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IMPACT ON TOURISM DESTINATION'S SUSTAINABILITY CAUSED BY PESTEL

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Abstracts : In 2020, Tourism Business would be the best business in the world focused by UNWTO last 7 years. Unfortunately, the global tourism industry experienced an unprecedented and devastating impact because of the COVID-19 pandemic in 2020 beyond. This impact of CoVID-19 pandemic being caused by PESTEL issues. The PESTEL framework examines various factors that can affect the sustainability of tourism destinations as case study of China, Thailand, Cambodia, Malaysia, Singapore and Myanmar. Purpose of this study is that Macro Environment as (PESTEL) directly affect for tourism industry and destinations' sustainability by reviewing related articles. Among the PESTEL Sector, especially Political and Economic issues are directly influent for Tourism Sector as findings and recommendation for tourism revitalization in Myanmar.

Index Term : Tourism destinations, Sustainability, PESTEL ,Pandemics.

I. INTRODUCTION

The Global Tourism Business known as smokeless Industry provides Nations' economic development .Refer to UNWTO report, International tourist (overnight visitors) arrivals Increased from 278 million in 1980 to 1.5 billion in 2019.

According to the World Travel and Tourism Council (2017), the tourism sector directly supports 100 million job opportunities, meanwhile every 10 jobs worldwide, 1 job is related to tourism.

UNWTO forecasted that Tourism would be the best business on the world in 2020. Unfortunately, starting from the year 2020 and beyond. The global tourism industry experienced an unprecedented and devastating impact because of the COVID-19 pandemic.

These global tourism industry contributions to the GDP declined by 49.1% in 2020 compared to the preceding year of 2019. Refer to the United Nations World Tourism Organization (UNWTO), direct Tourism jobs between 100 to 120 million; accommodation and food services industries that 144 million workers worldwide are at risk currently (UNWTO, 2022).

The dropdown figure demonstrates the struggling of the tourism sector due to the travel bans. However, the pandemic has also increased the unemployment in the tourism sector, which has provided 334 million jobs in the world in 2019. Moreover, the recent statistics present the 18. 5% of job losses related to the travel and tourism industry are almost the unemployment of 272 million people .The effects were profound, pushing the industry to a state of complete standstill. Travel restrictions, border closures and lockdown measures implemented by countries around the world brought tourism activities to a grinding halt.

This resulted in a momentous disaster in international Inbound / Outbound and domestic travel, as well as disruptions to the livelihoods of millions of people dependent on the tourism sector were affected by CoVID-19 pandemic beyond 2020 .

Besides, the pandemic caused Incensement of unemployment rate, financial losses, and loss of lives of Tourism professions .The industry faced an immense challenge in dealing with the ground zero situation, requiring innovative strategies, health and safety protocols, and government support to navigate the crisis and eventually recover from the impacts of the pandemic.

The PESTEL framework examines various factors that can impact the sustainability of tourism destinations. These factors include Political, Economic, Sociocultural, Technological, Environmental, and Legal aspects. When it comes to tourism destination sustainability, the political factor considers government policies and regulations that support or hinder sustainable practices. Meanwhile, PESTEL is vital role in effeteness for Tourism sustainability especially Political and Economic influences as the best scenario of CoVID-19 pandemic.

Purpose of this study as Article, Macro Environment known as external factors (PESTEL) directly affect for tourism industry and destinations' sustainability by reviewing related articles.

II. LITERATURE REVIEW

Most of developed/ developing countries in the world, Tourism industry carried great contribution each countries' economic development.

It has been observed that COVID-19 crisis has affected global travel and tourism more than any other sector globally as well as in **China**.

China's once thriving tourism industry was damaged by the travel restrictions home isolation, and quarantine orders. (Yon sunga et al.,2022)

The COVID-19 pandemic has substantially affected the global economic and financial determinants (Rizvi, Y et al., 2020), particularly the tourism industry in China.

Before the COVID-19 crisis, some 150 million Chinese people travelled abroad annually.

According to the Annual Economic Impact Report (EIR) issued by the World Travel & Tourism Council (WTTC) quantified the massive losses of amount US \$4.5 trillion bear by the Global Travel and Tourism industry in the year 2020 due to the devastating effects of the lockdowns crippling, travel restrictions, and COVID-19 crisis. The vast losses plummeted almost the proportion of 5.5% of the economic wealth of the world.

Thailand is among Chinese people's favorite's tourist destinations along with Japan, South Korea, Macau and Hong Kong. Refer to Thai PBS World's Business Desk (2023), , Thailand decided to fully reopen the country in 2022, removing the COVID-19 restrictions that had throttled tourism, a key engine of economic growth after bolting the doors for two years following the outbreak of the pandemic. Before fully reopening, Thailand had begun a carefully planned, phased and controlled return of international tourists beginning July 1, 2021. The Phuket Sandbox, Samui Plus, and 7+7 Extension programs were implemented with caution to ensure COVID cases would not soar.

This was followed by a four-phase reopening timeline from October 2021 to January 2022 in which destinations throughout the country were reopened to tourists. Thai government removed **Test & Go campaign** as the Thailand Pass registration requirement, allowing foreign nationals to arrive if they could show proof of vaccination or a negative antigen test taken not later than 72 hours before the flight.

Since October, international travellers are no longer required to show proof of vaccination or antigen test results, marking the complete reopening of the country to international tourism.

A large number of Chinese have yet to return due to restrictions imposed by their government, preventing citizens from travelling abroad despite ending the zero-COVID policy in December, 2022. Most of the tourists are coming from Thailand's neighboring countries, and India, according to the Tourism and Sports Ministry.

The high cost of air tickets due to fuel surcharge and limited flights are also a challenge for the tourism industry, said Thaneth Tantipiriyakij, president of the Phuket Tourist Association.

Travellers worldwide are also paying a heavy price for Russia's invasion of Ukraine, which has caused energy prices to shoot up, adversely impacting travel worldwide. Tourists have lesser disposable funds due to the higher cost of air travel.

The recent impact of floods in provinces bordering **Malaysia** would also likely impact arrivals from that country, which is among the major source of tourists. As first stage in 2021, Malaysia Government allowed for International Tourists to permit as border entry point only Penang. However, it was fully opened for international borders check point in 2022.

This new reality did little to displace the existing reality of economic, political, and social life in the Southeast Asian nation (Lee Morgenbesser 2021)

The tourism industry was hobbled by a lingering shortfall of international arrivals .By January, the **Cambodia** Association of Travel Agents said that roughly 3,000 tourism enterprises had closed due to the ongoing health crisis.

The Cambodian government initially responded with a set of policies designed **with fear and favor** to keep Tourism businesses afloat, including free licenses and tax exemptions.

Total visits from selected origin(s) by destination countries

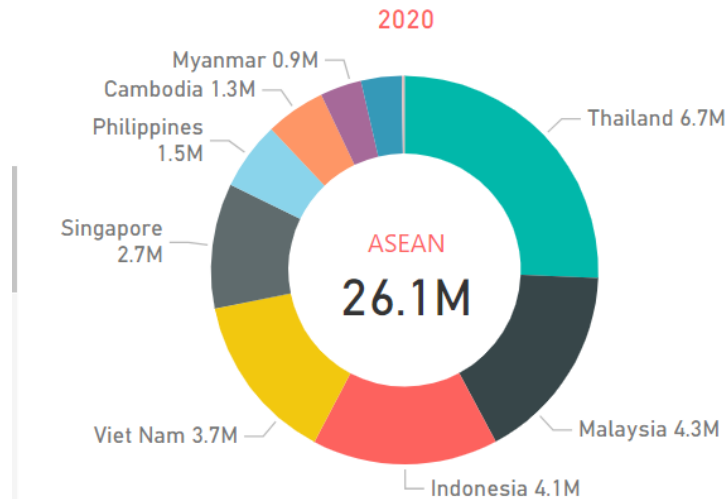


Fig (1) ASEAN Countries' Tourists' Arrival 2022

III. RESEARCH METHODOLOGY

As a review, **Chinese Authority's Zero Covid-19 policy** applied until late 2022 were being caused for mass protest in some parts of China and threatens for political instability as well as Economic downside. So, Chinese leaders were changed their CoVID-19 Zero Policy and decided to open International border in early 2023. This right decision is being made to trust of people and political stability.

Moreover, **Thai government** tried to recover its economy downside by reopening Tourism sector. According to previous reports, Thailand receives 51% of international Inbound visitors to the Greater Mekong Sub region (GMS). Most of the inbound visitors to Thailand will visit other countries in the region with up to 30% of long-haul market visitors expected to visit combine destinations in countries in the GMS region.

In Thailand, an early regaining of the tourism industry may be influential in boosting demand for other countries in the GMS.

A survey of tourists from Mainland China on their intended travel plans post COVID-19 puts Thailand as their second most popular global destination. (ADB Report; 2020)

The tourism industry is estimated to suffer a \$50 billion loss in tourism revenue (9.5% of GDP) in 2020. Airline Industry of Thailand has experienced a 52% descent in passenger demand in the first quarter of 2020 and is expected to lose \$8.3 billion in revenue in the same year.

But, different ways of Tourism recovery measures were not smoothed during 2 years CoVID-19 pandemic impact around the World. Finally, Thai Government and Tourism Authority made right decision to fully open for all international tourists with no barriers on arrival in October 2022. According to (TAT) Tourism Authority of Thailand's report, International Tourists' arrival reached 11.1 million in 2022 and expected to meet 20 million before end of 2023.

In comparison with GMS countries, Thailand is the top International visitors' arrival country because Laos PDR received 1 million International visitors, Cambodia received 2,2million, Vietnam received 3.4 million and 0,23 million inbound visitors to Myanmar in 2022.(MOHT,2023)

As a review on above those countries scenario, Economic factors are being effected directly relied on Government policy as external environment (PESTEL) especially involvement in Tourism Industry revitalization measures.

As exceptional case, the study focuses on Singapore and Thailand 's bilateral Travel policy, significant tourism visitation measures are being illustrated a frame work for optimizing CoVID-19 testing and quarantine policies for the sake of economic recovery during October ,2021.The Cost and profits of testing , quarantine and Tourism receipts have greater economic impacts than that from COVID-19 transmission.

As a result, both countries gained great economic benefits by relaxing border control measure because both governments provided healthcare systems with sufficient capacity.(Celestine.G et.al,2023)

This study focuses on **Thailand and Singapore**, two countries that share significant Tourism visitation, to illustrate a framework for optimizing COVID-19 testing and quarantine policies for bilateral travel with a focus on economic recovery. The timeframe is the month of October 2021, when Thailand and Singapore

were preparing to reopen borders for bilateral travel by applying the following models as the best evidence for the border reopening policy decisions.

- (a) Incremental net benefit(INB) compared to the pre-opening period was quantified through a willingness-to-travel model,
- (b) A micro-simulation COVID-19 transmission model
- (c) An economic model accounting for medical and non-medical costs/benefits.

However, preventive measures were being examined such as multiple testing and quarantine policies, and pare to optimal (PO) policies and Tourism receipts and cost/profits of testing and quarantine have greater economic impacts than that from COVID-19 Transmission.

As the findings on this case study, Thailand and Singapore gained great economic benefits by releasing border control measures due to sufficient capacity for healthcare system provided systematically.

IV.REVIEW ON ARTICLES AND STUDY ON MYANMAR ISSUES

Myanmar tourism's the total contribution to GDP was MMK6, 468.9bn (USD 4,918.2mn), 6.6% of GDP in 2017, and the forecast to rise by 5.4% in 2018. Furthermore, Myanmar's Tourism Industry directly supported 570,000 jobs (2.5% of total employment)in 2017 (Aung ,Myo , 2019)

However, those good results were turned the whole Tourism Industry upside down due to CoVID-19 crisis and political instability. Especially, Carrying capacity in Tourism sector is facing huge challenges due to shortage of Tourism work forces.

Refer to the International Labor Organization (ILO), Myanmar skilled /semi-skilled employees lost about 1.6 million jobs in 2021 (Aljazeera, 2022). Notably, the recent "Employment in Myanmar between 2018 to 2022 2021: A Rapid Assessment", conducted by the International Labor Organization (ILO), stated that overall employment in the accommodation and food service sector decreased in 2021 by an estimated 3 percent (around 80,000 persons), with women comprising around three in five of the jobs lost . (Thu, Aung , 2022)

In comparison above 2 studies, direct tourism workforces (570,000 jobs , 2.5% of total employment in 2017) were changed after crisis in 2020 beyond. In fact, overall employment in tourism sector declined up to 3% (around 80,000 persons) jobs due to change their career in 2021beyond. Meanwhile, majority of Tourism workforces are no longer in right profession because of brain drain and survival situation due to unforeseen circumstances.

In times of crisis, Myanmar government should mitigate the impact and plan for recovery new normal Tourism product, price, communication and distribution policies should be used in combination in order to generate synergy affect. COVID-19 has been a stimulus for Myanmar tourism to re-orient target markets. Also, policies to protect tourism workforce and strategies to promote tourism again should be implemented. (Thu, Y.M.2020)

While above study in 2020, Ideally, Myanmar Government policies towards health care are strictly regulated and prioritized. Containment measures such as restricting borders are in process. The existing policies were not adequate to handle this crises however the findings depict that the policy implementation is even faster than normal times. Economic policy responses such as tax holidays scheme and loans schemes were launched immediately after the crisis happened, Myanmar government formed a committee to response to COVID-19 pandemic led by the First Vice President and eight ministers (Myanmar President Office, 2020). Unfortunately, CoVID-19 outbreaks were occurred in 2020-2021 around the world, Myanmar Tourism Industry was totally ground zero situation except few Relief Flight operators, Quarantine Hotels and few F&B service providers.

Although, some countries were reopened for tourism sector as first priority in 2022, Myanmar Tourism receipt was still slow according to Tourism Statistics report. (MOHT, 2022)

Here's how these issues have affected the industry by overlooking below visitors' receipt to Myanmar in comparison between 2018 to 2022.

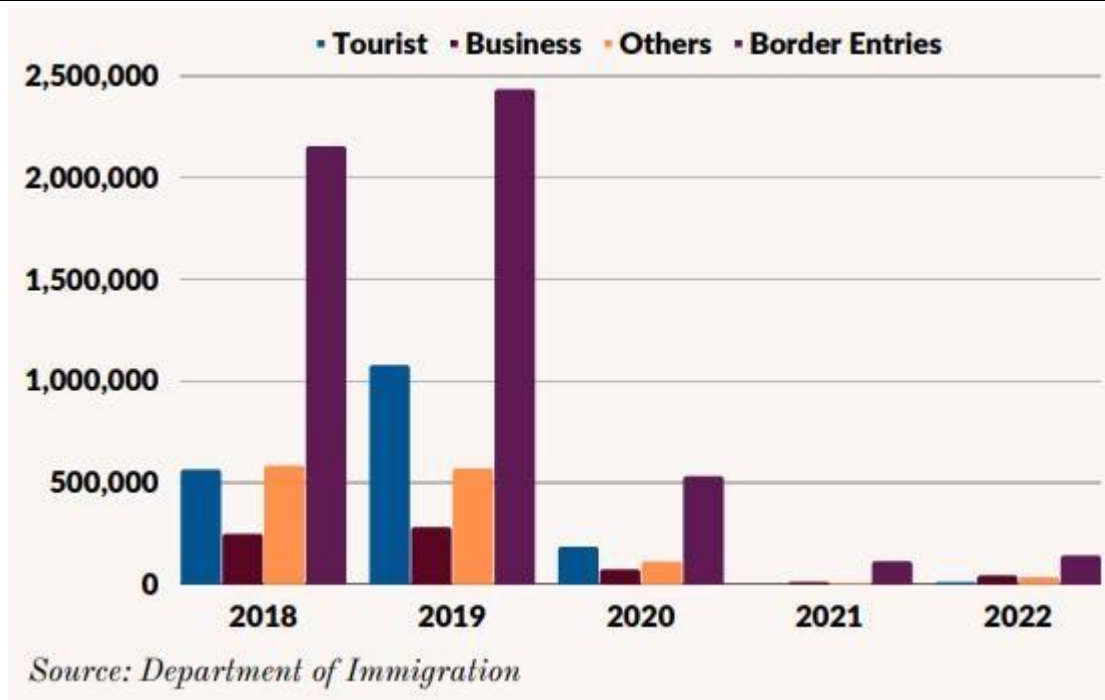


Fig (2) Myanmar Visitors' Arrival 2022

However, Tourism Industry in Myanmar is facing not only CoVID-19 Pandemic issue, but also political instability.

In fact, the tourism industry in **Myanmar** has been confronted with significant challenges, including the impact of the COVID-19 pandemic and political instability. These factors have had a profound effect on tourism operations and the motivation of the workforce.

4.1. COVID-19 Pandemic: The global pandemic has had a severe impact on the tourism industry worldwide, and Myanmar is no exception. Travel restrictions, lockdowns, and health concerns have resulted in a significant decline in international tourist arrivals. This has led to the closure of hotels, restaurants, and tour operators, causing a substantial loss of jobs and demotivation among tourism workers.

4.2. Political Instability: Myanmar has experienced political unrest and instability, with the military coup in February 2021 leading to widespread protests and civil unrest. These events have created an atmosphere of uncertainty, negatively affecting the tourism industry. Political instability often results in travel advisories and warnings issued by foreign governments, leading to decreased tourist arrivals and further impacting job opportunities in the sector. The combination of the COVID-19 pandemic and political instability has created a challenging environment for the tourism workforce in Myanmar. The decline in tourist arrivals has resulted in layoffs, reduced working hours, and financial difficulties for many tourism workers. This situation has inevitably led to demotivation among the workforce, as individuals face an uncertain future and struggle to meet their basic needs. However, despite these challenges, there may be opportunities for the tourism industry in Myanmar to adapt and recover. Here are a few possibilities:

4.3 Domestic Tourism: With international travel restrictions in place, promoting domestic tourism can be a viable option. Encouraging local residents to explore their own country can help generate some level of economic activity and employment within the industry. This shift could motivate tourism workers to focus on serving domestic travelers and develop new products and experiences tailored to the local market.

4.3.1. Sustainable and Responsible Tourism: Emphasizing sustainable and responsible tourism practices can help attract conscious travelers who prioritize ethical and environmentally-friendly experiences. By incorporating sustainable practices, such as supporting local communities and protecting natural resources, the industry can regain its appeal and inspire tourism workers to contribute to positive change.

4.3.2. Digital Transformation: The pandemic has accelerated the adoption of technology in various industries, including tourism. Tourism businesses can leverage digital platforms for marketing, booking, and providing virtual experiences to potential travelers. By embracing digital transformation, tourism workers can develop new skills and adapt to the changing landscape, thus finding motivation in exploring innovative approaches.

4.3.3. Community-Based Tourism: Encouraging community-based tourism initiatives can empower local communities to participate in and benefit from the industry. Engaging communities in tourism activities can create a sense of ownership and motivation among the workforce, as they become actively involved in preserving their culture, heritage, and environment.

While the challenges of the COVID-19 pandemic and political instability have significantly impacted the tourism industry in Myanmar, it is essential to identify opportunities for recovery and adaptation. By focusing on domestic tourism, sustainability, digital transformation, and community engagement, the industry and its workforce can find motivation and work towards rebuilding and shaping a more resilient tourism sector.

V. FINDINGS AND DISCUSSION BY PESTEL

Although the PESTEL framework examines various factors that can impact the sustainability of tourism destinations. According to case study of CoVID-19 Impact in China, Thailand and Myanmar, among PESTEL issues, Political and Economic effects are especially more sensitive for Impact of Tourism sector.

When it comes to sustainable tourism destination, the **political factor** considers government policies and regulations that support or hinder sustainable practices in due course.

Besides, Tourism Industry was the worst effected sectors among World's Economic Industries due to CoVID-19 pandemic. According to Economists' finding reports, global tourism industry contributions to the GDP declined by 49.1% in 2020 compared to the preceding year of 2019.

Refer to the dropdown figure shows the struggling of the tourism sector because of the travel bans as well as unsafe destinations. Whatever it may be, the pandemic has also increased the unemployment rate in the tourism sector, which has provided 334 million jobs in the world in 2019. Moreover, the recent statistics present the 18.5% of job losses related to the travel and tourism industry are almost the unemployment of 272 million people.

The worst impact found that most of Tourism soft skills were changed their profession, Carrier to other sectors for the sake of survival during pandemic period. Those issues can be solved it out as policies changing by Government and positively supported by Private sectors and close collaboration of Communities. For this reason, Impacts on Tourism Industry are being affected by PESTEL shown Conceptual Framework as blows:

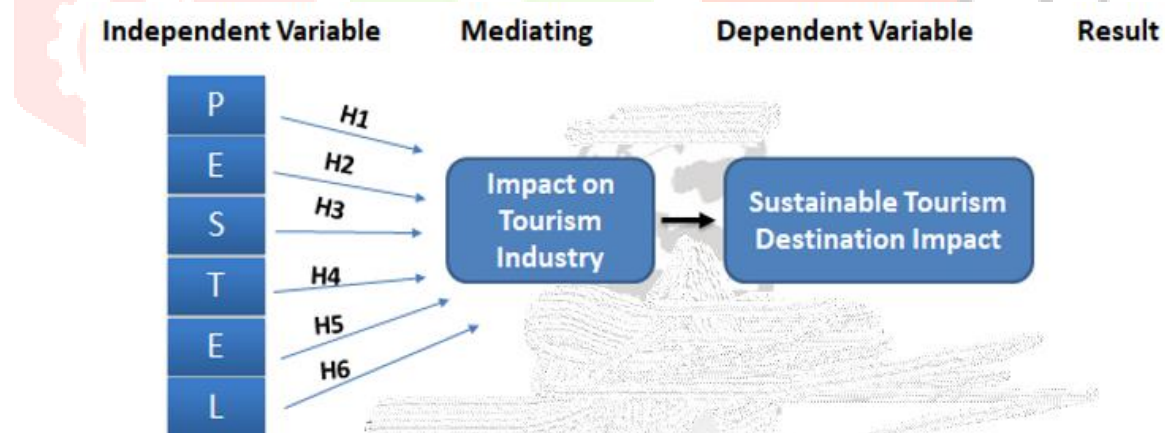


Fig (3) PESTEL influence and Impact of Tourism Sustainability

VI. CONCLUSIONS AND RECOMMENDATIONS

To be sustainable Tourism destination, PESTEL Macro Environment role is directly impact for Tourism Industry on the world by learning case study to review impact of PESTEL .During the CoVID-19 Crisis ,The governments were discussed to initiate bilateral and regional agreements for 'Travel Bubbles' that allow for reciprocal open borders with other destinations that also have under control of coronavirus situation. According to TAT practices for COVID-19 rebound in 2020 , this travel bubble to work, at least the following three criteria need to be satisfied.

First, visitors will essential to feel safe.

Second, Tourists arrivals will need to be from source markets such as China, Malaysia, Republic of Korea, Japan, Hong kong, Vietnam and India that also have COVID-19 under control.

Third, the tourist's destinations will require to have sufficient infrastructure in place to provide a safe and positive experience for both tourism workers and tourists themselves.

Based on above measures on Tourism reopen in Thailand even CoVID-19 rebound, Government's leading role is important and directly impact for country's economy revitalization.

However, while the challenges of the COVID-19 pandemic and political instability have significantly impacted the tourism industry in Myanmar, it is essential to identify opportunities for recovery and adaptation. By focusing on domestic tourism, sustainability, digital transformation, and community engagement, the industry and its workforce can find motivation and work towards rebuilding and shaping a more resilient tourism sector.

] As a positive aspect. Institutional capacity is very important for the sake of long term sustainability of Tourism Destinations. According to Morgan & Qualman (1996), Institutions are government and public sector organizations, private sectors and Civil Society Organizations (CSO) included NGOs and Community based organizations (CBO).Those Institutional Capacities are being dependent variable interrelated with Macro Environment (PESTEL).

In conclusion, Political and Economic factors are directly influencing among PESTEL issues especially in Tourism sector recovery during CoVID-19 pandemic by reviewing related articles and reports on this study.

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