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## **Nepal: Lockdown declared for a Week: More trouble for the Economy:**

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With a country depending on tourism and with so many Foreign nationals still in the country, Nepal has just detected a third confirmed case of Covid-19. It has been lucky so far but there are fears that the worst is yet to come.

A week long lockdown was declared from 24th of March and generally people in Kathmandu and other major urban centres cooperated with the authorities unlike in India.

It was found that over 300 foreigners are still stuck at various trekking places. Of these Everest Region leads with 98 trekkers, followed by Jomsom- the way to Mukthinath with 50 and then in Annapurna with 30 and Sankuwasuba-19. The main task of the Government is first to locate the stranded trekkers and bring them to Kathmandu and then? The Government is still to decide as to what to do with them.

On 22nd March, Prime Minister Oli addressed the nation on the pandemic. It is ironic that he had to start his speech saying that he was not there to talk about his own health (it should be of national concern after his second kidney transplant) but to discuss on the nation's public health.

It was a subdued Oli that the nation heard- he appealed (humbly!) to people to remain indoors and take all precautions. He requested them not to stock pile and not spread panic or rumour.

The real test for Nepal is yet to come. The main challenges would be - how to keep the supply of essentials when neighbouring India has also imposed a total lock down and when the country particularly the capital Kathmandu is dependent on supplies from south.

The second challenge will be controlling prices as prices tend to rise when stoppages occur. No thought has yet been given on slashing customs duty on raw materials coming from outside.

The hardest hit will be the Tourism Industry and to a lesser extent the Aviation Sector. The private sector is already demanding that an “economic emergency” be declared.

All the land borders with India and China have been closed. All Services have been closed- International flights and so also all long haul transport and non essential Services.

Major border points have been provided with “Health Desks” but with hardly any equipment or personnel. Only the central Hospital in Kathmandu can handle testing about 500 cases a week that is hardly sufficient. It looks that the Government has been taken by surprise though it did have enough time to prepare!

Kathmandu has been denuded by over 5 lakh people who had left the city for their homes in the villages. The courts have been closed for two weeks.

Added to these problems, it is said that Nepalis are already being laid off in major labour destinations- Malaysia, Qatar, UAE and Saudi Arabia. There are reports that the Nepalis in Qatar are in great distress. These would affect the domestic consumer industry providing consumer goods, reducing liquidity at banks and the foreign exchange reserves.

The Construction Industry is also said to be affected and this has lowered the demand for Cement, Steel and Construction Materials. With the Chinese companies having taken a holiday and have not returned probably due to the incidence of Corona Virus there is uncertainty in the Construction Sector.

Added to this is the political problem faced by Oli after having rejected outright the nomination of Bam Dev Gautham unanimously decided by the Party Secretariat. The repercussions on this development is yet to be felt. At this hour of crisis of national proportions there is need for unity. So far, Dahal the Co Chairman has been quiet but one cannot depend on this vile politician!

It is not clear why a lockdown of only one week was ordered when experience in other countries showed that it has to be a longer period. It looks that the lock down of the entire country may be extended for another two weeks at least.

There is also a demand that with the rising number of Covid-19 cases in India and increased cross border movement, the Nepal-India border should be completely sealed. Easily said than done as it is almost impossible to seal the open border between the two countries.

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