

The impact of covid-19 pandemic on micro & small scale tourism entrepreneurs: A literature review

ABSTRACT

The tourism sector is the single largest contributor to the total Gross Domestic Product (GDP) in Malaysia. Small and Medium Enterprises (SMEs) are divided into three levels: micro, small and medium-sized - enterprises, in a programme initiated by the government to reduce poverty and cut the income gap between rural and urban residents. The involvement of SMEs in the tourism industry has contributed to the development of a competitive advantage for the tourism industry in Malaysia. SMEs are an important component of the Malaysian economy, accounting for more than a third of the total GDP and providing employment to more than seven million people. However, when the World Health Organization (WHO) declared the COVID-19 outbreak 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 introduced and mandated the use of Standard Operating Procedures (SOPs) including hand washing and sanitisation, 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, to the 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 the COVID-19 pandemic has impacted SMEs. The methodology of this study uses the method of highlighting literature material systematically. A conceptual research method using secondary data was used in this study.