



THE IMPACT OF CORONAVIRUS ON THE TOURISM SECTOR WITH SPECIAL REFERENCE TO MALAYSIA

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ABSTRACT

The outbreak of Novel Coronavirus infection (COVID-19) has enormous economic consequences. It happened in the Wuhan city of China and rapidly spread across the world. While the Chinese economy has taken a major hit, the consequences extend far beyond the borders of China. Tourism is among the economic sectors that have been profoundly affected by the viral outbreak. Due to strong economic links with China, Malaysia has suffered enormous economic losses. Extended lockdowns, flight disruptions and other measures taken to contain the infection, and releasing stimulus packages have caused considerable downturn in the economic growth. A genesis of the pandemic origin and transmission is necessary not only to mitigate the prevailing situation but also preventing a repeat of such an event in the future. The coronavirus outbreak is a wake-up call for insulating the society and economy, especially the most vulnerable sectors. Although the outbreak happened in December 2019, it continues to inflict health hazards and economic meltdown. This should serve to demonstrate the significance of preventing the new infections without delay. It all started from the unregulated consumption of wildlife and the consequent setback to the natural ecosystem. Vulnerability of the tourism sector to pandemics is due to obvious reasons; people avoid visiting places in the grip of pandemic and tourism destinations close their doors to arrivals from the virus-affected countries. There is a need for international mechanisms for regulating the factors that lead to origin of the pandemic and applying available means for containing it should that happen. For the tourism, effective management strategies are necessary to insulate this industry. This paper highlights the causes of the pandemic to effectively link its consequences for the tourism sector while also discussing the need to support its revival. An important measure emphasized in in this paper as a revival strategy is building resilience in the natural capital. This systems approach is necessary in dealing with the post-COVID-19 scenario and in better preparedness for any future health hazards.

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1. INTRODUCTION

Indeed, this study is motivated by two concerns. Novel Coronavirus (nCoV) outbreak has enormous economic consequences that extend far beyond the borders of China where it originated. There are economic losses in tourism, aviation, businesses and entertainment sectors. The costs in terms of healthcare are expected to be colossal. World Health Organization has named the disease caused by this virus as COVID-19. Deaths that it caused in China have exceeded the Severe Acute Respiratory Syndrome (SARS) mainland toll from the 2003 outbreak (CD, 2020). It is an evolving situation as the numbers continue to mount. As of today (20 June 2020), the virus has infected 8,465,085 people and caused death of 454,258 people globally according to the World Health Organization. Even Europe, with its comparatively better healthcare system and physical remoteness from the epicenter of nCoV, has not been spared. In UK, as many as 300,473 people were infected and 42,288 died. In Italy the virus infected 238,159 people and caused the death of 34,514 despite the fact that the country was put into lockdown in the early stages following the surge in cases (Yeung et al., 2020). In USA, there are 2,172,212 confirmed cases and 118,205 deaths. It is an enormous challenge for the experts from the World Health Organization (WHO) and the centers dealing with disease prevention and control to contain the outbreak.

A general survey of the scenario suggests the need for more effective knowledge management system and transparency of information from the epicenter of viral outbreaks and all pertinent matters concerning the global health emergencies. While reviewing relevance of dissemination of credible information Zhang et al. (2017) have expressed concerns about preparedness and timely coordination of response mechanisms globally to cope with the emerging infectious diseases. The authors have suggested the need for generating innovative knowledge management approaches. Economy, especially the tourism sector, is very vulnerable to health scares from infectious diseases as tourists avoid places that pose risk to health.

Tourism is among the worst hit sectors. Cancelled flights and hotel bookings, revenue losses in tourism merchandise are some of the glaring outcomes of the viral outbreak. In fact, the rapid spread of the infection beyond the borders of China could be linked to different forms of tourism (conventional tourism, educational tourism) and the booming international trade and commerce.

Faulkner (2001) has suggested the importance of tourism disaster management and highlighted the fact that tourism destinations in every corner of the globe face the virtual certainty of experiencing a disaster in one form or another at some point in their history. Despite this, only few destinations have properly developed disaster management plans to help them cope with such eventualities. This argument can be further strengthened by research conducted by Ritchie (2008) in which the author has taken a multidisciplinary approach towards tourism disaster management which involves disciplines such as education, communication, sociology and emergency planning. Different authors have presented their own versions of disaster management, for example, Cassedy (1991) considers formation of a task force, selection of a team leader, contingency plans and crisis management command centre to be the main ingredients of a disaster management system. Arbel and Bargur (1980) have taken a more operations research-based approach where linear programming techniques are used to identify optimal responses. This approach has been effective in situations where the parameters can be tightly specified in quantitative terms (for example, hotel chain operations). Mistilis and Sheldon (2005) conducted a review of

research in which the authors have highlighted the importance of knowledge management systems for disasters and crisis management in tourism, as tourism is a fragmented sector and, therefore, its response is often difficult to initiate and coordinate. The authors have aimed to develop a knowledge management system for disaster in a tourist destination in terms of a knowledge framework for tourism disaster management at the public sector level. Jonas (2013) also emphasized the significance of managing accurate information to reduce the economic disruptions. Due to widespread use of social media, the information and communication play a key role and, therefore, the total economic impact of a pandemic is not directly related to death and illness. If the calculations made by the author are given credence it is the people's reactions and avoidance triggered by incomplete or inaccurate information that aggravates the cost. According to World Bank estimates, the annual global cost of moderately severe to severe pandemics is about US\$ 570 billion that accounts for 0.7-1 % of the global income (Mirasol, 2020). The outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003 caused more than US\$ 54 billion damage to the global economy and 800 deaths. COVID-19 is far more severe in its global spread, contagion and fatalities. It will be a lot more costly.

In Malaysia, particularly Sabah, the sectors most affected by the viral outbreak are: hotels, transportation, seafood business, gifts and souvenirs and entry fee in tourism hotspots, restricted visits to public places such as supermarkets and theatres. This is in addition to the healthcare costs – masks, antiseptic lotions, and quarantine services. Tourism in Malaysia contributes some 15% of the country's Gross Domestic Product (DOSM, 2019) and a significant number of tourists are from China. In 2018, Malaysian economy was boosted by RM 84.1 billion from the expenditure of 25,832,354 international tourist arrivals. With the travel restrictions in place, this source of income has suffered for an uncertain period of time. Other costs are related to measures in preventing the disease and healthcare arrangements that might run into millions of Ringgit Malaysia. The investment will increase with the stimulus package that the government might consider to support the economic viability of the affected sectors.

This paper addresses these issues and also outlines measures to protect the society and economy, especially the tourism income, from such public health emergencies.

2. RESEARCH METHODOLOGY

The contents of this paper are based on a review of the sources of available information vis-à-vis the coronavirus. Content analysis method is used to identify presence of certain words, themes, or concepts within some given qualitative data. Because the problem is new and still developing there is paucity of assessments of the impact of the pandemic, a novel approach was designed to timely produce this paper. The situation that developed following the outbreak of COVID-19 required this approach for authenticity and accuracy of data and to understand the patterns in recorded communications. Earlier, Kolbe and Burnett (1991) and Berg (2009) have shown how this method helps in systematization process to extract accurate information from a vast pool of data released by many individuals and agencies.

Because COVID-19 is a recent event, most of the information has been generated by news channels. We have made efforts to examine their credibility, cross checked it with others reporting this occurrence and verified by the data officially recorded by Wordometer and John Hopkins Coronavirus Resource Center as well as official

releases by the World Health Organization. The authentic information generated as a result was supplemented by a conceptual analysis of the real problem and formulating measures that can be taken to address them. While more in-depth studies are being carried out, it was considered urgent to bring some issues in the general domain of knowledge. A systems approach was followed in this research to blend the public health knowledge and economic stakes into concepts and relations that provide a logical understanding for policy support. The complexity of issues surrounding COVID-19 such as the source of the virus, mode of communication from the infected animal to humans and human-to-human transmission needed a systems analysis to facilitate a clear understanding of the event itself and the time dynamics which was so critical in this easily communicable infection. Consistent with the views of Lloyd-Smith et al. (2009), the systems analysis applied in this study had to consider not just the process of spillover from the wild animals to humans but also the underlying driver of ecological disruption to explain the importance of nature tourism.

3. THE GENESIS AND CONSEQUENCES OF VIRAL OUTBREAKS IN CHINA

Coronaviruses are a large family of viruses that cause a wide range of diseases from common cold to more serious illnesses such as the SARS-CoV. Coronaviruses are transmitted between animals and humans. There could be many coronaviruses present in animals, especially wildlife, that have not yet infected humans and not so far identified. Novel Coronavirus (nCoV) is a strain that was not known before.

A genesis of deadly coronavirus outbreaks from China reveals a similar pattern. The Severe Acute Respiratory Syndrome (SARS) that happened in 2003 and this COVID-19 outbreak both can be traced to unregulated consumption of wildlife. The former was linked to the civet cat, a wild mammal. The latter also originated from the wildlife food market in Wuhan. The isolation of the nucleic acid of the coronavirus in samples from the food market confirms the source of the outbreak. While the source of nCoV, animal host and reservoir are still being investigated, but bats are largely believed to be the original source because the closest relatives of the coronavirus are from this mammal.

With a population of about 1.4 billion, a vast variety of wild life and traditionally diverse food habits that could be unique in many ways, the risk factors are always there for such occurrences. Markets trading in rodents, snakes, dogs, porcupines, bats, and primates and other wild animals for meat side by side with farmed livestock meat, vegetables and fruits are fertile grounds for interchange and transmission of pathogens and spread of zoonotic infections.

Apart from what is considered a delicacy in exotic meats, there are also popular beliefs about the health benefits of consuming certain animal products without any scientific evidence. This disturbs ecosystem balance, and compromises with the principles of food ethics. Logically, exploitation of wildlife threatens the biodiversity and impairs the natural equilibrium, and reduces the ecotourism value of the natural landscape.

4. IMPLICATIONS FOR TOURISM DESTINATIONS SUCH AS MALAYSIA

Malaysia has taken proactive measures to contain the infection. There were only 8,535 confirmed infections and 121 deaths. COVID-19 has economic consequences for important tourism hotspots such as Malaysia due to trade, business and tourism links.

For a country like Malaysia where tourism sector alone contributes 15% of the Gross Domestic Product, and a significant number of tourists are from China, the economic consequences of this disruption are obvious. Likewise, other sectors including construction and manufacturing are also adversely affected. Malaysia has to increase investment in healthcare. What is also needed is knowledge management vis-à-vis the coronaviruses and clear guidelines for the general public, especially those involved in the hospitality industry, entertainment sector and management of tourist hotspots.

The main measure to protect the industry could be diversifying the tourist arrivals. While we can continue to woo Chinese tourists, efforts should be galvanized to promote Malaysia as a tourism destination in other countries as well. This will require a feasibility study and planning.

In Malaysia, the food markets are better controlled. This is mainly because the majority of people consume food which is certified as 'Halal' that prohibits such nutritional habits that have caused SARS or COVID-19. In fact, Halal food that is mainly supported by domestic livestock and seafood offers a healthier and environment-friendly option. Halal certification seeks to ensure safety of food for human consumption. It includes those foods of animal origin which can be consumed, method of sacrificing the animals and processing of the food for consumption. Also, there are specific requirements for hygiene and a complete protocol. Bats which are known to be the reservoir of deadly coronaviruses are not the halal food. Malaysia has bat populations but no tradition of consuming them as human food or any deliberate activity that can bring humans into closer contact with them. However, public should be advised to avoid consuming products like date palm or figs and possibly other fruits that are possibly contaminated by saliva or urine of bats. These animals roost densely in caves, and such places exist in Malaysia, and come into close contact with each other. This disseminates viruses easily between them. People should also avoid direct contact with live bats and other animals in affected areas.

Malaysia has an impressive hospitality industry. The tourism sector has taken a hit by measures taken to contain the disease. Events like this should motivate us to think of ways and means of protecting this industry and the key players. Those involved in the hospitality industry are trained to cater to the reasonable demands of tourists. People should be made aware that the transmission of COVID19 can directly occur via secretions from the respiratory tract (saliva, mucus) while coughing or sneezing. It can happen indirectly through coming into physical contact with contaminated objects or surfaces, shaking hands and then touching mouth, nose and eyes (ECDPC, 2020). The droplets can come into contact with people as they remain suspended in the air for several minutes. There is no specific treatment or vaccine against COVID-19 so far.

Because it is a new infection, little is known about some aspects of its virulence. We still do not know which group of people can get away with mild symptoms and where severe health problem can develop. However, people with weak immune system, old and young, and those with preexisting breathing and cardiovascular ailments are considered more vulnerable. Health workers or those more exposed to infected people are at a greater risk. The reported person-to-person transmission of the virus has increased its spread to a wider population. In Malaysia, and elsewhere, the patients can be given only supportive care while antiviral treatment options are under consideration (WHO, 2020). It is a new virus and people have no existing immunity. Those handling tourists need to understand that the incubation time of

coronavirus is 1 – 14 days. Tourists showing no visible signs of infection can transmit the infection through the above means of contact. It is, therefore, necessary for healthcare professionals to determine if certain entertainment facilities catering to tourists need to be temporarily closed down.

In the early stages of the outbreak, many countries banned the entry of Chinese visitors, restricted their movement and took other stringent measures, Malaysia conducted health checks on arriving tourists and alerting the general public through media of mass communication about the infection, ensuring healthcare supplies to the market and arranging the quarantine and related emergencies to contain the infection.

5. A WAKE-UP CALL FOR INVESTMENT IN WILDLIFE CONSERVATION AND RESPONSIBLE TOURISM

The links between the coronavirus outbreak and exploitation of wildlife for food have been established. It is timely for the world to invest in nature conservation. The economic losses from the viral epidemic are colossal while the economic gains from wildlife conservation are enormous and sustainable. Obviously, nature tourism resources provide a better alternative to exploitation of wildlife for food. A rational cost-benefit analysis would suggest in no uncertain terms the growing need for conserving wildlife and biodiversity.

Biodiversity is essential for the continued development of this industry since it is integral to natural resources that attract the tourists. In fact, nature tourism has boosted biodiversity in many areas where this link was examined (Balmford et al., 2009; Buckley, 2009). It brings benefits to the local economy that far outweigh the depletion of population of wild species for consumption. This is evident from the data reviewed by Kobilinsky (2018) which concluded that with each 1% increase in biodiversity in protected areas, nature-based tourism rose 0.87 %. The reason is simple; the protected areas rich in biodiversity attract more tourists and this brings as well as interest in wildlife conservation. There are several case studies that provide quantitative data on the benefits of ecotourism. Based on observations on wildlife and tourism industry in Botswana, Avery (2019) provided data that shows the contribution of wildlife tourism amounting to 11.5% of the country's GDP while supporting 7.6% of the total employment. The authors have also presented reasons for decline of income resulting from the extraction of wildlife. Earlier, Mabaiwa (2017) investigated the link between the effect of exploitation of wildlife on rural livelihoods using both primary and secondary data and translated the findings into what is called as the 'social exchange theory' that considers several benefits of tourism to local communities such as income, employment, scholarships and social services.

If the analysis presented by He (2019) is credible, the COVID-19 outbreak could cost China \$ 60 billion and if effective mitigation measures are not undertaken urgently, a much bigger economic loss could happen. In addition to the huge cost of containing the infection, there are other setbacks on account to paralysis of normal life when business shutters are down, educational institutions are closed and public transportation has come to a standstill. The impact of economic slowdown will be felt for years to come. Globally, the adverse reputation is incalculable at this moment. Facts and figures are changing on a daily basis, and many of the economic costs of different sectors will take time to calculate. According to UNWTO (2020) the COVID-19 is likely to result in a contraction of tourism sector by 20–30% in 2020, translating in a decline of international tourism receipts of US\$ 300 – 450 billion that

accounts for almost one-third of the US\$ 1.5 trillion generated in 2019. It is a colossal loss that can wipe out 5 – 7 years of growth. This is in comparison to decline of 0.4% due to SARS in 2003.

The impact of past pandemics such as Swine Flu (H1N1) and Severe SARS amounted to an economic loss of US\$ 55 billion and US\$ 30 – 50 billion, respectively (WTTC, 2020).

While many economic sectors will start recovery, the effect on the tourism sector will last longer due to low consumer confidence and restrictions in the international travel. This assessment is based on the recent developments that are unprecedented in terms of social and economic dimensions and uncertainties. The experience with the earlier pandemics shows the average recovery time was about 19 months (WTTC, 2020) but with certain strategies and proper information management, the time for post-COVID-19 recovery can be reduced.

In light of aforesaid, it is not difficult to imagine the sustainable benefits to the economy and society by investment of that much of the amount into conservation of wildlife and biodiversity. That looks like a logical scenario but in the absence of long-term nature-oriented policies linked to sustainable development goals striking a balance between nature conservation and ecotourism benefits remains a challenging task. Worth considering are special packages jointly supported by private and public sectors such as ‘Green Growth Investment’, ‘Big Nature Tourism Deal’ or by some other names to build resilience in our nature capital as well as tourism. This can accelerate the post-COVID-19 recovery in tourism and offer an opportunity of creating new nature tourism experiences while promoting businesses related to sustainable development of natural resources. Initiatives like this will succeed by involvement of tourism stakeholders including institutions, entrepreneurs, investors, developers and community representatives who have key roles in a sustainable economy and societal welfare.

6.CONCLUSIONS

The coronavirus is a wake-up call for the world to try to develop more structured policies and invest in preventing, regular monitoring and containing such health hazards. While the ‘prevention is better than cure’ is a conventional wisdom, the implications for not taking it seriously are far more devastating than with many other illnesses. Recent history of the origin of such pandemics reveals the failure to learn lessons from the past public health emergencies. It is highly desirable to diversify the tourism industry which currently is relying heavily on tourist from China, especially tourism Sabah. While the Novel Coronavirus infection is linked to the food market supplying wildlife meat in Wuhan (China), other countries where such dietary practices prevail should take stringent measures to prevent such outbreaks.

Public awareness programs and road shows should be organized to make people aware of this deadly outbreak and its impact on the public and the economy in general. Both government and private organizations should act together and take measures to regulate tourist arrivals from affected areas and close borders when necessary. Educational institutions can also play a vital role where international students especially those coming from places prone to the origin of pandemics. A practically feasible option is conducting online classes not requiring their physical presence. Malaysian universities have good online teaching platforms that can serve the purpose.

The economic consequences of COVID-19 are enormous but not possible to accurately calculate at this stage as the situation is evolving. However, the impact will have a long-term effect on the economies. The fact that this viral problem has gone far beyond the borders of China to assume global proportions, international agencies, mainly the WHO and other instruments of the United Nations will have to seriously work together to deal this sort of menace. A joint committee comprising wildlife experts, nutritionists, microbiologists and healthcare professionals can be constituted and given mandate to conduct monitoring and surveillance on a regular basis. The funding mechanisms may be from the respective governments or operators of the food business sector with the active participation of the World Health Organization through agreements with the governments of the respective countries. The vulnerability of the tourism sector requires that the stakeholder agencies should follow a systems approach to pandemic prevention at the public- environment interface and focus on socio-ecological dynamics due to the complexity of the issues involved. This will require institutionalizing the mechanism by mainstream development funding, not ad-hoc grants.

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