

# **MALAYSIA COUNTRY REPORT**

**ASEAN TOURISM FORUM 2012**  
Manado, Indonesia

## A) OVERVIEW

The Malaysian tourism industry has performed extremely well and has generated substantive foreign exchange and employment opportunities as targeted under the 10<sup>th</sup> Malaysia Plan. For 2010, the country registered 24.5 million tourist arrivals on the back of about RM56.5 billion (USD 180.8 billion) in tourism receipts, the highest ever in the history of the industry which ranked Malaysia 9<sup>th</sup> of the UNWTO top-ten list of countries with highest tourist arrivals. In terms of tourist receipts, Malaysia ranked 14<sup>th</sup> after Thailand and Hong Kong, while China ranked 4<sup>th</sup>.

## B) TOURIST ARRIVAL AND RECEIPTS

For the month from January to June 2011, Malaysia recorded a total of **11.3 million** arrivals compared to **11.8 million** arrivals for the same period in 2010. This represents a decrease of **4.3%**.

Table 1: Comparison of tourist arrivals to Malaysia for first six months of 2011  
(Jan –June 2010 and 2011)

MONTHS	TOURIST ARRIVALS 2010	TOURIST ARRIVALS 2011	CHANGE %
Jan - June	11,868,103	11,362,862	-4.3

Source: Tourism Malaysia

Singapore was the biggest contributor to Malaysia's tourist arrivals with 13.04 million arrivals for 2010, which constituted to 46.9% of the total arrivals. Other top ten tourist arrivals include Indonesia (2.5 million), Thailand (1.4 million), Brunei (1.1 million), China (1.1 million) India (0.6 million) and Japan (0.4 million).

## Top 10 markets

Figure 1: Top 10 Market (Tourist Arrivals) 2010

<b>Singapore</b>		(13.04 million)
<b>Indonesia</b>		(2.51 million)
<b>Thailand</b>		(1.46 million)
<b>China</b> (including Hong Kong & Macau)		(1.13 million)
<b>Brunei</b>		(1.12 million)
<b>India</b>		(690,849)
<b>Australia</b>		(580,695)
<b>Philippines</b>		(486,790)
<b>United Kingdom</b>		(429,965)
<b>Japan</b>		(415,881)

Source: Tourism Malaysia

**Top 10 Tourist Receipts**

For the period 2010, Singapore recorded the highest tourist receipt (RM28.4 billion). Indonesia is the second highest contributor with (RM4.76 billion) for the corresponding period. Other contributors include Brunei (RM2.6 billion), China (RM3.1 billion) and United Kingdom (RM1.6 billion)

Figure 2: Top 10 Tourist Receipts

<b>Singapore</b>		(RM28, 417.39 million)
<b>Indonesia</b>		(RM4, 758.70 million)
<b>China (including Hong Kong &amp; Macau)</b>		(RM3, 129.01 million)
<b>Brunei</b>		(RM2, 624.80million)
<b>Australia</b>		(RM2, 388.39 million)
<b>India</b>		(RM1, 807.09 million)
<b>United Kingdom</b>		(RM1, 647.40 million)
<b>Thailand</b>		(RM1, 480.92 million)
<b>Japan</b>		(RM1, 144.12 million)
<b>Philippines</b>		(RM913.11 million)

Source: Tourism Malaysia

## C) OCCUPANCY

The Federal Territories of Kuala Lumpur and Selangor still remained as the highest occupancy rates with a difference of 4.2% and 2.4% between the years of 2009 - 2010 respectively. The highest decline was recorded by the state of Negeri Sembilan with a -8.3% difference, mainly attributed to the global economic recession.

Figure 3: Average Occupancy Rates of Hotel by Locality

LOCALITY	2009	2010	VARIANCE
KUALA LUMPUR F.T.	62.7	66.9	4.2
PUTRAJAYA F.T.	66.1	67.5	1.4
SELANGOR	60.3	62.7	2.4
PERAK	50.1	47.5	-2.6
PENANG	59.7	60.2	0.5
KEDAH	57.4	49.6	-7.8
PERLIS	45.9	40.9	N.C
KELANTAN	50.7	51.8	1.0
TERENGGANU	49.1	42.8	-6.2
PAHANG	76.3	76.6	0.3
JOHOR	54.9	54.5	-0.5
MELAKA	57.0	59.1	2.1
NEGERI SEMBILAN	45.3	37.0	-8.3
SABAH	60.8	56.2	-4.6
LABUAN F.T	78.0	75.3	N.C
SARAWAK	59.8	54.4	-5.3
MALAYSIA	60.9	59.3	-1.6

Source: Tourism Malaysia

Number of rooms registered for year 2010

There are 156,965 rooms registered under Ministry of Tourism Malaysia for 2010. Kuala Lumpur remain the highest room's base on locality with 35,551 rooms. Second highest is Sabah with 16,372 rooms and followed by Selangor with 15,514 rooms.

Figure4: Number of rooms registered for year 2010

State	Number of rooms
Sabah	16,372
Labuan	890
Sarawak	12,697
Terengganu	3,411
Pahang	14,683
Kelantan	1,230
N.Sembilan	5,786
Putrajaya	522
Selangor	15,514
K.Lumpur	35,551
Perak	8,277
Perlis	487
P.Pinang	11,727
Kedah	8,864
Melaka	9,046
Johor	11,908
<b>Total</b>	<b>156,965</b>

Source: Ministry Of Tourism Malaysia

## D) CONNECTIVITY

### International Airports

Malaysia is well connected in terms of accessibility and flight connectivity. There are several international airports connecting Malaysia with other parts of the world such as Australia, New Zealand, United States, Europe, China, Japan India and many other countries across the region.

There are up to 50 different foreign airlines coming to Malaysia yearly. Among the foreign airlines are KLM Royal Dutch Airlines, Lufthansa German Airlines, China Airlines, Cathay Pacific, Etihad Airways, Emirates Airlines, Saudi Arabian Airlines, Japan Airlines and Indian Airlines. Besides that, there are also chartered flights coming into Malaysia mainly from North East Asia.

## **E) AUTONOMOUS LIBERALIZATION UNDER TOURISM SUB-SECTOR**

Figure5: Autonomus Liberalization Under Tourism Sub-Sector

<b>NO</b>	<b>SUB SECTOR</b>	<b>OFFER</b>
<b>1</b>	<b>Hotel and Restaurant Services (4 and 5 stars only)</b>	<b>100%</b>
<b>2</b>	<b>Travel Agency and Tour Operator (inbound only)</b>	<b>100%</b>
<b>3</b>	<b>Convention</b>	<b>100%</b>
<b>4</b>	<b>Theme Park</b>	<b>100%</b>

Source: Ministry Of Tourism Malaysia

## **F) NEW INITIATIVES / TOURISM PRODUCTS**

### **a) MYCEB**

MyCEB was established in 2009 by Ministry of Tourism, Malaysia to further strengthen Malaysia's business tourism brand and position for the international meetings, incentives, conventions and exhibitions (MICE) market. MyCEB serves as a one-stop centre to assist meeting and event planners to bid for and stage regional and international business events in Malaysia and act as a conduit for national product development.

b) Building Bridges

The Building Bridges is as a product which incorporates the Rail Tourism and Homestay Programs. It promotes Malaysia's home stays through the network of railways across Malaysia. The Building Bridges Program targets young tourists, including volunteer tourism. Via rail tourism, we have developed multi-destinations and a "no rush and take your time holiday". Rail tourism is also popular due its nostalgic experience where travel was at a leisurely pace and people "immersed" themselves in cultural experiences.

c) Parks & Gardens

Malaysia was awarded a gold medal at the Chelsea Flower Show 2010. Such recognition bears testimony to Malaysia's potential to promote itself as a gardens and parks destination based on the wealth and biodiversity of the diverse plants and flowers environment. The Parks & Gardens program is a new tourism product which transports visitors to the spectacular landscapes, bizarre rare flora and vibrant culture of the Malaysian archipelago inspired by lush rainforests and idyllic *kampung* village gardens.

d) 1Malaysia Contemporary Art Tourism (MCAT)

The One Malaysia Contemporary Art Tourism (MCAT) was launched by Hon. Minister of Tourism Malaysia on 3 July 2010 is expected to increase contribution towards the economy with spin-off through new market niche areas in the tourism industry. It aims at establishing Malaysia as the destination in the region to enjoy and acquire contemporary art, with museum-quality pieces. It creates initiatives among owners of art galleries to launch new pieces by young artists that will set the trend for the next few years. The Ministry believes that MCAT 2010 will educate, excite and inspire both local and foreign visitors particularly on the beauty and variety of contemporary art.

e) 1Malaysia International Shoe Festival

It is one of the signature events and exhibitions under MICE segment which jointly organized by the Ministry of Tourism and the Malaysian Footwear Manufacturers Association. It sets to increase the offerings particularly to high-yield tourists and generate new sources of growth. The three-day shoe event generated RM5 million in sales and drew over 45,000 visitors including from Singapore, Indonesia, China, the Middle East, South Africa, Australia and South Korea. The amazing reception to this festival marked another milestone in the Malaysian tourism's Meetings, Incentives, Conventions and Exhibitions (MICE) market and shoe manufacturing history. It successfully promotes Malaysia's popular shoe brands as well as the luxury couture collection of internationally-acclaimed shoe couturier and Malaysia's Tourism Ambassador, Prof. Dato' (Dr.) Jimmy Choo.

## **G) CONCLUSION**

As part of the vision 2020, Malaysia will continue to strive in the nation's collaboration in both regionally and international fora. Malaysia is determined to continue and make tourism one of the most important pillars in the overall economic development.

One of the main driving factors of the nation tourism industry will be in the form of Joint promotional efforts towards a "multi country - multi destination" such as the UNESCO 1-2-3 Package initiative. The diverse cultures, political and societal stability, and a wide variety of attractions and activities make Malaysia the perfect destination for foreign travelers. Furthermore, with the favorable exchange rate, Malaysia offers more value-for- money as a holiday destination.