



Covid-19 Impact on Tourism of Swat Valley Pakistan

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Abstract

The current qualitative study regarding socioeconomic impacts of the COVID-19 pandemic on the tourism industry was conducted in Tehsil Babuzai, district Swat. The region is having a great potential in tourism industry. Purposive sampling method was adopted and in-depth interviews were conducted with nine hotel managers in tehsil Babuzai to gather information about tourism industry's condition before, during and after the pandemic. Narrative analysis method was adopted to draw findings and conclusion on the basis of collected data. The findings showed that the local tourism industry which was a major contributor to regional economy and employment before pandemic suffered various travel restrictions, business shutdown and a complete lockdown in the area. This led a huge decline in the number of tourists, causing the financial failure to hotels, unemployment of hotel workers and disruption of tourism related businesses and operations. However, the study concluded that tourism rebuild after the restrictions were lifted and gradual increase in the number of tourists and tourism related activities were began. The research highlighted governmental support and intervention to minimize the impact of future events on tourism sector.

Keywords: COVID-19, Pandemic, Tourism, Socioeconomic

Introduction

Background of the study

The Corona virus pandemic known as COVID-19 was started showing up in China, Wuhan city in 2019 and was spread rapidly throughout the world. In the early 2020 the World Health Organization (WHO) declared the pandemic as public health emergency because it created extraordinary challenges around the world (Stojkoski & Tevdovski, 2020). During COVID-19 pandemic most enterprises experienced a reduction in operations during the lockdown, while 23% of enterprises reported a complete loss of export orders. Similarly, enterprises also reported supply chain disruptions, with most firms fired off more employees than necessary. In addition, almost all businesses reported financial problems (Ganaie & Zafar, 2020). Though the countries

imposed lockdowns, ban and restrictions on flights and closure of tourist sites to prevent the spread of COVID-19 has created significant impacts on the sectors including tourism and hospitality. It was a time of dramatic downturn for the global tourism industry, which accounts for about 10% of the world's GDP, causing losses of more than US\$820 billion worldwide. According to the World Travel and Tourism Council (WTTC), the sector's share of global GDP fell by 53.8% in 2020 and 62 million jobs were lost. The suspension of the tourism industry as a result of social distancing mandates has caused severe disruption to transportation, an essential component of this ecosystem, as many businesses have had to close, or at least operate at a reduced scale (Moghadas, Fitzpatrick, Pandey, Shoukat, & Galvani, 2020). However, with various crises in the country, Pakistan's tourism sector was proved to be a huge source of income and employment as the statistics revealed that the Gross Domestic Product (GDP) was 3.1% with 6.2% of the total employment in the year 2013 (Abdur & Muhammad, 2015). Similarly, in the year 2016, the total income was raised to US\$19.4 billion which is 6.9% of the GDP in the country (Pakistan Tourism Development Corporation, 2019). The Khyber Pakhtunkhwa which is the smallest province decorated with unique climatic diversity is well known for its huge potential of tourism sector due to various archeological sites, scenic views, sources and spots of tourist attractions and various religious monuments (Israr, et al., 2009). The tourism is not only beneficial for tourists and residents of the area, but also plays an important role in the national economy (Arshad, Iqbal, & Shahbaz, 2018, and Arif, & Shikirullah, 2019). As the temperature level increased beyond 30°C around the world, the tourists from within the country and outside the country started movements towards the beautiful tourist spots of Khyber Pakhtunkhwa such as Naran Kaghan, Shougran, Nathya Gali, Swat, Chitral and Kohistan valleys. These mountainous areas are adorned with various natural landscapes, including sky-high mountains, glaciers, rivers, lakes, waterfalls, and forests (Sanaullah, et al., 2020). However, the current impacts of the COVID-19 pandemic were severe for Pakistan because developing countries like Pakistan largely depending on developed countries for certain industries like medicine and technology (Burhan et al., 2021). Therefore, the current study was conducted in Swat valley Khyber Pakhtunkhwa which has rich tourism potential and various tourist spots that attracts visitors from within the country and abroad.

Objectives of the study

- To evaluate the socioeconomic impacts of COVID-19 on the tourism industry in Swat valley.
- To assess the effectiveness of government interventions in supporting of the tourism industry during COVID-19 pandemic.

Statement of the problem

Pakistan has a great potential of natural and cultural resources that can be utilized for long term tourism (Baloch & Rehman, 2015). The country has a strong capability to draw attention of visitors from all around the world. The most important aspect of developing Pakistan's tourism business is attracting tourists. Tourism can become more competitive if it combines a variety of attractive aspects, such as sightseeing, shopping, gaming, tradition, history, wildlife, and recreational opportunities (Alastal & Burdey, 2017). Two major threats to the tourism sector have been identified during the 21st century are climate change and global health crises (Jamal & Budke, 2020). COVID-19, a transmittable infection, originated in China (Wuhan City) and soon became a pandemic with disturbing devastation throughout the world (Rodríguez Antón and Alonso-Almeida 2020). The pandemic became a contagious disease with no prescribed treatment and unprecedented geographic spread against an unusually immune world (Bostan et al. 2020;

Gursoy and Chi 2020). The pandemic has had a depressing effect on entire industries, and the tourism industry has been the hardest hit worldwide. A report of (JHCR, 2020) showed that total cases of corona pandemic exceed 7 million till August 21, 2020, with 794,274 deaths. COVID-19 is a huge challenge with the power to weaken socio-economic deprivation, environmental protection, host-guest relationships, and even the very essence of global travel and tourism. It can damage lives, disrupt markets, jeopardize health services, reduce asset values, and trigger long-term geopolitical shifts (WTTC, 2020). Increase in the rapid spread of the COVID-19 virus since February 2019 has created insecurity in economic activity, resulting in most countries imposing partial lockdowns. The closure of non-essential businesses has had a substantial impact on the business sector worldwide. In Pakistan, inflation rose from 6.8 to 11.8 between March and July 2019, while the current account deficit narrowed from 1.0% of GDP in February-July FY2020 to 3.5% in the same period in FY2019, due to a 17.5% decline in imports (IBRD, 2020). During the year 2019 the national GDP was 5.9% from various tourism activities across the country before the national and international restrictions hit the economy of Pakistan severely. The disaster caused extensive damage to the beautiful landscapes and cultural heritage sites of Khyber Pakhtunkhwa province. Estimates of damage to the aviation industry and tourism-related businesses range between \$20 billion and the displacement of more than 260,000 formal jobs. Known as the 'Switzerland of Pakistan', the Swat Valley was no exception, seeing a sharp decline in tourist visits during the COVID-19 pandemic (Daraz, 2024).

Literature Review

Impact of COVID-19 on tourism sector

Coronavirus disease 2019, abbreviated as "COVID-19", is a contagious infection that was first detected in China (Wuhan City) in late 2019, and soon, its epidemic status turned into a pandemic in early March 2020 (Rodríguez Antón and Alonso-Almeida 2020). The pandemic has had a depressing impact on all businesses, but the hospitality industry has been one of the hardest-hit sectors worldwide. Hospitality businesses have been shuttered as a result of stay-at-home syndrome lockdowns and social distancing, restrictions on air travel and mass transportation, and restrictions on marquees and restaurants (Bartik et al. 2020). While the world has experienced several major pandemics/epidemics in the past 40 years, none have had the same impact on the global economy as the COVID-19 pandemic (Gossling et al., 2020). COVID-19 is not as contagious as measles and is not as likely to kill an infected person as Ebola, but people can start shedding the virus several days before symptoms appear. However, (Hall, 2009) states that the COVID-19 pandemic should lead to a critical rethink of the global volume growth model for tourism, due to the risks posed by global travel as well as the interconnected reasons for the sector's contribution to climate change. The coronavirus (COVID-19) pandemic has affected every economy in the world, with a decline in global economic activity and travel restrictions (McKibbin and Fernando, 2020). The virus can affect the global economy in three ways, including by affecting production, having a financial impact on firms and markets, and disrupting supply chains and markets (Maital & Barzani, 2020). Coates et al. (2020) examined the impact of COVID-19 on the Australian economy and identified that the hospitality sector will be among the sectors most affected as the industry has been impacted by mandatory closures. During 2013-19, Pakistan has launched various projects to bring sustainability to tourism. The Swat Motorway and Hazara Motorway were aimed at encouraging tourism. The total cost of Swat Motorway and Hazara Motorway was 40 billion and 35 billion respectively (Rana M., May 25, 2016). Like other countries, Pakistan also observed a lockdown, with the idea that COVID-19 would be brought under control (Nafees and Khan, 2020). Tourism was among the first

industries to be severely affected by the COVID-19 pandemic, as tourism activities were almost completely shut down due to pandemic control measures (OECD, 2020a). As the pandemic spread rapidly, governments were forced to take emergency measures to impose restrictions on movement and travel activities, among other things, with many countries closing their borders completely to outsiders (Aronica et al., 2022). The Ebola outbreak affected trade, construction, financial services and tourism in Africa, with the economies of Guinea, Liberia and Sierra Leone particularly badly affected (Sanda et al, 2015). McKercher and Chon (2004) reported that the estimated global economic cost of the SARS outbreak was \$100 billion. UNWTO (2020) estimates a 20-30% decline in international arrivals, leading to a loss of tourism receipts of \$300-450 billion, while WTTC (2020) estimates a loss of around \$2.1 trillion. Airlines will also be affected, with IATA predicting a revenue loss of \$252 billion (IATA, 2020). KPMG (2020) reported that the Indian tourism and hospitality industry is expected to lose about 38 million jobs. The Asian Development Bank (2020) in its brief pointed out that China and other developing Asian economies will slow down due to COVID-19 in various ways including reduced tourism and business travel, reduced domestic demand and trade, and reduced production. ILO (2020) identified strategies taken by countries to mitigate the impact of COVID-19 on the tourism sector, such as the Republic of Korea granting special employment support sector status to tourism while Singapore supported hotels that provided accommodation to infected patients. Hotels and restaurants will face a loss of \$253.7 million in the worst-case scenario and it has been reported that about 90% of rooms in Pakistani hotels are un-booked, which is a major reason for the loss of revenue for the industry. While wedding receptions, seminars, events and conferences are also being cancelled or postponed, affecting the revenue flow for hotels and restaurants (Javed, 2020).

Research Methodology

The main purpose of the study was to investigate the impacts of COVID-19 on tourism sector in district Swat. For this purpose qualitative research design was adopted in the current study to gain a comprehensive understanding of the issue. In qualitative research, there is small scale population and the researcher used inductive approach for the current study.

Universe of the study

To examine the impact of COVID-19 on tourism of Swat valley (District Swat) was chosen as universe for the current study. District swat is comprised seven tehsil i.e. tehsil Babuzai, Matta, Kabal, Barikot Charbagh, Khwazakhela, Madyan. The researcher selected only one Tehsil i.e. Tehsil Babuzai for the study.

Sampling

Purposive sampling technique was adopted for the current study. The data was collected from three hotels out of the total hotels in Mingora city i.e. (Pameer hotel, Relax hotel and G- Quran, hotel). The target population was hotels administrator i.e. hotel managers in district Swat. Out of the total hotel managers, nine hotels managers were selected for in-depth interviews as key consultants.

Nature of the respondent

In this study the participant were the hotel administrators i.e. hotels managers.

Tools of data collection

Data was collected from key consultants by using in-depth interview method. The detailed interviews of the participants were recorded with the consultation of the respondents. The data was collected from nine hotel administrators\ managers of different hotels in tehsil Babuzai Swat.

Data analysis

Narrative analysis techniques were used for data analysis. In this type of analysis, the researcher constructs the participant's story based on their personal observation and data collected through open-ended in-depth interviews. In other words, it's a kind of dual-layer analysis, in the 1st phase the researcher constructed the respondent story from an in-depth interview and then incorporated the researcher's personal observation. After storytelling, each was supported through literature and theory.

Narrative analysis

Tourism situation before COVID-19

Tourism is promptly being recognized as a key sector for economic growth, contributing to GDP, employment, and foreign exchange earnings. Pakistan, with its breathtaking natural beauty, rich cultural heritage, and historical sites, has long been a popular tourist destination. From the soaring peaks of the Himalayas in the north to the pristine beaches of the Arabian Sea in the south, the country boasts attractions that attract visitors from all over the world. In the times before COVID-19, the tourism industry in Pakistan was been growing rapidly, and was considered one of the most important sectors of the economy. In this regard question was asked from respondent that "what was the situation of tourism in your area before COVID-19".

In this regard the responses of R1, R4 and R8 stated that;

"A respondent told that, before the covid-19 the number of tourists were variable i-e 20 to 30. Another respondent viewed that before the covid-19 the number of tourists were variable i-e 80 to 100. Similarly, another respondent stated that before the covid-19 the number of tourists were variable i-e 10 to 15".

The analyzed data was proved from previous studies which concluded that Pakistan's tourism sector was proved to be a huge source of income and employment as the statistics revealed that the Gross Domestic Product (GDP) was 3.1% with 6.2% of the total employment in the year 2013 (Abdur & Muhammad, 2015). Similarly, in the year 2016, the total income was raised to US\$19.4 billion which is 6.9% of the GDP in the country (Pakistan Tourism Development Corporation, 2019).

Tourism situation during and after COVID-19

COVID-19 pandemic affected the global tourism and hospitality sector badly, causing severe economic setbacks for the countries. The COVID-19 pandemic has affected the tourism industry, resulting in travel restrictions as well as a decline in demand from travelers. The tourism industry has been widely affected by the spread of the coronavirus, as many countries have introduced travel restrictions in an attempt to contain its spread. Due to various restrictions and lockdowns hotel industry and travel industry was negatively affected. In this regard question was asked from respondents that "what was the situation of tourism during COVID-19".

In this regard the responses of R2, R5 and R9 stated that;

“A respondent told that, during covid-19 due to lockdown the number of tourists fall to zero and after covid-19 the number of tourists reached 20 to 25 per/day. Another respondent viewed that during covid-19 due to lockdown the number of tourists fall to zero and after covid-19 the number of tourists reached 50 to 70 per/day. Similarly, another respondent stated that there were zero tourists during covid-19 lockdown and after covid-19 the number of tourists increase which estimated to 30 per/day.

The previous studies are in line with the respondent views and a study concluded that tourism was among the first industries to be severely affected by the COVID-19 pandemic, as tourism activities were almost completely shut down due to pandemic containment measures (OECD, 2020a). As the pandemic spread rapidly, governments were forced to take emergency measures to impose restrictions on movement and travel activities, among other things, with many countries completely closing their borders to outsiders (Aronica et al., 2022).

Socio-economic impacts of COVID-19 on tourism

Covid-19 has socially and economically, worst affected on all, the department but specially, to all the tourists points. We lose our business which was related to tourism. While before and after covid-19 there were no financial issues. However the tourist facing no problem before covid-19 and during covid-19 the hotels were closed whereas after covid-19 they are allowed inside the hotels but followed SOPS. Due to emergence of covid-19 and implementing strictly, lockdown serious affected tourism industry shutting down business and unemployment.

In this regard the responses of R3, R6 and R7 stated that;

“The situation and satisfaction of tourists before covid-19 was good and full satisfied, while during covid-19 there was no tourists because of lockdown and after covid-19 the tourists start coming goodly. Although security and jobs workers before the covid-19 the number of workers were 12 and during covid-19 the number of vacancies is zero, while after covid-19 the number of workers are same just like before covid-19. Before the covid-19 the average income was 30000 and that during covid-19 the income and rates were zero due to lockdown while after covid-19 the income increase estimated to 35000. While, the hotel rates before, covid-19 were 4000 to 5000 per/room. And during covid-19 our business, were shutter down because of lockdown and after covid-19 we give equal rates of room for tourists just like before. Another respondent viewed that the situation and satisfaction of tourists before covid-19 was good, while during covid-19 there was lockdown and after covid-19 the tourists start with passage of time as same just like before. Although security and job workers before the covid-19 the number of workers were 3 and during covid-19 the number vacancies decrease to 2, while after covid-19 the number of workers are 4. before the covid-19 the average income was 8000 to 20000 and during covid-19 the income and rates were zero due to lockdown while after covid-19 the income of hotel is estimated to 25000. Guidance and facility was available before and after covid-19 and during covid-19 it was a lockdown.

The analyzed data was confirmed by the studies that concluded that tourism was among the first industries to be severely affected by the COVID-19 pandemic, as tourism activities were almost completely shut down due to pandemic control measures (OECD, 2020a). As the pandemic spread rapidly, governments were forced to take emergency measures to impose restrictions on movement and travel activities, among other things, with many countries closing their borders

completely to outsiders (Aronica et al., 2022). UNWTO (2020) estimates a 20-30% decline in international arrivals, leading to a loss of tourism receipts of \$300-450 billion, while WTTC (2020) estimates a loss of around \$2.1 trillion. Airlines will also be affected, with IATA predicting a revenue loss of \$252 billion (IATA, 2020). KPMG (2020) reported that the Indian tourism and hospitality industry is expected to lose about 38 million jobs. The Asian Development Bank (2020) in its brief pointed out that China and other developing Asian economies will slow down due to COVID-19 in various ways including reduced tourism and business travel, reduced domestic demand and trade, and reduced production.

Conclusion and Recommendations

The current study was conducted in Tehsil Babuzai, Swat Valley and the data was collected from hotel managers through in-depth interviews. The study concluded that COVID-19 had a significant negative impact on the local tourism industry bringing it to a complete standstill during the lockdown period. Before the COVID-19 the tourism sector was a major contributor to the regional economy however the study concluded that due to lockdowns and business shut down the flow of tourists dropped in the area that results unemployment for hotel workers. The study highlighted the socioeconomic impacts of COVID-19 including financial collapse of hotel industry, joblessness of hotel workers, and operational disruption of all tourism related businesses in the study area. The study concluded that after the lockdown and restriction were lifted tourism began to rebound in the area with gradual increase in the number of tourists and tourist related businesses and facilities. While the tourism industry showed flexibility and a return to the normal situation, the study highlights its vulnerability to global health crises and the need for government support and involvement to alleviate such impacts in the future.

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