

## The Tourism Industry Before and After the Pandemic Covid-19

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### Abstract

**Purpose:** The purpose of this study is to investigate the Covid-19 pandemic's impact on different sectors, which in this case is the tourism industry

**Method:** This study collects data from previous research from 2020 – 2022 and the recent statistical data gathered from the authorities' website sources to evaluate recent research on the impact of the Covid-19 pandemic on tourism sectors.

**Result:** The global economic effects have forced significant adjustments in how firms may respond to and adapt to consumers' changing purchasing behaviors. That defines the tourism sector's decrease in the whole pandemic era before and after the COVID-19 pandemic.

**Contribution:** With this research, we hope it can help the community understand this matter better and that people will also know about this matter and how to overcome it.

**Keywords:** Tourism, Covid-19, Global Economics Effects

### Introduction

The COVID-19 epidemic has hampered worldwide economic growth, particularly in areas where tourism is a major industry. International tourist revenues have significantly decreased because of social segregation policies, a reduction in the provision of international transportation, and non-pharmaceutical government interventions like lockdowns or nation-admission bans. It became out that viral illness was more unexpected and harmful than bacterial illnesses. The virus has quickly crossed international borders and has harmed people's daily lives worldwide. The effects of the infection appear to be more undisturbed and intangible. The COVID-19 problem has seriously affected the global economy and caused worry since many enterprises suffer enormous losses from falling operations. In a comparable human experience over the previous ten years, epidemics like MERS and SARS guided some impacted nations in handling such unforeseen circumstances by charting the disease curve and causing community control decisions.

The economic effects of COVID-19 caused Malaysian industries to go through several adjusting and trying times, which led to a very tense situation for small enterprises in the tourist sector, especially those in the F&B sectors. Fear and worry have also had an impact on the national economy as well as the global economy, leading to a variety of predicted unclear long-term effects. As a result, many businesses shut down and laid off employees. Significant economic losses were also reported because of the broken employment system. Numerous job agreements have been put on hold. Numerous academics have examined the ability of places to rebound from market turmoil or natural catastrophes in the context of tourism. This is especially important since regions better able to withstand shocks require governments to provide less economic stimulation.

### Literature Review

Various studies cover the topic of tourism in facing the Covid-19 Pandemic. In this section, this study demonstrates the main literature discussed in this area. The first article is titled "Vendors' attitudes and perceptions towards international tourists in the Malaysia night



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market: Does the Covid-19 outbreak matter?" (Tilaki, M.J.M., Abooali, G., Marzbali, M.H., Samat, N., 2022) published by Multidisciplinary Digital Publishing Institute (MDPI). This study aims to examine vendors' attitudes and perceptions towards international tourists in night markets after the emergence of COVID-19 and the impacts of the propagation power of COVID-19 on vendors' perceptions in Malaysia. For variables, place attachment, economic gain, and involvement are independent variables; positive perception and negative perception is the mediator, and the dependent variable is tourist receptiveness. The research design in methodology for this research is a quantitative method, using a questionnaire survey. The questionnaire survey was conducted among local vendors in Malaysia using a multistage probability sampling method. The study model was derived based on the revised social exchange theory (SET). This research uses rigorous meta-analysis, providing the result: Positive perceptions towards international tourists significantly and positively mediate the relationship between place attachment, economic gain, and involvement with tourist receptiveness. Future research may expand the research to the various respondents to better explain the variance of behavioral intention.

"Exploring the impacts of Covid-19 on travel behaviors and mode preferences" (Abdullah, M., Dias, C., Muley, D., Shahin, M., 2020) is research published by Transportation Research Interdisciplinary Perspectives. The objective is to examine the changes in travel behavior due to the Covid-19 pandemic. Among the variables, trip purpose, mode choice, distance traveled, and frequency of trips before and after the pandemic are the independent variable, while travel behavior is a dependent variable. This research uses a quantitative method using the questionnaire survey. The questionnaire was designed using Google forms. It was prepared in English and distributed through emails and social media channels such as Facebook, LinkedIn, Reddit, and Research Gate. A Snowball sampling technique was used to collect responses. In addition, this research uses statistical analysis as an analysis technique. From this research, the result is that Trip purpose, mode choice, distance traveled, and frequency of trips for the primary travel were significantly different before and during the pandemic. This research focuses on several countries in the world. But our study focuses on the tourism industry globally.

The third article is titled "The impact of Covid-19 on tourism: Analysis of online reviews in the airlines' sector", published by the Journal of Air Transport Management (Rita, P., Moro, S., Cavalcanti, G., 2022). This research is made to understand how airline companies address the crisis generated by the Covid-19 pandemic and handle issues like cancellations and customer (dis)satisfaction. For variables, online service, physical service, and refunds are independent variables, while brand equity is the dependent variable. Negative, positive, and neutral is the mediator. The researcher made this research by using qualitative methods through online reviews. Collection of review posts from the leading ten worldwide airline groups by the number of passengers through tourism websites and Trip Advisor. They use Partial Least Square (PLS) to get the results showing a very negative trend, mainly caused by issues related to refund policies and processes, confirming the reported pandemic impact on this sector. Future research may explain the impact of COVID-19 in other sectors, such as health management and sports activity, to better explain the behavioral variance.

The fourth article is by the International Journal of Information Management Data Insights titled "Social network analysis of tourism data: A case study of quarantine decisions in the COVID-19 pandemic" (Altuntas, F., Altuntas, S., Dereli, T., 2022). It is objective to propose using social network analysis (SNA) based on tourism data to make the right quarantine decisions during the COVID-19 pandemic. The Independent variable is regions, while the dependent variable is quarantine decisions. The researcher used qualitative statistical data from social network analysis (SNA) at the Turkish Statistical Institute. The analysis technique used is rigorous meta-analysis to get the result which is the most critical region among 12 regions in Türkiye is Istanbul to decrease the possible negative effect of the COVID-19 pandemic on the tourism sector. Future research may explain more about the impacts of the quarantine decisions to better explain the variance of the behavioral intention.

"Impact of Covid-19 on the travel and tourism industry" (Skare, M., Soriano, D. R., Porada-Rochori, M., 2021) by Journal of The Technological Forecasting and Social Change. This research studies the potential effects of the COVID-19 pandemic on the tourism industry, whereas the independent variable is Covid-19 and pandemic crises, while the dependent variable measures the pandemic's impact on the industry. Researchers chose to do a quantitative method using a questionnaire survey. Using panel structural vector auto-regression (PSVAR) (Pedroni, 2013) on data from 1995 to 2019 in 185 countries and system dynamic modeling real-time data parameters connected to COVID-19). They use a system dynamic model as an analysis technique. Their result estimated that pandemic crises have long-lasting negative effects on the tourism industry and economy. Estimated negative effects are far beyond those observed during past pandemics.

Research by the Journal of Tourism Recreation Research titled "Hotel industry response to the pandemic evolution and the public sector economic measures (Anguera-Torrell, O., Aznar-Alarcon, J. P., Vivis-Perez, J., 2021). They are targeting to estimate how the 20 world-largest and publicly listed hotel companies' stock market returns reacted to the pandemic evolution and to the different public sector economic measures across the different countries they operate using regression techniques where its independent variable is the Covid-19 pandemic, and the dependent variable is hotel companies' stock price. Research is made through quantitative methods using a questionnaire survey. There are among the 50 largest hotel companies in the world by the number of rooms according to STR World Hotel Census at the end of 2019, and they are publicly traded firms according to Investing.com. So, they made research through them. Their analysis technique was initially proposed to be estimated by using the following equation to get the findings discussed from the perspectives that the hotel industry has been negatively affected by the COVID-19 evolution. Future research could amplify the coverage to smaller players in the industry when financial statement formation is made available in the following months.

"Pandemic, tourism, and global change: a rapid assessment of Covid-19 (Gössling, S., Scott, D., & Hall, C. M., 2020) by the journal of Sustainable Tourism made to compares the impacts of COVID-19 to previous epidemics and other types of global crises and explores how the pandemic may change society, the economy, and tourism whereas independent variable are major crisis events (SARS, MERS, Global Economic Attacks, Terrorist Attack, and Covid-19 while the dependent variable is tourism. Researchers used qualitative methods using research and daily news where it discusses why COVID-19 is an analog to the ongoing climate crisis, and why there is a need to question the volume growth and tourism model. The volume growth tourism model advocated by UNWTO, ICAO, CLIA, WTTC, and other tourism organizations. The technique used is a rigorous meta-analysis that provided an overview of the ongoing crises up to the end of March 2020 and discusses how it compares to earlier crises. The role of domestic tourism in the recovery and the longer-term transformation to more resilient destinations; the behavioural demand responses of tourists in the short- and longer-term, including business travel and widespread adoption of videoconferencing; the financial stimulus and its consequences for austerity and climate change mitigation.

Taylor & Francis Online published "Tourism crisis management: evidence from Covid-19" (Zhong, L., Sun, S., Law, R., & Li, X., 2021). This research was made to predict future tourism development with detailed directions affected by the COVID-19 outbreak using Mainland China (hereafter known as China) as an example to address the gaps. Independent variables are tourism and crisis management service recovery. At the same time, the dependent variable is tourism development Covid-19. They are using qualitative methods through research and daily news, applying academic databases such as Google Scholar. This work is supported by the National Natural Science Foundation of China [grant number 71673015] and the Beijing Social Science Fund [grant number 19JDXCA005]. Ethnic research project of the National Committee of People's Republic of China [grant number 2020-GMD-089]. This article also uses rigorous meta-analysis as their analysis technique to find a result. The findings contribute to the detailed predictions of the future tourism development for the hotel industry, travel agencies, and tourist attractions. Future studies can continue to track any changes in future tourism

development and focus on the detailed aspects of future tourism development affected by COVID-19 to establish better preparations for the tourism industry's recovery.

The ninth article is titled "The Covid-19 Pandemic and Its Repercussions on the Malaysian Tourism Industry (Ramli, N., & Zawawi, M., 2021) by the Journal of Tourism and Hospitality Management. It is to provide light on the impact of the Covid-19 outbreak on Malaysia's tourist and hospitality sectors. Covid-19 is the independent variable, while the other variables are Covid-19 repercussions, airlines, and hotel business. Researchers used qualitative methods through news and daily update in a local newspaper. The "Visit Malaysia 2020" campaign had the ambitious target of drawing 30 million visitors, and the RM100 billion Malaysian Ringgit in tourism receipts in 2020 were immediately canceled. Adapted from the validated instruments of Adi, N. R., Utama, M. S., Sri Budhi, M. K., & Purbadharmaja, I. B. P. (2017). Braz, J. (2016). Cameron, A. M., Memon, A., Simmons, D. G., & Fairweather, J. R. (2001). For the analysis technique, they applied rigorous meta-analysis. Their result is that the unprecedented societal changes brought about by the Covid-19 pandemic dramatically affect international and domestic tourism. Traveling overseas is perceived as unsafe and makes an individual more susceptible to contracting the virus than domestic travel. The act of domestic traveling in certain ways is considered safer while helping the local travel industry get back on track. Many robust efforts had been made to build and sustain an exciting domestic tourist market which would have ensured that when foreign tourists "dry up", locals would have at least helped in tiding things over. For future studies, the tourist accommodations (homestay, hotel, resort, holiday home, etc.) should be ready and willing to invest in their premises to be sanitized and certified as safe for their guests.

The last article is by the Journal of Hospitality, Leisure, Sport & Tourism Education, "A Comparative Analysis on the Career Perceptions of Tourism Management Students Before and During the COVID-19 Pandemic" (Charlyn Mae D. Benaraba, Nathalie Joyce B. Bulaon, Sheila Mae D. Escosio, Amiel Harold G. Narvaez, Anton Niño A. Suinan, Margie N. Roma, 2022). The objective is to determine and compare the career perceptions of Tourism Management students at Far Eastern University Manila, Philippines before and during the COVID-19 pandemic with the view of providing significant inputs to the development of programs for tourism students concerning their career opportunities. Situation before and after Covid-19 is the independent variable, while career perception about tourism is the dependent variable. The researcher-made survey questionnaire to gather quantitative data. On the other hand, a focus group discussion was conducted with six pre-student participants to collect qualitative data. The use of a paired sample T-Test proved that there is a significant difference in the student career perception before and during the pandemic. This was adapted from the validated instruments of paired sample T-Test and focus group discussion (FGD). Analysis techniques used are rigorous meta-analysis. They got three results. The first is that the tourism industry was severely affected by the COVID-19 pandemic as a major business sector. Number 2 is that students perceive their career opportunities in the Tourism Industry during this pandemic as full of uncertainties. The last result they got is that implementing a relevant and timely program that will address the students' wants and needs must be implemented to help the students adapt to the current situation. For future studies, implement relevant and timely career opportunity program/s that would address the current issues that the students are experiencing

## Research Method

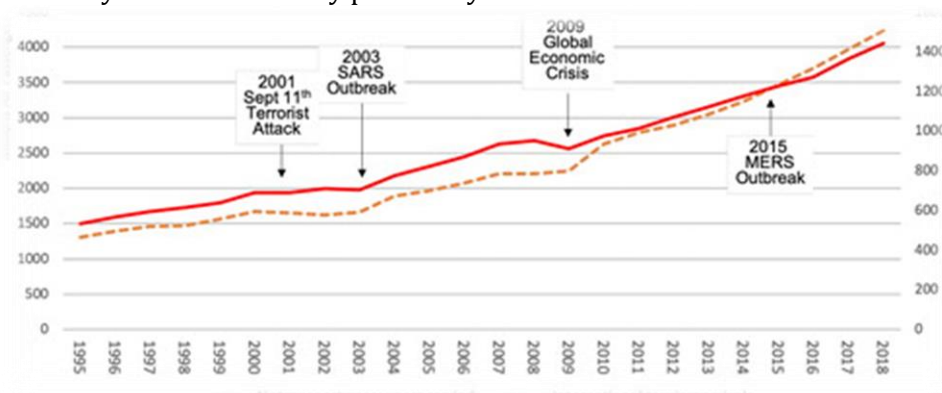
This study collects data from various sources. This study obtained data from various mentioned journal articles in the literature review. This study also collects data from various trusted websites, from a journal article and the website.

The data collection is also learned from previous research, for example, the article "The Covid-19 Pandemic and Its Repercussions on the Malaysian Tourism Industry" by Ramli, N., & Zawawi, M. (2021), derived data from the Malaysian Ministry of Tourism has concentrated on domestic tourism, presenting the country's state vacation. Then, from the article "A Comparative Analysis on the Career Perceptions of Tourism Management Students Before and



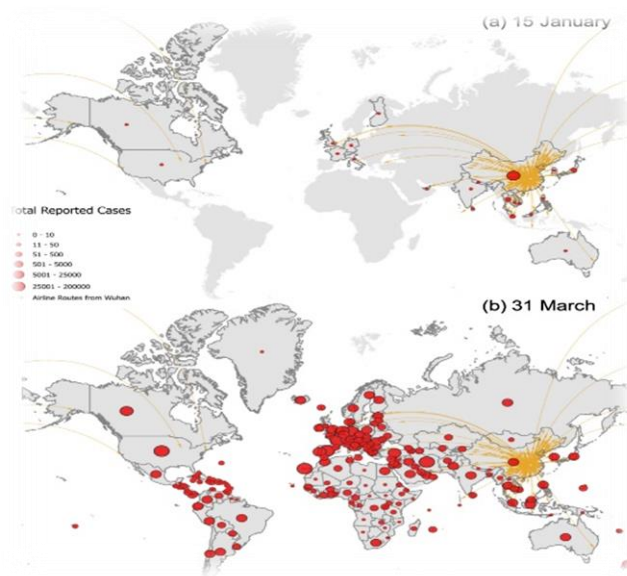
During the COVID-19 Pandemic" from Charlyn Mae D. Benaraba, Nathalie Joyce B. Bulaon, Sheila Mae D. Escosio, Amiel Harold G. Narvaez, Anton Niño A. Suinan, Margie N. Roma (2022), this study got a data about Malaysia's 2018 to Tourism Receipt by state. Furthermore, this study also derived data about five states contributing 50.6% of Malaysia's total domestic tourism receipt from the article "Tourism crisis management: evidence from COVID-19" by Zhong, L., Sun, S., Law, R., & Li, X. (2021). Then this study also collects data from the article "Pandemics, tourism, and global change: a rapid assessment of COVID-19" by Gössling, S., Scott, D., & Hall, C. M. (2020) and it is about Malaysia's Domestic Tourism Expenditure. Then this study also gets data about Malaysia's International Tourist Arrivals & Receipts Fall from the Impact of Covid -19 on the travel and tourism industry by Skare, M., Soriano, D. R., Porada-Rochori, M. (2021). And the last data that this study derived from the article is about the number of arrivals in Malaysia was reported from Exploring the impacts of COVID-19 on travel behavior and mode preferences by Abdullah, M., Dias, C., Muley, D., Shahin, M. (2020).

From the website, this study only got a few, among others, retrieves data from World Bank about the impact of major crisis events on global tourism. From ECDC and FlightRadar, this study got Daily global COVID-19 cases and flights. Again, from ECDC, this study got Global Distribution of Covid-19 Cases. Then, this study also got data about accommodation occupancy rate change for the week of March 21 (year over year) from STR. From MAH, this study got data about the room supply numbers and the hotel's occupancy rate in Malaysia. Lastly, from the Department of Statistics Malaysia, this study got data on the Overview of Tourist Arrivals and Receipts to Malaysia in 2021 and by previous year and months



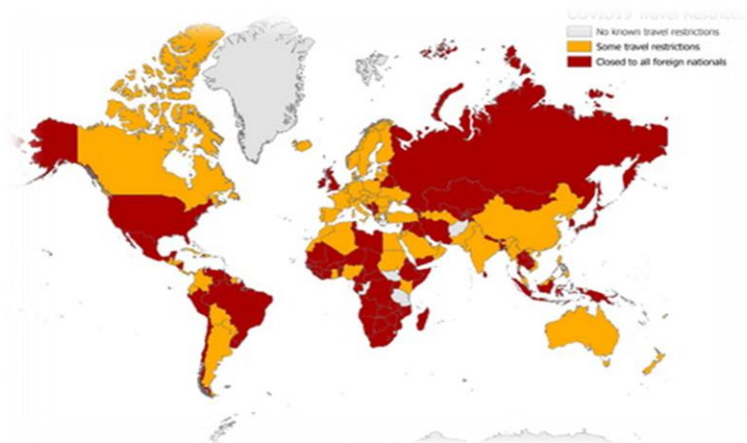
**Figure 1:** Impact of major crisis events on the global tourism  
**Source:** World Bank (2020a, 2020b).

Most importantly, there have been numerous warnings that pandemics pose a serious threat to society and tourism from both tourism (Gössling, 2002; Hall, 2006, 2020; Page & Yeoman, 2007; Scott & Gössling, 2015) and health researchers (Bloom & Cadarette, 2019; Fauci & Morens, 2012), as well as governmental organization (National Academies of Sciences, Engineering, and Medicine, 2017, 2018) and institutions (Jonas, 2014; World Bank, 2012).



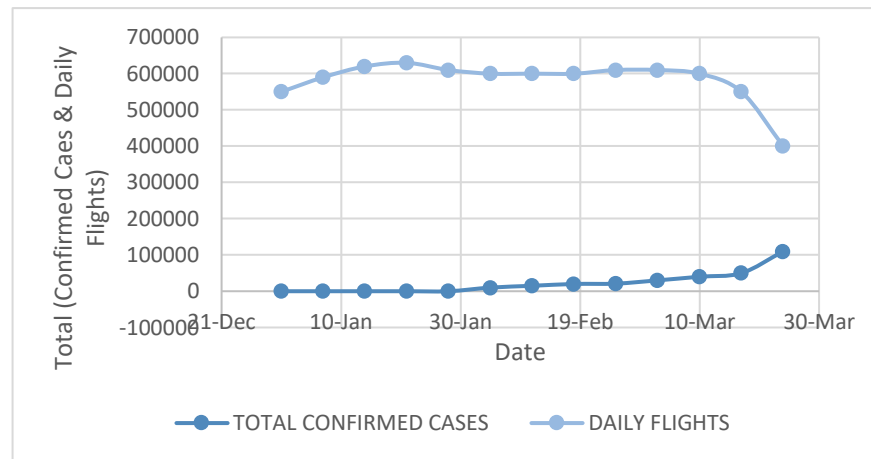
**Figure 2:** Global distribution of COVID-19 Cases (Jan-March 2020).  
**Source:** ECDC (2020)

Travel restrictions escalated from the Wuhan region epicenter (local lockdown starting on January 23) to most countries by the end of March as COVID-19 cases erupted and spread throughout the globe.



**Figure 3:** COVID-19-related global travel restrictions (as of March 31).  
**Source:** Authors compiled from IATA (2020), International SOS Security Services (2020), and country travel advisory/restriction websites on March 31.

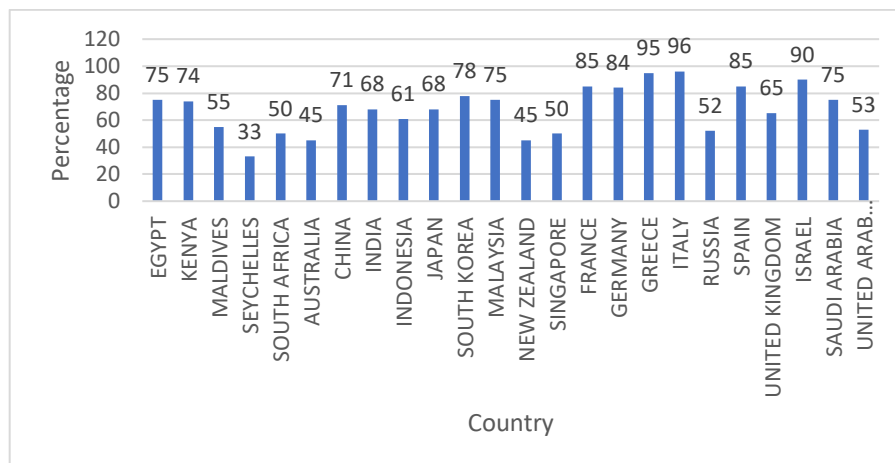
Over about eight weeks, COVID-19 rapidly emerged, scientific understanding and NPI responses developed, and tourism organizations found it difficult to grasp the magnitude of what was happening: Estimates of COVID-19 impacts on the industry by the United Nations World Tourism Organization (UNWTO), which were dramatically changed between early and late March, serve as an example of the uncertainty and dynamics of the pandemic and policy responses. For example, in contrast to the predicted 3-4% growth, foreign visitor arrivals were expected by UNWTO (2020a) to decrease by 1-3% (relative to 2019) because of the pandemic.



**Figure 4:** Daily global COVID-19 cases and global flights.  
**Source:** ECDC (2020), FlightRadar24 (2020).

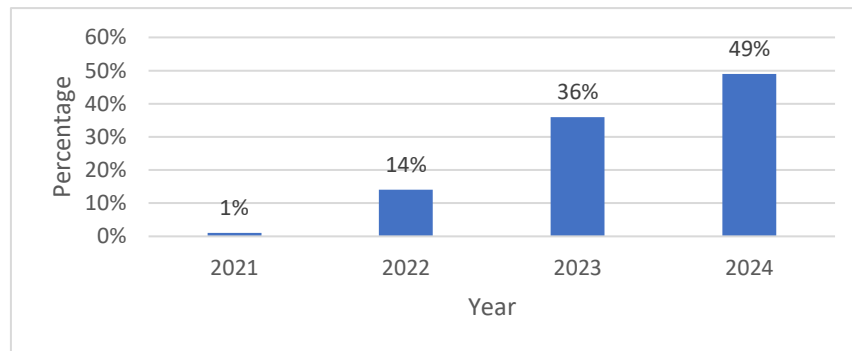
A compares the week of March 21 to the same week in 2019 to show the effect of the crisis on the lodging sector. Each country has dramatically decreased the number of visitors by at least 50%. The hardest damaged were nations significantly exposed to the crisis, such as Italy, and those that implemented severe measures to limit people (Greece, Germany). Visitors may have continued to travel in significant numbers in March to the supposedly safer nations (Seychelles, Sweden, and New Zealand).

However, even under those scenarios, many nations ask visitors to leave and return home.



**Figure 5:** Accommodation occupancy rate change for the week of March 21 (YoY).  
**Source:** STR (2020a)

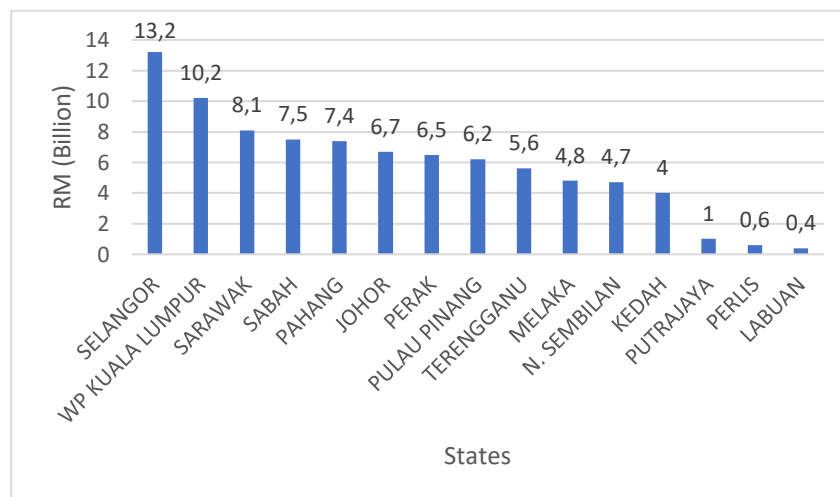
The Norwegian tourist association NHO [Reiseliv \(2020\)](#) published longitudinal (weekly) survey data on March 31, 2020, in one of the quickest reports on the COVID-19 crisis' effects on domestic tourism. Hotels, campgrounds, restaurants, food services, vehicle rental agencies, activities providers, and destination marketing organize the 41% of member firms that have filed cancellations as of March 5, 2020. In addition, 90% of member companies had temporarily laid off employees as of March 26, 2020, with 78% of those companies cutting at least three quarters. The industries with the highest personnel reductions were hotels, restaurants, and attractions; vehicle rental agencies and campgrounds were less affected.



**Figure 6:** Expected Year of Arrival of Foreign Tourists in Malaysia

**Source:** Department of Statistics Malaysia

The potential for domestic travel to revitalize the travel industry exists. Domestic travel has more accessibility, greater transit flexibility, and fewer restrictions than international travel in most countries. Additionally, it would be smarter to concentrate on local tourism than international tourism because the World Tourism Organization (UNWTO) estimated that international travel will only fully return in 2024.

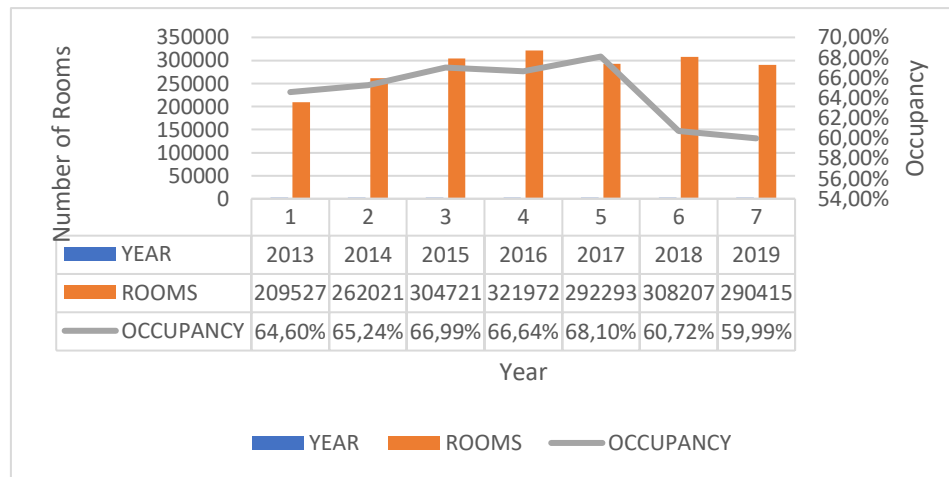


**Figure 7:** Malaysia's 2018 To Tourism Receipts by state

**Source:** Department of Statistics Malaysia

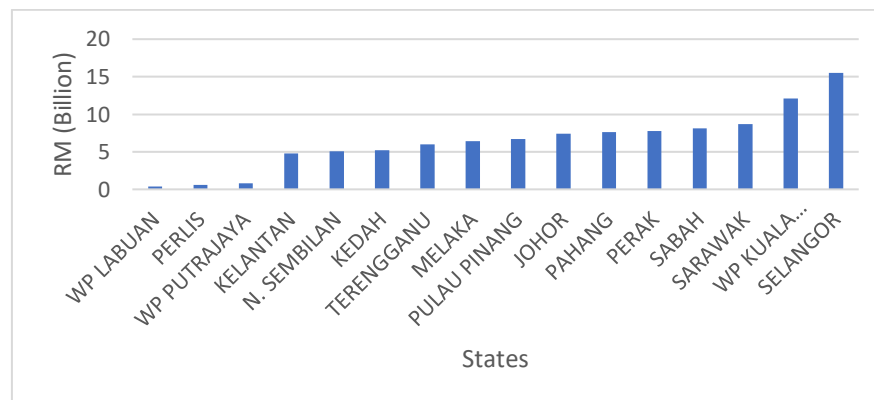
In 2018, Selangor welcomed 30.2 million domestic tourists, bringing in RM13.2 billion in revenue. W.P. Kuala Lumpur RM 10.2 billion, Sarawak with RM8.1 billion, followed by Sabah with RM7.5 billion. Domestic travel in Malaysia saw significant growth in 2019 (up 8.1% over the previous year). A total of 239.1 million visits were counted, and they spent a combined RM103.2 billion (an increase of 11.5% per year).





**Figure 8:** The number of rooms supplied and occupancy rate of the hotel in Malaysia  
**Source:** MAH, 2020

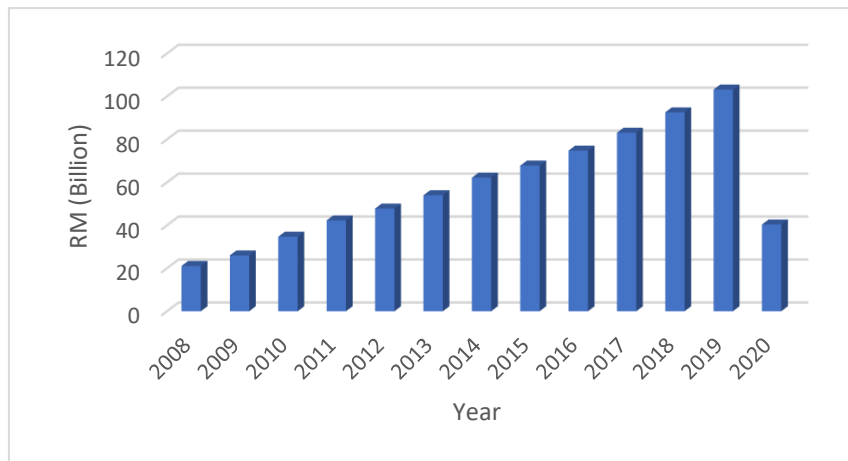
A mandatory 14-day quarantine period has been established for all Malaysians returning to the nation on April 3, 2020, to weed out any suspected COVID-19 cases. It suggested that quarantine facilities must be properly planned to ensure adherence to the guidelines for home quarantine. MOTAC contacted MAH to include hotels at all points of entry. The government had originally listed 10,000 beds at RM150 per room per night and a limit of three meals (MAH, 2020). By April 12, 2020, there were roughly 12,000 Malaysians in quarantine, and the list had grown to almost 23,000 rooms. These proceeds are expected to support the industry rather than move industry numbers.



**Figure 9:** Malaysia's total domestic tourism receipts  
**Source:** Department of Statistics Malaysia

Overall, the performance of domestic tourism in Malaysia was higher than in 2018. In 2019, 239.1 million visitors<sup>1</sup> were recorded, showing an increase of 8.1 percent as against the previous year. In terms of expenditure, a total of RM103.2 billion was spent by domestic visitors, with an annual growth rate of 11.5 percent.

Based on the performance by the state, Selangor recorded the highest total of domestic tourism receipts amounting to RM15.5 billion. This was followed by W.P. Kuala Lumpur (RM12.1 billion), Sarawak (RM8.7 billion), Sabah (RM8.1 billion), and Perak (RM7.8 billion). These five states contributed 50.6 percent of Malaysia's total domestic tourism receipts.



**Figure 10:** Malaysia's Domestic Tourism Expenditure, 2008 – 2020

**Source:** Department of Statistics Malaysia

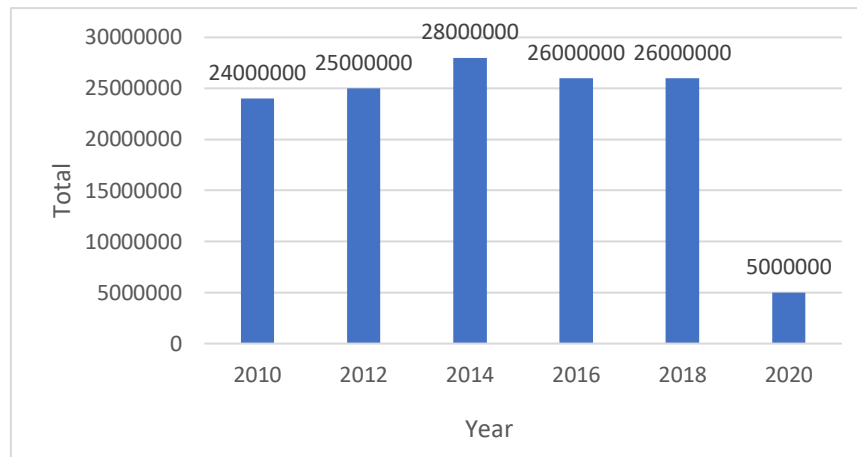
In 2020, shopping registered the highest percentage share of the total expenditure made by domestic visitors for their trip with a share of 52.6 percent (2019: 37.8%), followed by food & beverage, 18.6 percent (2019: 14.3%) and automotive fuel, 9.0 percent (2019: 15.0%). This was the first time the expenditure on food & beverage preceded the expenditure on automotive fuel.



**Figure 11:** Malaysia's International tourist arrivals and receipts fall

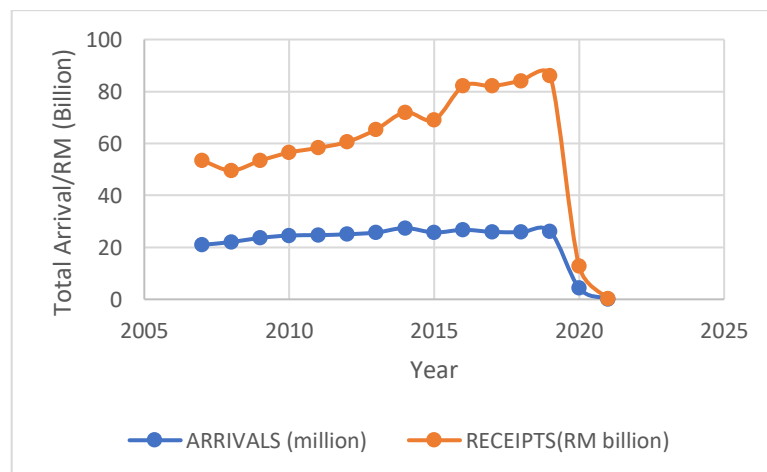
**Source:** Department of Statistics Malaysia

Tan stated that following the Global Financial Crisis in 2008, leisure travel rebounded faster than corporate travel. As such, he viewed that the government should prioritize the leisure market first as part of its plan to revive the Malaysian tourism sector. He added that the sector overall has a great multiplier effect and thus needs to be given priority in the nation's economic recovery plan. Malaysian Association of Hotels (MAH) chief executive officer (CEO) Yap Lip Seng said, "With the first quarter as good as gone, and no signs of international tourism at least till 2022, the industry is not expecting any improvements, and instead anticipates 2021 to be worse than 2020.



**Figure 12:** The number of arrivals in Malaysia was reported at 4333000 in 2020  
**Source:** Department of Statistics Malaysia

International inbound tourists (overnight visitors) are the number of tourists who travel to a country other than that in which they have their usual residence, but outside their usual environment, for a period not exceeding 12 months and whose main purpose in visiting is other than an activity remunerated from within the country visited. When data on the number of tourists are unavailable, the number of visitors, including tourists, same-day visitors, cruise passengers, and crew members, is shown instead. Sources and collection methods for arrivals differ across countries. In some cases, data are from border statistics (police, immigration, and the like) and supplemented by border surveys. In other cases, data are from tourism accommodation establishments. For some countries, the number of arrivals is limited to arrivals by air and for others to arrivals staying in hotels. Some countries include arrivals of nationals residing abroad, while others do not. Caution should thus be used in comparing arrivals across countries. The data on inbound tourists refer to the number of arrivals, not the number of people traveling. Thus, a person who makes several trips to a country during a given period is counted each time as a new arrival.



**Figure 13.** Tourist Arrivals and Receipts to Malaysia  
**Source:** data processed

Based on figure 13, a total of RM 238.73 million and 134728 total tourists coming to Malaysia. However, the data shows a drastic decrease in the total revenue and number of tourists visiting Malaysia in 2019, with 26.10 million tourists, despite 2021 with only 0.13 million. This happened because of the COVID-19 pandemic.

### Tourism from Economic Perspective

The number of foreign visitors and the importance of the tourism sector to the economies of numerous nations have gradually expanded over the past few decades. As a result, travel, and tourism are now mentioned in at least three of the 17 universal goals agreed upon by world leaders in 2015: goal 8 on decent work and economic growth, goal 12 on responsible consumption, and goal 14 on life below the sea. Additionally, the United Nations General Assembly proclaimed 2017 as the International Year of Sustainable Tourists for Development in 2015, acknowledging the tourism industry's potential to drive "economic growth, social inclusion, and cultural and environmental preservation" ([Annual Report 2016, World Tourism Organization, UNWTO](#)).

Tourism receipts can accelerate a nation's economic growth through their beneficial effects on the economy. [Ghali \(1976\)](#) and [Lanza and Pigliaru \(2000\)](#) empirically studied the relationship between tourism and growth. The so-called "tourism-led growth hypothesis" (TLGH) and its counterpart, the "economic-led tourism hypothesis" (ELTH), have since become the two most important topics in tourism literature, with an increase in empirical studies, beginning with the first paper published in 2002 by Balaguer and Cantavella-Jordà ([Perles-Ribes et al., 2017](#)). In a historical study of empirical research, [Pablo-Romero and Molina \(2013\)](#) divided studies into categories based on the approach used (time series, panel data, and cross-sectional data).

From a selection of 87 studies, 55 found a univocal association, 16 found a bi-univocal relationship, nine showed that the connection runs from economic growth to tourism, and only four found no linkage. These findings largely support the relationship between tourism and growth. TLGH and ELTH were directly developed from the export-led growth hypothesis, which holds that economic growth can be produced by raising exports and adding more labor and capital to the economy ([Brida et al., 2016](#)).

To create goods and services locally and increase economic growth ([McKinnon, 1964](#)), foreign exchange from tourism revenues can be utilized to import capital. This would also help the country's balance of payments ([Oh, 2005](#)). However, [Nowak et al. \(2007\)](#) reassessed this theory and proposed the "TKIG hypothesis" (tourist capital goods imports growth), which states that growth follows a particular route starting with capital goods import and ending with tourism export.

In summary, it is shown that tourism surely does affect the economy. Tourism directly contributes to the economy and sometimes becomes the most contributor due to the large revenue of a certain country. Regarding the relationship with this research, the indirectly economic was affected by Covid-19 through the tourism sector. With that, this study came up with that sentence based on the research that this study did.

## Result and Discussion

Based on our research, the tourism industry is infected by the COVID-19 pandemic. Before COVID-19, travel, and tourism had grown to be one of the most significant economic sectors in the world, contributing 10% to the global GDP and supporting more than 320 million jobs.

At the start of the jet era in 1950, just 25 million people traveled abroad. By 2019, that number had increased to 1.5 billion, and the travel and tourism industry had expanded to the point where many economies were virtually too dependent on it to fail.

According to the [United Nations World Tourism Organization \(UNWTO\)](#), the global pandemic, the first of its scope in a new era of interconnectedness, has put 100 million jobs at risk, many in micro, small, and medium-sized businesses that employ a high share of women, who make up 54 percent of the workforce in the tourism industry.

Countries that rely heavily on tourism will probably be affected by the crisis for much longer than other economies. This is because contact-intensive services crucial to the travel and tourism industries are disproportionately impacted by the pandemic and will continue to face challenges until people feel confident enough to travel in large numbers.

From the pristine white sands of the Caribbean, Seychelles, Mauritius, and the Pacific to Bangkok's back alleys and Africa's expansive national parks, nations are struggling to entice

tourists back while preventing fresh outbreaks of disease. The options include courting the ultra-wealthy who can live aboard their boats or encouraging people to stay for up to a year and work electronically while taking because of the tropics.

During the second half of 2020, when the immediate impact of lockdowns and containment measures lessened, nations began searching for a balance. Programs allowing tourist entry from "lower-risk" nations with quarantine conditions were approved by Thailand, Seychelles, and other nations. According to tweets from Prime Minister Frank Bainimarama, Fiji has established "blue lanes" that let guests come on yachts and undergo quarantine at sea before unleashing "the huge economic effect they carry aboard." A Covid-19 test must be negative earlier than seven days before travel to St. Lucia. A "travel bubble" established by Australia will waive quarantine procedures for visitors from New Zealand. Additionally, the CARICOM nations have established a "regional travel bubble" that exempts travelers from testing and quarantine from doing so.

Countries and territories like Barbados, Estonia, Georgia, Antigua and Barbuda, Aruba, and the Cayman Islands offer new long-term visas, lasting up to 12 months in some locations, to entice foreign visitors to bring their virtual offices with them while spending money in local economies in this new era of remote work.

At the end of October, Japan, whose foreign arrivals had tripled between 2013 and 2018, began opening its borders to visitors from specific nations. However, an IMF Working Paper suggests that the government maintains the pattern of relaxing visa requirements, attracting tourists away from urban centers to less populous regions of the country, and supporting a tourism comeback with improvements to labor resources and infrastructure. This will help the country's economy recover from the pandemic.

Till 2023, tourism revenue is not anticipated to return to 2019 levels globally. According to a current IMF study on tourism in a post-pandemic world, visitor arrivals decreased by more than 65 percent in the first half of this year, with a near standstill since April, compared with 8 percent during the global financial crisis and 17 percent in the SARS outbreak of 2003.

In 2020, the global economy was expected to decrease by 4.4 percent according to the October World Economic Outlook. Tourism-dependent economies will experience a far greater shock. The real GDP of African nations that rely on tourism will decline by 12%. The reduction will also be 12 percent among Caribbean countries that rely heavily on tourism. The real GDP of Pacific Island nations like Fiji may fall by a startling 21% in 2020.

The countries most dependent on tourism are not the only ones to suffer economic losses. In the United States, by August, one out of every six employments had disappeared in Hawaii. Officials in Florida, where up to 15% of the state's revenue comes from tourism, said it may take the sector up to three years to recover.

In the G20, the tourism and hospitality industries account for 10% of employment and 9.5% of GDP on average, with GDP shares of at least 14% in Italy, Mexico, and Spain. All G20 nations' GDP might be directly reduced by 2.5 percent to 3.5 percent under a six-month interruption in activity.

From the Islamic perspective, this study shows that Allah encourages Muslims to travel and learn from around the world. For example, Allah said in Al-Quran, Surah Al-Rum verse 42, "Travel on the face of the earth then see how the end of those who have passed (who have been destroyed); most of them are polytheists." From this verse, Allah asked Muslims to travel and visit places worldwide and learn something from that place. In this example, Muslims are encouraged to visit places that are being told from the past times, like Mesopotamia and many more, while learning from them.

There will be many advantages that can be learned if people go travel. Among them are learning new cultures, widening our knowledge, maturing ourselves, and many more. But Covid-19 should stop all that and make everyone stay home. From an Islamic perspective, this study teaches that everything happens for a reason, and this study must find a good thing behind all that. Muslims are already prepared to face this kind of obstacle. Of course, this study is not all, but most of us can manage this obstacle well.



Besides that, Allah said in Surah Luqman, verse 31

"Have you not seen the ships speeding through the sea, carrying God's provisions so that He might show you some of His wonders? Herein, behold, there are messages for all who are patient, grateful"

Therefore, this study can conclude that Allah encouraged Muslims to visit other places and learn from them.

## Conclusion

Based on the research, this study concludes that the COVID-19 pandemic infects the tourism industry. Before COVID-19, travel, and tourism had grown to be one of the most significant economic sectors in the world, contributing 10% to the global GDP and supporting more than 320 million jobs. However, after the COVID-19 pandemic, the number of visitors decreased dramatically and affected the global GDP.

In research on the sector's future, the World Tourism and Tourism Council stated that the epidemic had caused passengers' attention to shift to domestic travel or natural and outdoor areas. The survey states that adventure travelers, backpackers, surfers, and mountain climbers will constitute many early adopters and less risk-averse travelers.

The tourism and travel industry will begin to recover with leisure travel. However, based on location, trip purpose, and industry, business travel, a major source of revenue for hotels and airlines, may change permanently or gradually resume.

In the end, the resurgence of tourism will probably depend on what will be a very individual choice for many individuals as they assess the necessity of traveling versus the risk of being sick. A proposal for faster testing at airports to increase traveler trust is being made by the business sector, which is supported by several governments that rely heavily on tourism, as part of the development of worldwide procedures for the travel industry.

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