returning. Employment was also significantly impacted by the pandemic, with the tourism sector suffering significant job losses. Local guides, hotel and restaurant staff, gift shop owners, and street vendors were the hardest-hit groups. The tourism industry has experienced up to 68% job losses, which emphasizes the urgent need for recovery programs focused on labor reintegration and sector stabilization.

Even though recovery efforts have begun, it is evident that Bhaktapur's tourism industry need extensive and long-term measures to regain its pre-pandemic vigor. Important recovery efforts should include the creation of public-private partnerships, infrastructure improvements, and digital marketing campaigns to boost sector resilience. Policymakers must place a high premium on developing adaptable regulations that can shield the travel and tourism sector from impending global upheavals.

## Conclusion

Due to the COVID-19 epidemic, Bhaktapur's tourism sector has been severely impacted, with significant declines in visitor numbers, revenue, and employment. Massive job losses and unstable economies are among the socioeconomic effects that require immediate attention. Reconstruction plans should incorporate digital marketing, infrastructure development, and forming partnerships between the public and private sectors to boost resilience and ensure sustainable growth in Bhaktapur's tourism industry.

## Recommendations

The following crucial actions should be taken to revive the tourism industry after the pandemic:

**Digital Marketing & Promotion:** Boost your online visibility via influencer partnerships, social media, and virtual travel.

**Infrastructure & Sustainability:** To enhance the experience of tourists, upgrade roads, sanitary facilities, and environmentally friendly projects.

**Public-Private Partnerships:** By working together, the public and private sectors can aid in the financial recovery.

**Workforce Support:** Put in place financial assistance and reskilling initiatives for small enterprises and tourism employees.

**Policy and Crisis Management:** Create flexible visa requirements, adaptable policies, and crisis management plans.

**Promotion of Culture and Heritage:** To draw tourists, plan cultural activities and community-based travel.

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