

6th International Conference on Big Data for
Official Statistics
31 August - 02 September 2020



RAPID SOCIOECONOMIC IMPACT ASSESSMENT OF COVID-19 ON TOURISM AND ALLIED SECTORS IN BHUTAN

UNDP and National Statistics Bureau (NSB)

Presented by
CHHIME TSHERING
NATIONAL STATISTICS BUREAU, BHUTAN

I. BACKGROUND

- Joint effort of Royal Government of Bhutan (RGoB) and UN agencies (UNDP, NSB, PMO, GNHC, TCB, MoLHR, UNICEF, WFP)
- Tourism an important growth sector for Bhutan
 - ✓ One of the major source of foreign currency earnings
 - ✓ Revenue (FY 2018/19): 3.1% of the Total Domestic Revenue
 - ✓ Employment and its potential: 16% of working population
 - ✓ Dependents - Hotels, Handicraft shops, tour operators, airlines, restaurants and cafes, entertainment centers etc.
- First Covid-19 case was confirmed on 06 March 2020
- Ban on all incoming Tourists (likely to continue for extended period)

II. OBJECTIVES OF THE ASSESSMENT

- To gain a quick understanding of the overall nature of impact of the COVID-19 crisis on tourism and affiliated sectors, and the individuals engaged in the sector.
- Find out the social and economic vulnerabilities of the affected individuals, their coping abilities and alternative employment preferences.

III. METHODOLOGY

- Sample Frame:
 - ✓ *9 sub-sectors: hotels, tour operation, restaurant, guiding, river rafting, handicraft, airlines, entertainment centers (karaoke bars), street vendors*
 - ✓ *5 districts: Thimphu, Paro, Punakha, Bumthang, Phuntsholing (Chukha)*
- Sample size: 1320; Response rate – 97.3% (1285)

IV. KEY FINDINGS

Key Finding 1: The impact of COVID-19 is already deep, widespread and cross-cutting.

- The decline of the tourism sector has a significant impact on the individual-level as well as household-level livelihood.
 - ✓ *32 percent of employees had already lost their job or been sent on leave without pay.*
 - ✓ *For a majority of households (63%), income from tourism is their only source of livelihood*
 - ✓ *74 percent of affected households reported a significant drop in income (decline by more than 50%).*
- Many households lack savings to carry them through the crisis.
 - ✓ *17 % - no savings or other means of subsistence starting immediately.*
 - ✓ *31 % - can only sustain for up to one month.*
 - ✓ *22 % - have income or savings to sustain beyond 6 months.*

IV. KEY FINDINGS.....

- Many households (one in four households) have one or more vulnerable member(s); and amongst those households, a majority (roughly 70 percent) have reported a significant drop in income.
- An overwhelming majority of business owners (and a sizable number of other respondents) have debt, and their capacity to repay is compromised.
 - ✓ *87 % of business owners have debt and 44 % of them are not in a position to pay EMIs immediately.*
 - ✓ *47 % of employees (regular and casual) are indebted and around 36% are not able to make repayments immediately.*

IV. KEY FINDINGS.....

Key Finding 2: There is a strong interest in alternate employment, especially in few (but not all) vocations.

- Interest in alternate employment is strong, especially in agriculture (20%) and few vocations such as electrician (16%), delivery (17%), carpentry (11%) and plumbing (11%).
- Gender played an important role in determining both: i) the interest in alternative employment and ii) the occupation of interest.

Key Finding 3: While the impact of COVID-19 is hard hitting, coping capacity is limited.

- Seeking government help was among the popular coping strategies; and curbing consumption was among the least popular coping strategies reported.
- Urban to rural migration may be forthcoming.
 - ✓ *Moving back to villages was among the top three choices for coping with crisis reported by employed (including self-employed) individuals.*

V. RECOMMENDATION & CONCLUSION

- The impact due to decline in tourism is significant
- A robust response strategy is required to:
 - ✓ address the needs of those who are most vulnerable
 - ✓ address the immediate, medium and long-term needs of the tourism sector
- The report contains some recommendation to provide immediate policy responses.
- Links to access the full report:
 - ✓ https://www.bt.undp.org/content/bhutan/en/home/library/environment_energy/rapid-socio-economic-impact-assessment-of-covid-19-on-bhutan-s-t.html
 - ✓ <http://www.nsb.gov.bt/publication/files/pub1ip5024jn.pdf>
- Important to involve the NSO/country in any statistical activities