

THE IMPACT OF COVID-19 PANDEMIC ON MICRO & SMALL SCALE TOURISM ENTREPRENEURS: A LITERATURE REVIEW

Natasya Farhana Nazry¹ & Jabil Mapjabil²

¹Faculty of Social Sciences and Humanities, Universiti Malaysia Sabah

²Borneo Institute for Indigenous Studies, Universiti Malaysia Sabah

Corresponding author: natasyafarhana2803@gmail.com

Received date: 23/10/2021 | Accepted date: 24/11/2021 | Published date: 29/12/2021

DOI: <https://doi.org/10.51200/bimpeagajtsd.v10i1.3623>

ABSTRACT

The tourism sector is the single largest sector contributing to the total Gross Domestic Product (GDP) in Malaysia. Small and Medium Enterprises (SMEs) are divided into three levels: micro, small and medium, initiated by the government to reduce poverty in the country and reduce the income gap between rural and urban residents. The involvement of SMEs has contributed to developing the competitive advantage of the tourism industry in Malaysia. SMEs are an important component of the Malaysian economy, accounting for more than a third of total GDP and providing employment to more than seven million workers. However, when the COVID-19 outbreak was declared by the World Health Organization (WHO) as a worldwide pandemic, it has radically changed the direction of the tourism sector in Malaysia, especially among the micro and small scale enterprises (SMEs). In an effort to slow the spread of the virus, numerous countries have introduced and mandated the use of Standard Operating Procedures (SOPs) such as hand washing and sanitising, social distancing and social isolation. Furthermore, the government has introduced several policies, improved public health systems and closed borders. These developments have restricted and even banned international travel and domestic travel, resulting in severe negative effects on the tourism sector. This unforeseen shock, faced by tourism and other sectors, has dragged on for more than 12 months. It has severely curtailed the growth of micro and small scale enterprises (SMEs), leaving many such enterprises on the brink of closure. This study examines the literature and critically reviews the extent to which COVID-19 has impacted SMEs. The methodology of this study uses the method of highlighting literature material systematically. Conceptual research method using secondary data is used in this study.

Keywords: Impact, Pandemic, COVID-19, Micro and Small Scale Tourism Entrepreneurs.

1.0 INTRODUCTION

The development and progress achieved in the tourism sector are gaining attention evenly globally. Various attractions exhibited by each country, such as natural attractions, culture, food and other attractions. This is because the tourism industry has developed its physical, social, economic, cultural, political and technological aspects. This is evident when the tourism industry in most countries, including Malaysia, is a major driver in the services sector. The tourism industry is taking a bigger role in stimulating the national economy. This situation indirectly led to the introduction of small and medium scale enterprise (SMEs) tourism to ensure that the tourism industry continues to develop from time to time through the active involvement of various parties. SMEs are a government initiative to reduce

poverty in Malaysia and reduce the income gap between the rural and urban populations. The involvement of Small and Medium Enterprises (SMEs) is a contributor to the development of the advantage of competitive factors to the tourism industry in Malaysia.

Malaysia has interesting tourist destinations that local and international tourists often visit. The growth of SMEs is dominated by micro and small scale enterprises (SMEs), especially services, which is one of the competitive factors in increasing the country's income and economy. Nevertheless, the smoothness and sustainability of these small and medium scale tourism activities are quite worrisome when the COVID-19 outbreak was declared by the World Health Organization (WHO) as a pandemic of its rapid contagion effects around the world. The spread of the COVID-19 pandemic from this latest group of coronaviruses from the beginning of the first reported cases to this day is a great concern. The increase in daily positive cases and death cases is becoming a global concern and creating panic among the world's population. The condition is exacerbated when there is no cure to cure the disease. Looking back at the first few months of the outbreak of the COVID-19 pandemic at the global and local levels, all sectors were instructed to close for a relatively long period to combat the outbreak.

This is a new shock faced by various parties as the COVID-19 pandemic is the first to occur globally. There was no preparation to deal with it from the government, private, and other relevant parties. Examining this impact, tourism services are among the worst affected. Numerous economic experts see this pandemic as a metaphorical "black swan" event "that is, a surprising, unpredictable event of great significance and severe consequences that dramatically changes the political and economic environment" (Winston A., 2020). This situation may cause business failures (Kuckertz et al., 2020; Amankwah-Amoah et al., 2020). According to the SME Survey Report 2019/20 (NESDC, 2020), from the beginning of the COVID-19 outbreak until May 7, 2020, 113 countries have imposed global travel bans. The ASEAN tourism sector is highly dependent on Chinese tourists and the East Asian economy. The World Tourism Organization expects a 60 per cent to 80 per cent year on year decline in international tourist arrivals and 100.8 million jobs in the travel and tourism sector, with more than half of Asia being at risk. These statistics anticipate a difficult situation that has to be faced by many parties, especially those directly involved in the tourism services sector. The long term impact is expected to be critical for various key sectors of the country.

2.0 METHODOLOGY

Conceptual research is the research method that are used in this study. This conceptual research is conducted by observing and analyzing present information from secondary data that are related to the research topic. Secondary data involves using already existing data. These data are summarized and collated to increase the overall effectiveness of research. The data is collected through the internet, libraries, archives and so forth. It is a convenient, cost-effective, and time-saving methods. A huge amount of secondary data can also be accessed from a wide variety of resources.

3.0 HISTORY OF THE COVID-19 PANDEMIC

A pandemic is an epidemic of an infectious disease that spreads through a human population across a large area, covering a continent and spreading to the rest of the world (World Health Organization, 2011). The term pandemic refers to an epidemic that strikes on a larger scale, not limited to a single community or district alone, threatening a wider area such as a state, country, continent and even the entire world. A pandemic starts from

an epidemic level outbreak that spreads so widely that it is out of control. The previous history records several pandemics that once spread widely worldwide, such as smallpox and tuberculosis. Next came the Antonine epidemic, the Justinian epidemic, and "The Black Death," which has killed tens of millions of people around the 14th century.

Several pandemics have spread worldwide in the last decade, such as ebola, zika, Influenza H1N1, Middle East Respiratory Syndrome (MERS), and Severe acute respiratory syndrome (SARS). The seven main features in understanding the concept of a pandemic easier are by examining the similarities and differences between the pandemics, namely through (i) broad geographical features, (ii) movement of disease outbreaks, (iii) novelty, (iv) severity (v) high epidemic attack rates, (vi) minimal population immunity and (vii) infection and transmission rates. In short, when an epidemic is at an endemic stage and strikes a country but is under control, then the epidemic is not categorised as a pandemic. Endemics are epidemics that exist and are under control, while pandemics are spreading rapidly and uncontrollably, causing the deaths of hundreds of thousands of people.

COVID-19 (Coronavirus Disease 2019) is a new strain of Coronavirus that has not been previously identified. COVID-19 is transmitted through respiratory droplets either by coughing or sneezing and contact on surfaces contaminated or contaminated with the virus from an infected individual to another individual. Initially, the novel Coronavirus (2019-nCoV) was an isolated case diagnosed by patients on January 7, 2020 (Tan et al., 2020). The 2019 novel coronavirus outbreak today, known as COVID-19, has increased rapidly. This case has spread to other cities in China and other countries since January 23, 2020 (Jonathan et al., 2020). Accordingly, from January 30 to March 12, 2020, a search on Google found several names linked to the virus that caused this pandemic. The terms associated with this virus are SARS-CoV-2, COVID-19, 2019-nCoV" (Tan et al., 2020). On January 12, 2020, the WHO submitted a proposal to name the epidemic with the name 2019 novel coronavirus disease 2019-nCoV. The Chinese National Health Commission decided to temporarily name it Novel Coronavirus Pneumonia or NCP on February 7.

The history of COVID-19 virus transmission began on December 31, 2019, when the Chinese national authorities reported to the WHO about the spread of pneumonia of unknown cause in Wuhan city, Hubei Province, China. In the early stages of the phase, most cases from the early clusters have an epidemiological relationship with the market selling live animals, namely in Huanan Market, South China which is suspected to be the possible origin of the zoonotic (WHO, 2020a). The exact source of the virus was not yet known, and the spread of the recorded infection is increasing from time to time. Preliminary confirmation found that there were infections from family clusters, and healthcare workers confirmed the cause of human-to-human transmission. However, the exact mode of spread of the infection is still under research.

On January 21 2020, the WHO confirmed the possibility of human to human transmission (WHO, 2020b). On the following day, January 22, more than 600 cases were confirmed positive for COVID-19, and 444 cases were from Hubei province, China (New York Times, 2020). Ironically, 17 reported deaths were from the city of Wuhan, the majority being the elderly and some individuals undergoing medical treatment (Hong Kong Center for Health Protection, 2020). Accordingly, pneumonia and severe acute respiratory syndrome have been reported as critical impacts of the outbreak. The spread of the epidemic also occurs quickly and is confirmed to be contagious only by touch, even if the infected individual dies.

Following the increase in cases in China, the WHO issued an early warning to all countries concerned about the spread of infectious diseases. The initial development of the COVID-19 pandemic outbreak in Malaysia began on January 23 2020, following the detention

of eight Chinese tourists and one previously COVID-19 positive in Singapore who were ordered to be quarantined at a hotel in Johor. Then, following the case that happened the next day, on January 24, 2020, when a Chinese child, Wang Wontung, was abducted by his parents from the hospital for refusing to be quarantined after being suspected of having COVID-19 symptoms. The increase in COVID-19 positive cases began significantly after participants attended a religious gathering in Masjid Seri Petaling, Kuala Lumpur, gathered by 16,000 participants on February 27 attended to March 1, 2020, was confirmed positive for COVID-19 on March 11 2020. This situation led to an increase in cases involving close contact of the COVID-19 cluster.

Following the increase in cases daily over a period, the Malaysian government launched a nationwide lockdown, Movement Control Order (MCO), for 14 days from March 18 to March 31, 2020. This order was taken to control the spread of COVID-19 disease from a worse outbreak. The MCO instruction was then extended for 14 days from April 1 to April 14, while the third phase of the MCO was from April 15 to April 28, 2020. This instruction lasted until it involved the Conditional Movement Control Order (CMCO), Rehabilitation Movement Control Order (RMCO) and Enhanced Movement Control Order (EMCO). The instructions of the Malaysian government are constantly changing depending on the current situation of the COVID-19 pandemic, which is examined based on daily positive cases. Until June 2021, the Malaysian government directed to conduct MCO nationwide due to increased positive cases and death cases involving COVID-19.

4.0 THE IMPORTANCE OF MICRO AND SMALL SCALE ENTERPRISES (SMEs) IN THE TOURISM SECTOR

Micro and small scale enterprises (SMEs) is one of the sources of progress in the tourism sector at the national and international levels. This enterprise is also known as the foundation enterprise. Its existence has gained various benefits in the tourism sector as SMEs can provide multiple profits to the parties involved, either directly or indirectly. Micro and small scale enterprises (SMEs) play an important role in developing countries because they have been proven to acquire high adaptability, playing an important role in resolving regional and sectoral imbalances in the national economy. Although SMEs did not dominate the business world in the early stages of their existence, micro and small scale enterprises (SMEs) continued to operate and contribute to the country's tourism sector to gain global attention.

Micro and small scale enterprises (SMEs) plays a vital role as it contributes not only to the development of the tourism sector but also to the country's economic growth. Sultan (2007) asserted that among the economic profit potential of Small and Medium Enterprises (SMEs) is to make a positive contribution to GDP. Small and Medium Enterprises (SMEs) help contribute to more than one-third of the total GDP. This step is in line with the government's goal of making Small and Medium Enterprise (SMEs) one of the initiatives to reduce poverty and close the income gap between urban and rural residents. This contribution is contributed by micro, and small scale enterprises (SMEs) as the number of micro and small scale enterprises (SMEs) establishments is larger than medium scale enterprises. More than half of the income generated by Small and Medium Enterprises (SMEs) is derived from micro and small scale enterprises (SMEs). This situation makes micro, and small scale enterprises (SMEs) considered an important component in the

business sector in Malaysia due to its high competitiveness, which makes the economy more flexible and the country's tourism sector more competitive.

Piacentini and Fortanier (2015) show that SMEs in European countries generally have a much larger share in the value added that is embodied in exports than in direct exports. Tang et al. (2016) show that in China state-owned enterprises and SMEs have much higher value added embodied in exports to direct exports ratios, compared to the rest of the economy. Malaysia shows a similar situation with the country recording increasing value added from year to year. This is contributed by sub-sectors such as services, manufacturing and so on.

The importance of micro and small scale enterprises (SMEs) in Malaysia can be identified in several aspects, including providing employment opportunities. This is explained by Priyanath (2006) that the function of Small and Medium Enterprises (SMEs) in most developing countries is vital, especially in generating employment and increasing national output, thereby increasing industrial production. The widespread growth of micro and small scale enterprises (SMEs) can provide employment opportunities, especially to the community in its vicinity. Statistics show that Small and Medium Enterprises (SMEs) are among the largest contributors in offering employment opportunities as there are over 900 thousand SMEs and micro-entrepreneurs at present. Interestingly, collectively Small and Medium Enterprises (SMEs) are the largest employers in Malaysia by providing employment opportunities to almost 10 million workers (Sinar Harian, March 27 2020). Micro and small scale enterprises (SMEs) offers employment opportunities to individuals with different academic backgrounds and skills. Therefore, micro and small scale enterprises (SMEs) can operate well because they have employee expertise.

Micro and small scale enterprises (SMEs) can improve the skills of employees in the tourism sector. Involving in courses or programs organised by either the private sector or the government provides exposure and education to entrepreneurs and employees to become more skilled in running a business. There is no doubt that micro and small scale enterprises (SMEs) serve as a training platform to improve and develop employees and entrepreneurs SMEs' skills. Today's scenario shows that micro and small scale enterprises (SMEs) indirectly offer skilled and semi-skilled workforce in tourism. Therefore, it is not surprising that the services and treatment of SMEs employees offered to visitors have improved from time to time. This makes the quality of micro, and small scale enterprises (SMEs) services bring the name of micro and small scale enterprises a(SMEs) on par with the larger sector. From that point of view, the role of educational institutions and the educational system itself are crucial (Martinez-R et al., 2015). It is obvious, that there are other options as well, some practical knowledge which exists in the business society, which should be rationally used for achieving productive results. In this process, involvement of the stakeholders linked to the business system can be considered as a significant factor, in order to leverage the skills of the different partners (Okazaki Etsuko, 2008). The use of transdisciplinary approaches are efficient in this process, which aims to integrate scientific and experiential knowledge, which meets to the conception, science with society (Khokhobaia M, 2018).

Furthermore, micro and small scale enterprises (SMEs) is important in providing support to large scale enterprises. This includes medium scale companies. micro and small scale enterprises (SMEs) has some potential in generating economic and social benefits, creating jobs with low capital cost, making a positive contribution to GDP, providing opportunities to develop an entrepreneurial base, providing the necessary flexibility to adapt to market changes, entering unprofitable market niches for larger enterprises and

contribute to more decentralisation and rural development-oriented development policy. All of this shows that micro and small scale enterprises (SMEs) are important to the tourism sector even though these enterprises are micro and small-scale.

Thus, micro and small scale enterprises (SMEs) is indeed the heart of the tourism sector which plays an important role in various aspects of development and progress. The cooperation of parties directly or indirectly involved is very important in ensuring that the interests of SMEs are taken care of to continue to contribute to the tourism sector and the national economy. The involvement of micro and small scale enterprises (SMEs) is the mainstay in bringing small scale business activities to the global stage. This is a good time for micro and small scale enterprises (SMEs) to highlight its importance in line with the contributions given in various aspects.

5.0 PANDEMIC IMPACT ON THE TOURISM INDUSTRY

Donald and Yiping (2004) studied several risk indicators of the impact of SAR disease on the economy of countries in Asia, such as healthcare, population density and tourist arrivals, and backward sanitation systems in densely populated countries. Thus, countries that receive high tourist arrivals are also severely affected by the effects of the SARS outbreak. Nevertheless, the risks faced by each country in Asia are diverse and different. The risks faced depending on several factors such as the readiness of the medical system, the importance of the economic sector to the country, mobility and population density, and the country's sanitation system. Concerns over the infection requiring social imprisonment have forced various service sectors such as schools, enterprises, commercial premises, transportation systems and public services to close. This affects the economy and other important social activities (David et al., 2018).

According to a study by David and Canning (2018), concerns over these health aspects determine the interest of investors and tourists, as shown by the impact of the SARS epidemic on China and other Southeast Asian countries. For example, foreign direct investment in Hong Kong during the height of the epidemic crisis plunged by 62 per cent in the first quarter. The SARS pandemic affected the physical and mental health of the population and severely affected the country's economy. Countries in Asia are estimated to have suffered losses of USD12 to USD18 billion due to the SARS outbreak crisis, which also affected travel, tourism and retail services. SARS has a significant impact on the tourism industry as well as related services sectors. The effects of the SARS pandemic have caused population movements in China and most other countries to decline. Most families reduce demand for food, clothing, travel and entertainment. The number of people staying in hotels has declined sharply (Wuqi Qiu, 2018).

Lee and Warner (2006) examined the impact of the SARS epidemic from the aspects of medium and small enterprises, including the tourism sector, the issue of migrant workers and retrenchment. According to them, the jade stone jewellery and carving-based enterprises usually the focus of tourists had to be closed. An interview study with an employee at one of these jewellery stores found that the store was closed for three months, employees were not working, employees lived in dormitory rooms and the main gate was closed. Since the store was ordered closed by the government, many shop workers chose to go on holiday, while some workers returning to the village and the rest living in workers' dormitories. While all local travel agencies were ordered to close, tour guides were only paid a basic salary. Likewise, they are only given a basic wage payment with other workers in small and medium industries. Nevertheless, they are still considered fortunate to receive

more wages compared to the plight of part-time workers, who are a severely affected labour group.

As for the impact on migrant workers, the results of a study by Lee and Warner (2006) found that this group of workers is most affected by the effects of the SARS epidemic. There are a large number of migrant workers in small and medium enterprise sectors such as restaurants and entertainment centres, including in the tourism industry who had to be laid off when the government ordered the closure of all entertainment businesses involving large gatherings of public groups such as cinemas, theatres, internet cafes and karaoke bars until the spread of the SARS epidemic was successfully controlled. As for the issue of retrenched workers, it involves the second group who are severely affected, especially in the services sector, either directly or indirectly. Based on the post-SARS employment situation report, an estimated 15 million workers who were laid off during the outbreak reemployed in the form of flexible employment. The huge impact on the food and service sector has resulted in them receiving lower incomes, and some have even lost their jobs.

Delivorias and Scholz (2020) explained that the average tourism industry workers involved in providing food and services such as transportation, accommodation and foreign exchange agencies are also severely affected. The economic impact of the Mexican tourism industry on the effects of the H1N1 Influenza pandemic can be examined through the record of tourist arrivals to the country. During the outbreak, Mexico lost nearly 1 million foreign tourists, estimated to generate up to USD2.8 billion. A similar case can be examined when the MERS outbreak spread in 2015, the tourism-related industry in the Republic of Korea was found to be collapsing due to a reduction in international visitors of around 2.1 million people with a loss of revenue generation of USD2.6 billion examined in the case of China which lost revenue generation reached USD3.5 billion and Malaysia around USD1.7 billion. In the case of outbreaks of malaria, dengue, jaundice and ebola, many countries in the Americas, Asia and Africa are facing a decline in tourist arrivals of around 10 million people worldwide, which is estimated to generate revenue of USD12 billion.

The World Tourism and Travel Council (WTTC) has warned that the COVID-19 pandemic is predicted to cause the loss of 50 million jobs worldwide. Meanwhile, countries in Asia are expected to be severely affected. Once the outbreak is over, it is expected to take around ten months for the tourism industry to recover. Currently, the tourism industry accounts for 10 per cent of global Gross Domestic Product (GDP) (Delivorias & Scholz, 2020). The Malaysian economy was affected by COVID-19, especially in the tourism, hotel, retail and investment sectors. The country's economic recovery period is expected to be at least six months after the COVID-19 crisis ends. The tourism sector is expected to suffer a loss of RM50 billion to RM60 billion due to the shortage of tourists due to COVID-19. Accommodation based tourism is estimated to have suffered a loss from hotel room rental revenue of 3.3 billion as of January to June 2020 (Department of Statistics, Malaysia, 2020a).

By learning from experience in dealing with past SARS pandemics, tourism researchers are urged to develop proactive crisis management and response plans. Unfortunately, coordinated communication and crisis management plans are still poorly implemented at local and national levels. Issues that arise in the context of economic recovery, destination image management, media management and promotional aspects, and these pandemics, such as Ebola and SARS, also trigger discrimination and misinformation against countries that are the cause of the epidemic (Cooper, 2005). Recovery strategies need to be carefully formulated to ensure that the country's tourism

sector recovers to continue to drive the country's economic growth, especially after the end of the pandemic.

6.0 PANDEMIC IMPACT OF COVID-19 ON THE SUSTAINABILITY OF MICRO AND SMALL SCALE ENTERPRISES (SMEs)

There is no denying that the long term spread of the COVID-19 pandemic left a significant impact on micro and small scale enterprises (SMEs). Despite the various initiatives taken to curb this epidemic, micro and small scale enterprises (SMEs) are still vulnerable to this pandemic's adverse effects on business. In addition, the new operating standards and norms that need to be complied with and practised require micro and small scale enterprises (SMEs) to make thorough preparations. According to Sneader and Singhai (2020), COVID-19 endangers the economic well-being of communities and institutions. SME Corps. estimates that 50,000 Small and Medium Enterprises (SMEs) will close operations. This large number represents some of the registered Small and Medium Enterprises (SMEs) and a huge loss if the Small and Medium Enterprises (SMEs) go bankrupt. The pandemic situation has severely affected the source of income of workers, entrepreneurs and the country. Although various initiatives were implemented from the beginning by the entrepreneurs and the government, the protracted COVID-19 pandemic situation has caused micro and small scale enterprises (SMEs) to continue to survive well.

In Malaysia, the economic sectors are directly affected by the COVID-19 MCO: agriculture and food, retail, transportation and construction, and the tourism sector (Saari, 2020; Department of Statistics, Malaysia, 2020b). The MCO directive implemented by the government forced all sectors of the country to stop operations immediately. This caused micro and small scale enterprises (SMEs) not to operate for several months. Smith-Bingham and Hariharan (2020) explain that the widespread control of border movements stopping local, national and international business operations also affects the world economy. The financial risks of Small and Medium Enterprises (SMEs) are already visible in the third and fourth quarters of 2019 due to the average debt to equity ratio of 25 per cent and profit margin of only 5.7 per cent (BNM, 2020). As a result, most micro and small scale enterprises (SMEs) are in an economic slump, and their ability to contribute to economic growth has slowed down.

In addition, following the cessation of business operations, micro and small scale enterprises (SMEs) is facing cash flow and capital turnover problems. According to (Cowling et al. 2020) if this pandemic last longer, businesses may run out of money. SMEs face very specific and unique problems regarding access to external capital. Business operations that came to a halt for a long time due to the COVID-19 pandemic indirectly increased micro and small scale enterprises (SMEs) liability in operating its business capital, mainly for employee salaries, rent, loan payments, and others. Since the beginning of the outbreak of the COVID-19 pandemic, precautionary measures have been taken to make most micro and small scale enterprises (SMEs) not earn income, and even business profits are declining. Even so, micro and small scale enterprises (SMEs) ready liabilities and monthly commitments continue to run as usual such as employee salary payments. Funds channelled to SMEs through financial institutions to alleviate micro, and small scale enterprises (SMEs) burden in terms of cash flow have still not shown their effectiveness as business operations have been discontinued for more than three months.

During the spread of the pandemic, COVID-19 indirectly harmed the human resources of micro and small scale enterprises (SMEs). This is due to the lack of sources of

income from the temporary closure of business operations; micro and small scale enterprises (SMEs) had to pay half of the employee's actual salary to reduce business costs. This is due to the government's directive, which does not allow retrenchment by employers to protect the interests of employees. The International Labor Organization (ILO) expects the COVID-19 crisis to increase the unemployment rate, especially in the services sector. Statistics show that in the 3.3 billion workforces globally, four out of five workers are affected due to premise closure either partially or completely (Rabeatul, 2020). These statistics give the impression that most countries are going to experience high unemployment. Retrenchment is intended to reduce business costs, but some are due to micro and small scale enterprises (SMEs) closing operations. This situation causes micro and small scale enterprises (SMEs) to face the lack of human resources when business operations continue later.

In turn, the COVID-19 pandemic forced micro and small scale enterprises (SMEs) to overhaul their organisational structure and redesign their business operating strategy. However, the economy started to move back after the government relaxed the conditions of the MCO after a few months of the MCO being implemented. Demand began to increase and gave micro and small scale enterprises (SMEs) a chance to breathe again even though full recovery was still not fully feasible. However, the new third wave of COVID-19 brings back challenges to the national economy, including micro and small scale enterprises (SMEs). The still unstable financial position of micro and small scale enterprises (SMEs) makes it more difficult for micro and small scale enterprises (SMEs) to conduct business operations properly as many aspects need to be improved due to the business not operating for a long period. Now, micro and small scale enterprises (SMEs) needs to reexamine all aspects of the business that can help micro and small scale enterprises (SMEs) until it continues to operate well in the future. All strategies should be formulated with more emphasis on standard operating procedures (SOPs) in ensuring that the impact of the COVID-19 pandemic this time is not too significant as this is the third wave faced by micro and small scale enterprises (SMEs).

Small and Medium Enterprises (SMEs) contributed to GDP recorded an achievement of 38.9 per cent in 2019, and this amount is estimated to remain between 38.1 per cent to 38.7 per cent in 2020. The export contribution of Small and Medium Enterprises (SMEs) goods and services is 17.9 per cent, while the contribution to employment in Malaysia is 48.4 per cent. However, the export performance of Small and Medium Enterprises (SMEs) is estimated to decline to 13.4 per cent in 2020 following the negative impact of the COVID-19 pandemic on local entrepreneurs and Small and Medium Enterprises (SMEs) (NESDC, 2021). The National President of the Malaysian SME Association, Datuk Michael Kang Hua Keong, openly admitted that the Small and Medium Enterprises (SMEs) sector suffered more during the COVID-19 recession compared to the economic downturn in 1998. He said that in 1998, although the economy was relatively bad, traders could still do business and have resources income, yet this time the income of most traders is empty (Daily News, March 27, 2020). Ultimately, micro and small scale enterprises (SMEs) face an unforeseen situation that is burdensome and puts great pressure. However, the resilience of micro and small scale enterprise (SMEs) operators in facing this challenge is very helpful for SMEs to continue operations.

7.0 CONCLUSION

In conclusion, the impact that had to be faced, especially by micro and small scale enterprises (SMEs) entrepreneurs, is in an increasingly critical situation. More and more

contingencies have to be faced following the outbreak of the COVID-19 pandemic, for which there is still no solution. All parties need to increase resilience, especially in finding a way out to overcome every challenge resulting from the COVID-19 pandemic. Accordingly, epidemic risks are complex, but policymakers need to be responsive by providing several mechanisms to deal with them. Some tools or mechanisms are used to reduce the spread of the epidemic. For achieving the goals effectively policymakers have to elaborate and implement the relevant policy. Tourism researchers Edgell and Swanson Swanson emphasizes, that public private partnership and involvement of non-governmental sector in developing tourism policy are essential, in order to achieve productive results in a short and long term period (Edgell D. L & Swanson J.R, 2013). Another initiative is to reduce the health impact of the spread of uncontrollable epidemics. Meanwhile, the next strategy is to reduce the economic impact. In turn, measures to build a strong health system with complete nutritional support can help ensure a good level of basic health, thus enabling a healthier population to avoid epidemic infections. Careful efforts and planning need to be formulated to ensure that micro and small scale enterprises (SMEs) and the country's economic sector become competitive again. To achieve the aim of finding academic and practical implications for making the impact of covid-19 pandemic on micro and small scale tourism entrepreneur, a comprehensive literature review needed to bridge the gap in understanding how this pandemic affected the existing micro and small enterprises (SMEs),

REFERENCES

- Amankwah-Amoah J., Khan Z., and Wood G. (2020). COVID-19 and Business failures: The Paradoxes of Experience, Scale and Scope for Theory and Practice. *European Management Journal*. Volume 39, Issue 2, pp. 179-184.
- Bank Negara Malaysia. (2020). Financial Stability Review Second Half 2019. Retrieved from <https://www.bnm.gov.my/ar2019>. Accessed June 3, 2021.
- Berita Harian. 27 Mac 2020. Peniaga PKS makin sukar bertahan. Retrieved from <https://www.sinarharian.com.my/article/75809/LAPORAN-KHAS/Peniaga-PKS-makin-sukar-bertahan!>. Accessed June 26, 2021.
- Cooper, C. (2005). Japanese tourism and the SARS epidemic of 2003. *Journal of Travel & Tourism Marketing*, Vol.19 (2/3), 117-131.
- Cowling M., Brown R., Rocha A. (2020). *Did you save some cash for a rainy COVID-19 day? The Crisis and SMEs*. Sage Journal.
- David, E. B., Daniel, C. & J.P. Sevilla. (2018). New and resurgent infectious diseases can have far-reaching economic repercussions, *Finance & Development*.
- David, E. B. and Canning, D. (2018). Epidemics and Economics. Program on the Global Demography of Aging. Working Paper Series. Harvard School of Public Health. PGDA Working Paper No. 9. Retrieved from <http://www.hsph.harvard.edu/pgda/working.htm>. Accessed May 26, 2021.
- Delivorias, A. and Scholz, N. (2020). Economic impact of epidemics and pandemics. EPRS–European Parliamentary Research. Members' Research Service PE 646.195 - February 2020.
- Donald Hanna & Yiping Huang. (2004). The impact of SARS on Asian economies. *Asian Economic Papers* 3:1. The Earth Institute at Columbia University and the Massachusetts

Institute of Technology. The Asian Economic Panel Meeting. 11-12 May 2003, Keio University, Tokyo.

Edgell D. L., Swanson J.R, (2013) "*Tourism Policy and Planning, Yesterday, Today and Tomorrow 2nd edition*", Routledge 2013, pp. 11-16.

Hong Kong Centre for Health Protection. (2020). Countries or areas with reported cases of novel corona virus infection. Retrieved from https://www.chp.gov.hk/files/pdf/statistics_of_the_casesnovel_coronavirus_infection_en.pdf. Accessed May 29, 2021.

Department of Statistics. (2020a). COVID-19 Kesan Kepada Produk Pelancongan. Retrieved from https://www.dosm.gov.my/v1/uploads/files/6_Newsletter/Newsletter%202020/DOSM_BPAN_9-2020_Siri-73.pdf. Accessed June 26, 2021.

Department of Statistics. (2020b). Survei Khas Kesan Covid-19 kepada ekonomi dan individu. Malaysia.

Jonathan, M. R., Jessica, R. E. B., Derek A.T. C., Antonia Ho & Chris, P. J. (2020). Novel Coronavirus 2019-nCoV: Early estimation of epidemiological parameters and epidemic predictions. Retrieved from <https://www.medrxiv.org>. Accessed May 29, 2021.

Kuckertz A., Brandle L., Gauding A., Hinderer S., Reyenes C.A.M,, Prochotta A., Steinbrink K.M,Berger E.S. (2020). Startups Un Times Of Crisis-A Rapid Response To The COVID-19 Pandemic. *Journal of Business Venturing Insight*. Volume 13, June 2020.

Lee, G.O.M. dan Warner, M. (2006). The impact of SARS on China's human resources: Implications for the labour market and level of unemployment in the service sector in Beijing, Guangzhou and Shanghai. Working Paper Series. Judge Business School, University of Cambridge.

Martinez-R, Tamayo J, Gamero j. (2015). Innovativeness and business performances in tourism SMEs. *Annals of Tourism Research*, 2015, pp.125-130.

Merab Khokhobaia. (2018). Transdisciplinary Research for Sustainable Tourism Development. *Journal of International Management Studies*, JIMS.Vol 18, pp.11-16.

National Entrepreneur and SME Development Council (NESDC). (2019). Laporan Tahunan PKS 2018/2019. Malaysia.

National Entrepreneur and SME Development Council (NESDC). (2021). Siaran Media. Retrieved from [https://medac.gov.my/admin/files/med/image/portal/PDF/Kenyataan%20media/media%20release%20@%20majlis%20pembangunan%20usahawan%20dan%20pks%20kebangsaan%20\(mpupk\)%20bilangan%201%20tahun%202021.pdf](https://medac.gov.my/admin/files/med/image/portal/PDF/Kenyataan%20media/media%20release%20@%20majlis%20pembangunan%20usahawan%20dan%20pks%20kebangsaan%20(mpupk)%20bilangan%201%20tahun%202021.pdf). Accessed June 26, 2021.

New York Times. (2020). Death toll from virus outbreak in China's Hubei reaches 17: State TV. Retrieved from <https://www.nytimes.com/reuters/2020/01/22/world/asia/reuters-health-hubeicases.html>. Accessed June 10 2021.

Okazaki E., (2008). A Community-Based Tourism Model: Its Conception and Use. Taylor & Francis, pp.511-512.

Piacentini M, Fortanier F (2015) Firm heterogeneity and trade in value added. OECD, Paris.

Priyanath H.M.S. (2006). Managerial Deficiencies in the Small and Medium Enterprises (SMEs) in Sri Lanka: An Empirical Evidence of SMEs in the Ratnapura District. *Sabaragamuwa University Journal*, 6(1), 93-105.

Rabeatul Husna Andul Rahman. (2020). Kesan COVID-19 ke atas pekerja dan majikan. Retrieved from <https://www.astroawani.com/berita-malaysia/kesan-covid-19-ke-atas-pekerja-dan-majikan-238383?amp=1>. Retrived pada June 10, 2021.

Saari, M. Y. (2020). Fahami cara Covid-19 beri impak kepada rakyat dan ekonomi. Retrieved from <http://www.astroawani.com/berita-malaysia/fahami-cara-covid-19-beri-impak-kepada-rakyat-dan-ekonomi-235835>. Retrived pada June 12, 2021.

Smith-Bingham, R, & Hariharan, K. (2020). This is the impact of the Coronavirus on business. *World Economic Forum*. Retrived from <https://www.weforum.org/agenda>. Accessed June 8, 2021.

Sneader, K., and Singhal, S. (2020). Beyond Coronavirus: The path to the next normal. Article McKinsey & Company.

Sultan, S.S. (2007). The Competitive Advantage of Small and Medium Sized Enterprises: The case of Jordan's Natural Stone Industry. Retrieved from <http://www.merit.unu.edu/training/theses/SSultan.pdf>. Accessed June 26, 2021.

Tan, W., Zhao, X., Ma, X., Wang, W., Niu, P., Xu, W., et al. (2020). A novel coronavirus genome identified in a cluster of pneumonia cases - Wuhan, China 2019–2020. *China CDC Weekly*, 2(4): 61-62.

Tang H, Wang F, Wang Z. (2016). Extending the input–output table based on firm-level data. *CESIfo Working Paper No.5811*.

Winston, A. (2020). Is the COVID-19 Outbreak a Black Swan or the New Normal? Retrived from <https://sloanreview.mit.edu/article/is-the-covid-19-outbreak-a-black-swan-or-the-new-normal>. Accesed 19 Ogos 2021.

World Health Organization. (2011). The classical definition of a pandemic is not elusive. *Bull. World Health Organ*, 89 (7), 540541.

World Health Organization. (2020a). WHO | Novel Coronavirus – China. January 12 2020. Retrieved from <https://www.who.int/csr/don/12-january-2020-novel-coronavirus-china/en/>. Accessed May 28, 2021.

World Health Organization. (2020b). Twitter post. 21 Jan 2020. Retrieved from <https://twitter.com/WHOWPO/status/1219478547644813312?s=20> [cited 23 Jan 2020]. Accessed May 29, 2021.