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Financial inferences of COVID-19 on the hospitality industry in Sedibeng municipality

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Abstract

The COVID-19 pandemic has severely disrupted South Africa's hospitality sector and financially strained the industry's small and medium enterprises (SMEs). The purpose of this study is to critically examine the financial implications of COVID-19 on the economic challenges faced by SMEs in the hospitality industry within Sedibeng District Municipality, South Africa. The investigation focused on whether the pandemic-induced financial challenges adversely affected SME revenue and overall profitability, leading to sustainability issues. An exploratory research approach was employed, utilizing descriptive statistics. Results indicate that reduced capacity to conduct business during the pandemic decreased employment capabilities within the hospitality sector, resulting in layoffs. The COVID-19 pandemic had operational and financial ramifications that negatively impacted sales and profitability. These findings highlight the urgent need for adaptive financial strategies and policy support to ensure the sector's long-term viability during such crises. Furthermore, the study recommends future research to explore sector-specific recovery strategies, thereby enriching the discourse on SME resilience in times of crisis.

Keywords: COVID-19 pandemic, Economic challenges, Financial, Hospitality industry, SMEs.

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1. Introduction

Over the years 2019 to 2021, the COVID-19 pandemic affected global health systems [1]. The pandemic left countries unaware and unprepared to deal with its far-reaching impacts on various areas of health, life, the economy, and business environments adequately [2]. Consequently, the effects on large and small business enterprises (SMEs), particularly regarding operations, revenue generation, and profitability, were brought to the fore [3] when adjustments had to be made to business activities to cope with these new sustainability challenges [4]. The global pandemic posed severe financial consequences for SMEs, forcing them to find ways to circumvent a complete shutdown of operations.

The COVID-19 pandemic and the containment measures imposed by governments have caused economic hardship worldwide, especially for smaller businesses. In South Africa, the plight of small, medium, and micro enterprises and the fate of these enterprises have drawn concern about sustainability due to limited resources and infrastructure, particularly affecting the hospitality industry. Even before the outbreak of the pandemic, there had been a decline in the number of active small businesses and the country's entrepreneurial population over the years [5]. In South Africa, small businesses drive innovation and competition in markets and form the backbone of many successful economies.

In most parts of the world, SMEs represent most businesses and contribute significantly to the economy and especially to employment in their country. It is in these small businesses and the aspirations of their owners that the future organic growth opportunities lie, not in large corporations. Several notable actions were taken by the South African government to slow the spread of the virus through national COVID-19 protocols. For several weeks and months, the country was positioned in various stages of lockdown restrictions affecting businesses, notably the hospitality industry [5].

Against this background, this study examines the financial impact of COVID-19 on the economic challenges faced by SMEs in the hospitality industry within the Sedibeng District Municipality in Gauteng, South Africa.

The study is structured as follows: First, a brief literature review is provided that includes information on the challenges faced by small businesses under COVID-19 restrictions, small businesses in South Africa, the impact of COVID-19 on small- and medium-sized enterprises, revenue generation, profitability, and small business performance in the hospitality industry.

1.1. Problem Statement

During the COVID-19 pandemic period, businesses in Sedibeng District Municipality (SA) were hit hard due to their greater susceptibility to shocks [5]. The COVID-19 pandemic and containment measures implemented by governments brought global economic hardship, particularly for the smaller hospitality industry, resulting in a significant reduction in active small firms and the nation's entrepreneurial stock [5]. The COVID-19 pandemic had negative effects on the world's economies, major corporations, and SMEs, threatening people's lives and their economic pursuits [6]. In the literature, most studies focus on the global and macroeconomic implications of the COVID-19 pandemic. Since South Africa (SA) had the highest number of reported cases of COVID-19, it is interesting to determine the pandemic's impact, particularly in the Sedibeng District Municipality. Moreover, some authors suggest that the enormous expenses incurred during the COVID-19 pandemic could be avoided in less developed economies where medical services frameworks are less developed and population density is high [7]. The biggest commercial partner of South Africa, China, puts SA in danger whenever there is an interruption in China's import and export activity [8]. The underlying regulatory rules regarded the export of wine as non-essential and, as a result, placed a ban on the distribution of bulk and packaged wine. The ban unintentionally led to the loss of pay for 4,000 farmworkers across South Africa's wine farms, which had a negative impact on the nation's persistently high unemployment rate [8].

The COVID-19 outbreak intensified the problems encountered by small companies internationally, regardless of size, location, or funding. Entrepreneurs generally struggled to find external sources of capital for their startup initiatives in traditional funding markets [9]; hospitality entrepreneurs faced even greater challenges. Foodservice businesses were relatively easy to start compared to other industries, yet they have a high exit rate [10]. On average, independent or privately owned businesses outperform chain or franchise businesses in terms of overall financial performance [11]. As a result, as founders of independent and privately owned SMEs, bankers set various limits on hospitality entrepreneurs during the funding process [12, 13]. Although these restrictions reduced physical contact and delayed the virus's transmission, they compromised the hospitality industry's survival [14]. Did the various financial challenges caused by the COVID-19 pandemic have a negative impact on SMEs in the hospitality industry? Was there a decline in the revenue of SMEs in the hospitality sector due to the COVID-19 pandemic? Did the COVID-19 pandemic negatively affect the profitability of SMEs? The study aims to address these questions.

The article is organized as follows: The literature review informs the development of the problem statement and conceptual framework. Study demarcation, research objectives, methodology, and design (including the philosophical paradigm) are briefly discussed. This is followed by the sampling design, and the data collection is briefly discussed. The results are presented, as well as the conclusion, in Section 4.

2. Literature Review

This section presents the literature review. A literature review is a detailed survey and analysis of published and unpublished work from secondary data sources in the areas of the researcher's specific interest. According to Jesson et al. [15], a literature review is a written product whose format varies depending on the objectives of the evaluation. During the literature review, several sources were consulted, including peer-reviewed journals, articles, books, and online searches.

2.1. Small and Medium Enterprises

Different regions and countries have their own definitions of what constitutes a small business. Although there are no universally accepted definitions of a small business often include certain characteristics. Various governments and commercial financial institutions propose definitions based on common criteria such as staff count, capital and investment levels, total net assets, and turnover, according to the International Finance Corporation (IFC). This method enables simple measurements and comparisons. The condition of 'fewer than 250 employees' is a prevalent feature of SME classification in several nations throughout the world [16]. This, for example, has been agreed upon by European Union member states.

In some regions of the world, the maximum size of an SME may be set by as few as 80 employees (Albania), 100 employees (Costa Rica), or 50 employees (Switzerland).

According to the National Small Business Amendment Act No 102 of 1996, small business in South Africa is defined as follows [17]:

A distinct and independent business entity, including cooperative enterprises and non-governmental organizations, with not less than five and not more than 100 employees, including any branches or subsidiaries, operating principally in any sector or subsector of the economy. Micro, very small, small, and medium-sized enterprises are all types of small enterprises (MSMEs). These MSMEs are not limited to legally registered enterprises but may also include enterprises not registered for VAT, such as survivalist street trading, backyard production and services, and occasional evening home-based businesses. The annual turnover of these enterprises varies and ranges from 0.15 to 30 million rupees [17].

Small businesses are critical in a healthy and thriving economy. According to Padachi [18], small firms play a critical role in job creation and income development in many developing economies. This is particularly important in a country's efforts to combat poverty [19]. In South Africa, the small business sector contributes to job creation and economic growth while correcting past inequalities by expanding Black economic participation [20]. However, due to the information gap between lenders and borrowers, business lending is difficult, particularly with small enterprises that have considerable difficulty in obtaining external financing and associated expenses [21]. The South African government has emphasized the importance of developing micro, small, and medium-sized enterprises (MSMEs) as a priority in creating jobs [22].

2.2. Impact of COVID-19 on Small- and Medium-Sized Enterprises (SMEs)

In the literature, the COVID-19 pandemic had serious detrimental effects on all industries. Research on the impact of the pandemic has been conducted in countries such as Pakistan, Sri Lanka, Serbia, Africa, and the United States.

The study by Barkas et al. [23] found that the pandemic had a substantial impact on all major industries, affecting how people traded, worked, lived, and consumed goods. This severe health catastrophe resulted in customers staying at home, supply lines being disrupted, and small-scale industries, which create 70% of job opportunities in many countries, facing financial stress. In a study to evaluate the pandemic's impact on Pakistan's innovative entrepreneurs, Shafi et al. [24] found that the COVID-19 pandemic had a substantial negative impact on Pakistan's economy, with small and medium-sized firms suffering the most. The findings revealed that most Pakistani businesses were significantly impacted in the financial, distribution, and supply chain logistics sectors, leading to a drop in revenues and sales. In a survey of 5,800 SMEs in the US, results showed that 43% of small businesses were temporarily shut down, financially vulnerable, requested financial aid from CARES, with minimal assistance received, and had very different perceptions about the duration of COVID-19 [25]. Based on the US findings, researchers recommended developing post-crisis recovery measures and enacting effective legislation to support the industrial sector and SMEs.

2.3. The Hospitality Industry

The hospitality sector includes businesses such as hotels, restaurants, eateries, bars, and other establishments that serve food and allow customers to enter, place orders, and consume on the premises. This term describes a wide range of businesses, from the most elegant restaurants to fast-food outlets [26]. These may include independent eateries on a plaza, off in the distance, or even eateries attached to hotels or casinos. A variety of workers, including chefs, waiters, managers, and bartenders, are employed by the hospitality industry, which is frequently categorized into various service-based subsectors within the broader hospitality sector [26].

The hospitality industry in South Africa has undergone significant changes due to growing domestic and global market trends, the COVID-19 pandemic, and other factors. Some of the global and domestic market trends driving this industry include rising competition, Westernisation of diets, food safety, demographic shifts, periodic spikes in domestic food consumption, technological advancements, and a growing desire for food sustainability and value creation [27]. These trends have caused the food industry to significantly restructure its value chain and reorganize itself to become more competitive [28]. The ability of the hospitality sector to act rapidly in response to these problems is essential to its long-term survival and expansion.

In emerging nations such as South Africa, rising per capita incomes have led to a decline in the tradition of eating home-cooked meals. As household earnings and living standards increase, more people are able to afford eating out. Fast food consumption trends are being influenced by globalization and the Westernization of diets [27]. Furthermore, foreign tourists and other international visitors regularly place added pressure on the fast-food business to improve its meal options, service delivery, customer responsiveness, and global competitiveness [27].

2.4. Revenue Generation Management

In the absence of demand projections, the effect of revenue generation management is being considered. Due to the pandemic, flexible practices of various revenue generation management efforts to generate cash flow are essential to the survival of the hospitality industry [29]. Despite the pandemic's low demand times for the hospitality sector market, the revenue creation management flow is still necessary [29]. The idea of managing revenue production is regarded as a sophisticated management philosophy and has numerous facets. Management of revenue creation aids in operational and strategic decision-making for the restaurant sector [30]. Management of revenue creation encompasses several operational strategies to increase profitability in addition to regulating inventory [30].

Although research on revenue-generating management increased prior to and during the pandemic, there is still a lack of consensus on how to implement it and reap the benefits, likely due to the hospitality industry's unique characteristics [31]. The environment in restaurants has unique characteristics, distinguished by intense operation, high turnover rates, physically challenging shifts, emotionally taxing labour, multitasking, irregular work schedules, unpaid leave, and, recently, dealing with rapid technological advancement [31]. During the COVID-19 pandemic, many eateries around the world were forced to close [32]. Lockdown decisions forced the cancellation of several guest reservations, meetings, seminars and regular events.

The hotel industry still lags in revenue management techniques that are appropriate for restaurant inventory controls to enhance total profitability and support survival during crises and pandemics [33]. In restaurants with limited capacity, where total revenues frequently depend on effectively utilizing available capacity, revenue management has emerged as a crucial strategic instrument [34].

2.5. Profitability

Profitability is described as income generated in an enterprise that is determined by deducting costs from revenues [35]. According to Margaretha and Supartika [36] profitability is a metric for evaluating a company's success. Niresh and Thirunavukkarasu [37] assert that profitability is a crucial element in determining a company's success. As a result, businesses' main goal is to increase their profit margins. Firms that are not profitable, in the opinion of Margaretha and Supartika [36] are unable to draw in outside funding, which makes it impossible for them to continue operating in the long run. In the case of small businesses, profitability is essential to the expansion and development of the business [36]. The profitability of small businesses is influenced by factors such as firm size, age, growth, productivity, and industry affiliation.

The nationwide hospitality industry's profitability had been significantly impacted by COVID-19 [14]. Most provinces and municipal governments in South Africa had implemented physical distancing orders by forbidding hotels and restaurants from serving dine-in customers during the various lockdown levels, even though the outbreak's severity varied by region and community.

2.6. Revenue Management Practices

During the COVID-19 pandemic, there were significant shifts in consumer attitudes and behavior, with customers relying heavily on mobile application technology to place orders due to government policies and COVID-19 precautions [29]. Businesses (hotels, restaurants) had to adapt to the recession, reorganize, and develop revised strategies to combat the risks that COVID-19 imposed [29]. The three prominent revenue generation management (RGM) activities, business review, price structure, and demand forecasting, had the greatest impact. Other RGM techniques, such as inventory optimization, reservation control, and distribution channel management, were rated as having the lowest importance during COVID-19 due to an increase in demand [29]. Due to the severity of COVID-19, the risk intensity is often used to indicate the severity of immediate consequences [38]. During the COVID-19 disruption peak, numerous restaurants in South Africa had to close, which resulted in many staff layoffs. Lockdown decisions led to the cancellation of numerous group reservations, visitor reservations, conference settings, as well as everyday meetings and events.

2.7. Business Performance in South African Small Businesses

According to the resource-based view, the primary factors influencing a firm's performance and competitive advantage in the long run are the resources at its disposal Ranjan and Read [39]. Barney [40] defined resources as resources under the firm's control, such as possessions, organizational capacities, organizational processes, firm traits, information, and knowledge. Companies can implement initiatives that increase their efficiency using these tools [40]. According to Gimenez et al. [41], strategy and competitive advantage in the coming years will be based on strategic resources and capabilities that support sustainable economic activity. Competencies are interesting, intangible assets that must be built internally, according to [42]. The resource-based perspective (RBV) emphasizes a company's ability to establish and retain a competitive edge and enhance performance as influenced by the discovery and control of key internal resources [40]. If a resource satisfies certain requirements, such as being valuable, rare, inimitable, and essential to the firm's performance, it is deemed crucial [40, 43, 44].

2.8. Working Capital Management

Due to the importance of short-term assets and liabilities (working capital management) in small business profitability, regular monitoring and management of these assets and liabilities are required to keep small business sectors stable and growing [45]. Because of its importance in the day-to-day operations of a small firm, working capital management is a critical aspect of financial management. Small businesses must be profitable and financially stable to fulfill their goals and objectives [46]. South Africa has limited financial resources in most cases; commercial banks are reluctant to lend money to small firms that lack collateral [47]. One of the reasons small businesses need to focus on effective working capital management, according to Peel and Wilson [48], is due to ineffective cash flow management and inventory control. This highlights the need to examine the financial effects of COVID-19 on the profitability of small and medium-sized businesses in order to improve and safeguard their existence, particularly within the Sedibeng District Municipality.

3. Methodology

3.1. Research Design

The research methodology includes research questions, study aims, and objectives, which govern the research technique and design for carrying out a study Bilau et al. [49]. Dhurup [50] asserts that methodology is a framework for conducting a research project that guides the selection of an appropriate plan for data collection and analysis, whereas [51] asserts that the research design is the study's strategy, coherently put together to address the problem the researcher identifies to investigate. It is a road map for data gathering, measurement, and analysis. [52] state that the research technique adopted should provide a fair foundation for empirically supported findings in a certain area. The study is based on a post-positivist paradigm viewpoint that adheres to critical-realist ontology and is founded on the conviction that reality is inherently independent of human perception and that research objects can be objectively analyzed to interpret reality in ways that are useful [53]. According to the post-positivist paradigm, knowledge is constructed using quantified numerical data that has undergone extensive statistical analysis [54].

3.2. Population and Sample Size

In this study, the target population includes all owners and managers employed in the hospitality industry or individuals with formal small businesses within the Sedibeng District Municipality. A population in a research study is a broad concept that refers to a group of people, institutions, items, documents, or companies that possess characteristics relevant to the researcher Davis [55]. Sharma and Kumar [56] define the target audience as the larger population, such as an area's families or members of an organization, about whom you want to learn more through your research. A sample of 131 owners and managers who are operating in the Sedibeng District Municipality. The research was restricted to the financial implications of COVID-19 on the economic challenges of SMEs in the hospitality industry.

3.3. Sampling Method and Research Instrument

The study used purposive sampling, a sampling process of selecting a subset of a population to make inferences about the broader population [57]. Purposive sampling, which frequently employs surveys, should be utilized with prudence and only for a specified reason [58]. The Sedibeng District Municipality provided a list of SMEs. Sampling is the process of selecting units from a population to draw conclusions about the entire population [59]. A sampling frame is a list of all population units that may be surveyed [60].

A self-administered structured questionnaire was used for the study. This study required the assessment of multiple independent variables as well as dependent variables, so a survey was employed to gather pertinent information [61].

3.4. Statistical Analyses

In this study, descriptive statistics were used to analyse the data. Descriptive statistics, according to Hayes [62], offer brief descriptive values that condense the gathered data. For a single variable, these descriptive statistics produce frequencies, measures of central tendency, and measures of dispersion [63]. According to Sekaran [63], frequencies are the number of times various subcategories of a phenomenon occur. The average response to a question item by the representative sample is represented by the mean [63]. In addition, standard deviation was used in this study as a measure of dispersion. According to Ghumre and Arya [64] the standard deviation indicates the mean degree of variability in the gathered data. Descriptive analysis or statistics is a technique that helps to state the characteristics or appearance of sample data [65]. Frequency tables and graphs are employed in this study. The data were analyzed using SPSS 29.0 for Windows, which is a statistical package for social sciences [66].

On the data gathered, a descriptive analysis was performed. The data was collected and presented as descriptive statistics.

4. Results and Discussion

The Sedibeng Municipality hospitality industry faced significant financial setbacks induced by the COVID-19 pandemic. COVID-19 affected many industries worldwide by weakening their economic positions. In this section, we present key findings of the financial implications of the pandemic. The data reveal patterns of reduced consumer spending, reduced business activity, and the coping strategies of these hospitality industries. Moreover, these results highlight critical financial stress during this period.

Most owners and managers in the hospitality industry in the Sedibeng District Municipality indicated that the capacity to conduct business during the pandemic declined. This is supported by the results in Figure 1, which shows 51.2% and 38.8% of respondents strongly agree and agree, respectively, to a reduced capacity during the period under study.

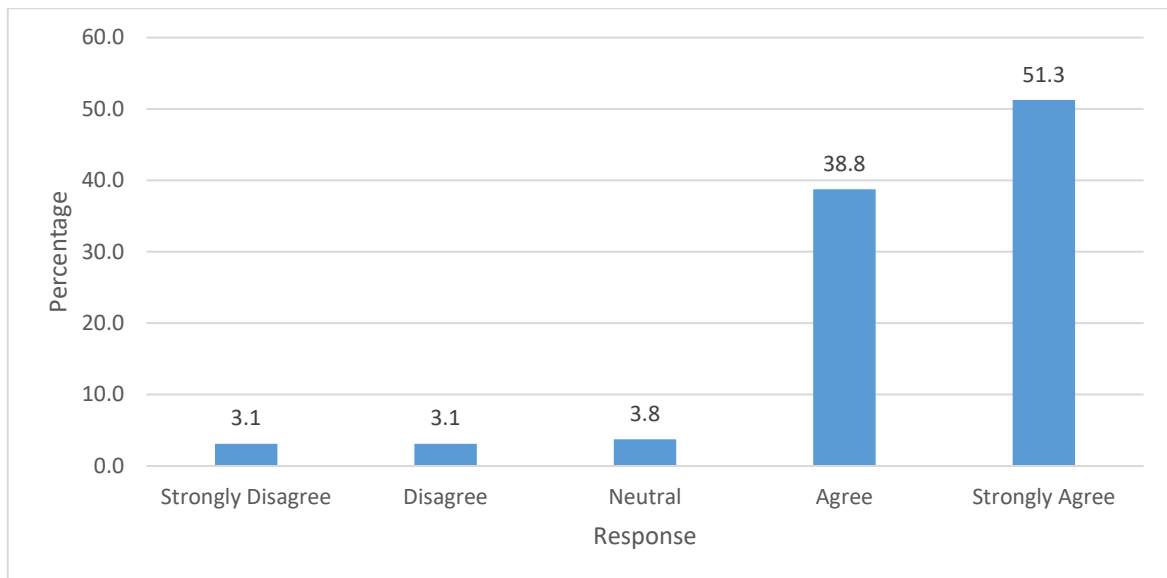


Figure 1.
Capacity of Hospitality Industries during COVID-19.

The reduced capacity in conducting business during the COVID-19 pandemic influenced the employment capabilities of the hospitality industry, where more people were laid off, hence losing their source of livelihood. This study shows that most people were laid off due to reduced capacity during the COVID-19 period in Sedibeng District Municipality (49.4% of managers strongly agreed that there were significant layoffs of employees, followed by 33.8% of respondents who agreed) (see Figure 2). Worldwide, many people lost jobs due to business capacity reduction, with a record 22 million employees losing employment in 2020 [67].

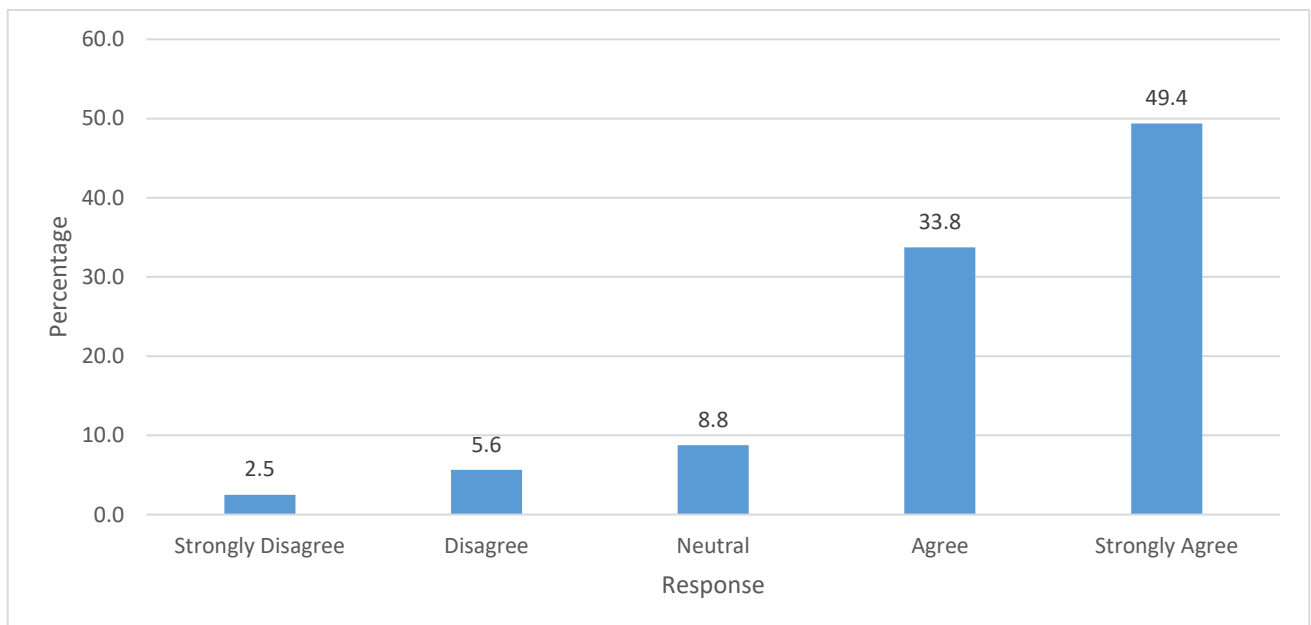


Figure 2.
The Effects of COVID-19's Impact on Employment.

Good financial management practices within SMEs are considered key components for successful SMEs [68]. Financial practices such as planning, development, management, and controlling financial incentives are significant to the financial survival of SMEs [69]. In this section, we also present the results of the impact of COVID-19 on the revenue of SMEs in the hospitality industry in the Sedibeng Municipality.

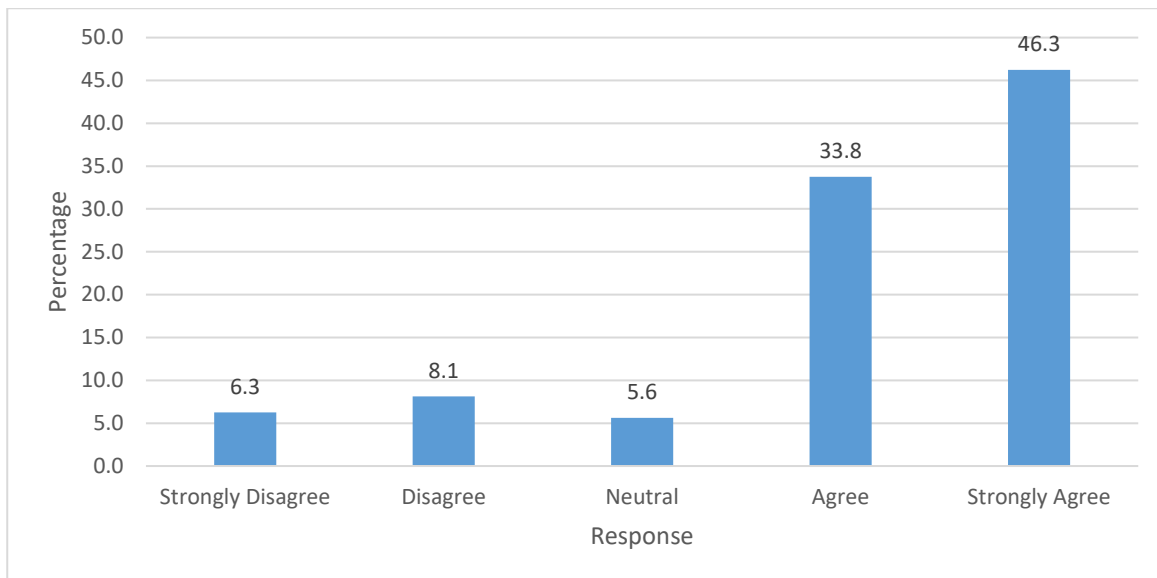


Figure 3.
The Financial Impact of the COVID-19 Pandemic on Hospitality Industries in Sedibeng Municipality.

The financial impact of the COVID-19 pandemic and the related lockdown measures on small business organizations in the hospitality industry during the pandemic is shown in Figure 3, where many owners and managers in the hospitality industry agree about the negative effects (46.3% strongly agree and 33.8% agree).

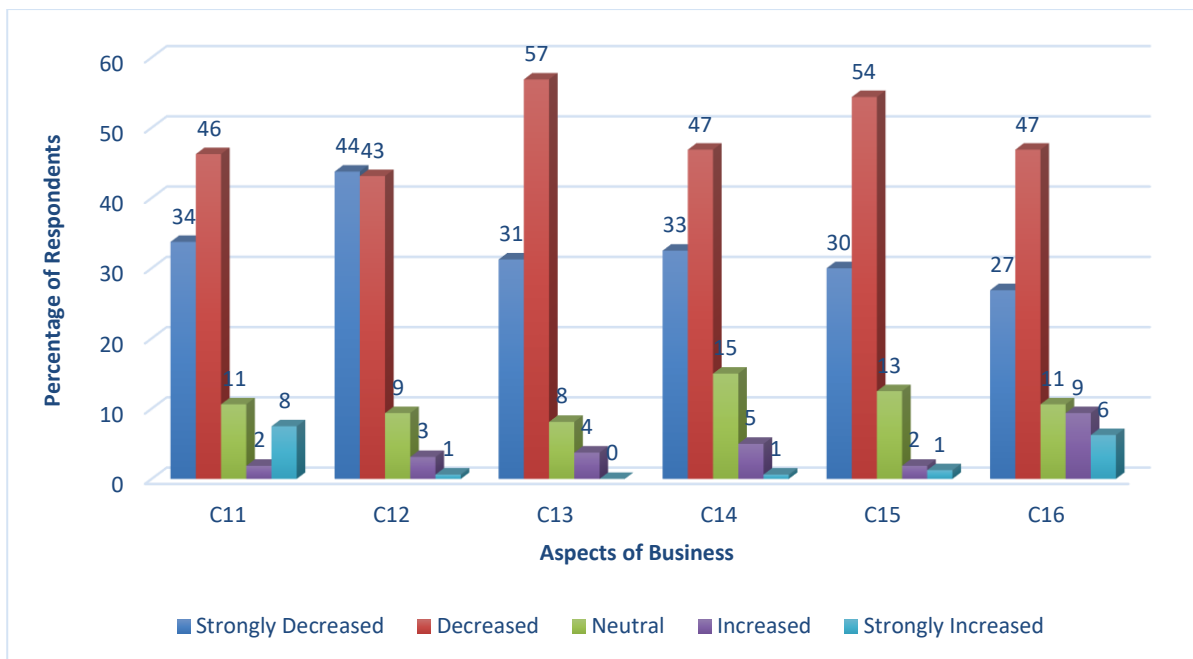


Figure 4.
Aspects of business in the Hospitality Industry in Sedibeng Municipality.

Figure 4 illustrates the performance aspects of the hospitality industry during the COVID-19 period in Sedibeng Municipality. It assesses the extent to which hospitality industries utilized overall performance (C11), profitability of the company (C12), sales of the companies (C13), sales operation (C14), interaction with customers (C15), and competitive position (C16). Most hospitality industries experienced a decline in overall performance, with a 46% decrease and a 33.8% strong decrease. Profitability also declined, with 43.8% indicating a strong decrease and 43.1% a decrease. Sales of most hospitality industries decreased as well, evidenced by a 56.9% decrease and a 31.3% strong decrease. The sales area of operation contracted, with a widening gap in the sales area (C14). During the COVID-19 pandemic, many hospitality industries reported a reduction in their sales area of operation, with 46.9% indicating a decrease and 32.5% a strong decrease. Interaction with customers also declined, with data showing a 54.4% decrease and 30% a strong decrease. Lastly, the competitive position of these industries was affected, with respondents indicating a 46.9% decrease and a 26.9% strong decrease.

In the literature, surveyed enterprises reported challenges with retaining applicable contracts, supply of materials, trust in supply chain partners, and product placement, among others. The findings indicated that most enterprises reported

financial losses, and more than one-third laid off employees. At least half of the enterprises changed product delivery methods, and more than a third reorganized and changed their organizational structures. They reported that a sixth of enterprises changed their primary activity and declared the need for new employees.

This study assesses perceived performance, particularly regarding revenue generation as judged by decision-makers (owners/managers) during the pandemic. The study essentially evaluates the extent to which hospitality business owners/managers felt they managed their revenue performance during COVID-19.

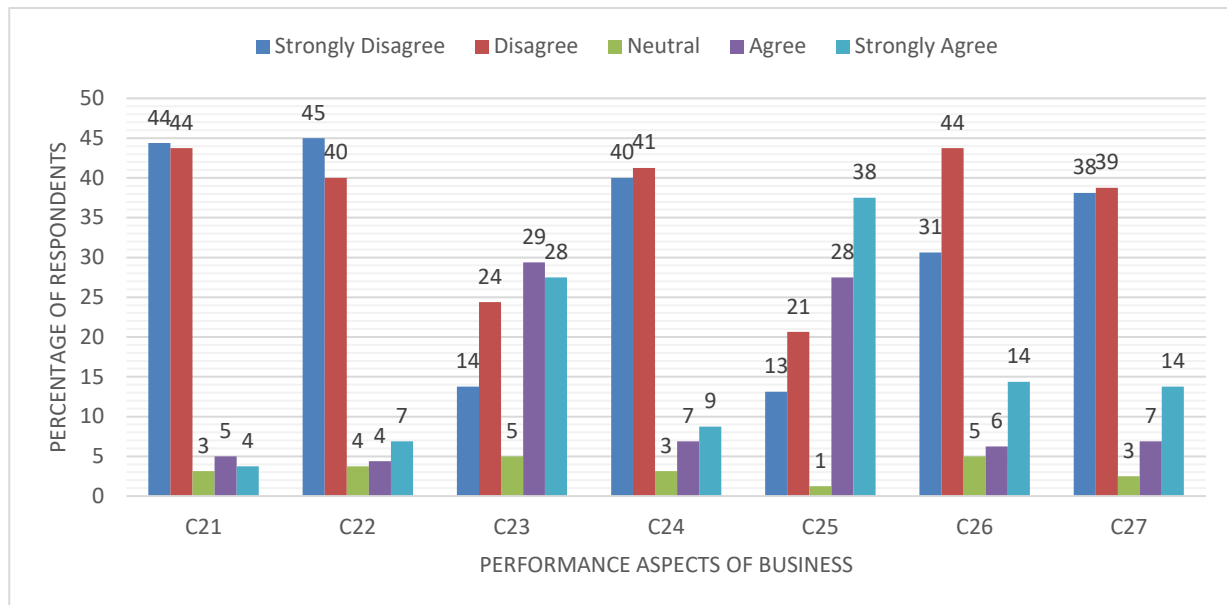


Figure 5.
Performance aspects of business.

Figure 5 illustrates the performance aspects of hospitality businesses during the COVID-19 period as follows. Revenue utilization (C21) pertains to how revenue streams were utilized to maintain operations. Sales utilization (C22) demonstrates whether hospitality industries managed to generate new sales or leveraged existing sales strategies during COVID-19 restrictions. Expenditure management (C23) considers whether businesses actively adjust spending by cutting costs or redirecting expenses. Profit dependency (C24) indicates whether hospitality industries relied on profits made before or during COVID-19 to sustain the businesses. Business capacity and operations (C25) assess whether hospitality businesses operated partially or fully. Additionally, the investigation includes whether financial sources (C26), such as loans, credit facilities, or government grants, were utilized to support operations and reduce business failure risks. Adoption of COVID-19 policies (C27) evaluates the degree of compliance with public health policies.

Most of the hospitality industry managers/owners disagreed that there were revenue streams available during the COVID-19 pandemic in Sedibeng District Municipality (44.4% strongly disagreed and 43.8% disagreed). Many managers/owners disagreed that they managed to leverage existing sales strategies (45% strongly disagreed and 40% disagreed with the notion of being able to leverage existing strategies). The greater number of hospitality industry managers/owners agreed that businesses actively adjusted spending by cutting costs or redirecting expenses (27.5% agreed and 29.4% strongly agreed). Most of the managers/owners of hospitality industries relied on profits made before rather than during the COVID-19 period, with 41.3% strongly disagreeing and 40% disagreeing that profits were made during this period; no profits were realized during this time. Most of the hospitality industry agreed that hospitality businesses operated partially during the COVID-19 period in Sedibeng District Municipality (37.5% strongly agreed and 27.5% agreed to operating partially during the period). The greater number of hospitality industry managers/owners disagreed that they had access to loans, credit facilities, or government grants to support operations and reduce business failure risks (43.8% disagreed and 30.6% strongly disagreed). Most hospitality industry managers/owners complied with the COVID-19 policies and regulations during the COVID-19 period in Sedibeng District Municipality (38.8% disagreed and 38.1% strongly disagreed about not following the policies and regulations).

5. Conclusion

This study examined the financial implications of COVID-19 on the economic challenges faced by Hospitality SMEs in the Sedibeng District Municipality. SMEs are vital to the economy because they generate jobs and increase opportunities for people to earn a living. When COVID-19 first appeared in China, it caused havoc on international supply lines and led to a rise in employee layoffs and dismissals. A recession was more likely due to the pandemic's detrimental effects on the global economy. Businesses were forced to suspend operations during lockdowns, affecting their viability and ability to pay salaries and wages, which led to job losses. The government's insufficient support for SMEs during this period resulted in many closing permanently or scaling down operations. The lockdowns had both long-term and short-term effects. Based on the study's findings, managers and owners of SMEs in the hospitality industry can add value to their companies by reducing

overhead costs, maintaining some investments, and minimizing the time it takes to pay outstanding invoices. Regarding the COVID-19 pandemic, business issues and financial ramifications positively impacted sales and profitability. Even after the lifting of night-time curfews and strong containment restrictions, domestic flights resumed, and night prohibitions were lifted; however, the impact on SMEs remains significant. The study's findings will assist SMEs in the hospitality industry and future research in understanding the financial implications of COVID-19 on economic challenges.

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