



TOURISM MALAYSIA STRATEGIC PLAN 2022-2026



MESSAGE FROM DIRECTOR GENERAL



Malaysia has a wealth of fascinating tourist destinations that locals can discover, or rediscover. It is prime time for Malaysians to explore the wonders of our country, and to take advantage of the various attractive deals and travel packages offered by our tourism operators, such as hotels, airlines, travel agents and tour operators.

After more than a year since the pandemic brought tourism to a halt, stakeholders have accelerated digital adoption to remain competitive. Indeed, going virtual proves to be the key to reigniting the tourism sector. Now, more than ever, digitalisation is revolutionising the tourism industry and global travel experiences, and with today's advanced technology, smart collaborations and partnerships are the way forward.

It is no surprise that more and more tourism businesses are learning to leverage on digital platforms. In fact, intensifying the digitalisation of the tourism sector is one of the main objectives of the National Tourism Policy 2020-2030, an initiative launched by the

Rt. Hon. Prime Minister in December 2020, to ensure continuity of the country's tourism industry and bring back Malaysia as the preferred tourism destination at the global level.

It is crucial for the tourism industry to be prepared for the post-COVID-19 travel demands and expectations, as well as to remain focused in order to support its sustainable recovery and rebuild the sector in the coming years. As such, I am pleased to present Tourism Malaysia Strategic Plan 2022-2026, which sets out our strategies and priorities for the next five years to achieve a successful and sustainable tourism industry for the country.

This Strategic Plan, which is prepared upon discussions with industry players and stakeholders and in line with the National Tourism Policy, is an initiative to create integrated and holistic strategies to boost both supply and demand in our tourism industry.

I would like to take this opportunity to thank all our tourism partners and stakeholders for working closely together with us in facing this unprecedented global pandemic. We are in this together, we will get through this together, and we will move forward to achieve the country's tourism goal and deliver economic benefits to all Malaysians.

Thank you.

A handwritten signature in black ink, appearing to be 'Zainuddin', written over a white background. The signature is fluid and cursive, with a long horizontal stroke at the end.

DATO' HJ. ZAINUDDIN ABDUL WAHAB
Director General

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DOMESTIC REGIONAL AND
OVERSEAS OFFICES**

Pulau Hujung, Johor

EXECUTIVE SUMMARY



On 17 November 2019, the first COVID-19 patient was discovered in Wuhan, China, although the World Health Organization (WHO) only officially announced the emergence of a new pathogen on 31 December 2019. Up till October 2021, more than 240 million people around the world have been infected and 4.9 million people have died due to the disease.

The global pandemic has not only turned tourism plans and strategies as well as travellers' plans upside down in 2020, but also changed travellers' choice of destination and types of trips they're most likely to take in the coming years.

No doubt, 2020 has been a year like no other with unprecedented impacts on lives, economies, and the world. Tourist arrivals to Malaysia plunged 83.4%, with a total of 4.3 million tourists against 26.1 million tourists in 2019, bringing in a revenue of RM12.7 billion to the country's economy, which was a drop of 85.3% from RM86.1 billion in 2019.

As part of its effort to prepare the recovery path for domestic tourism, the Ministry of Tourism, Arts and Culture Malaysia (MOTAC), through

Tourism Malaysia, rolled out the Tourism Recovery Plan on 23 November 2020. It aims to revive domestic tourism by focusing on strategic collaborations and smart partnerships with home-based airline companies and tourism-related agencies, including services/hospitality, transportation and private companies, and collaborating with non-government organisations, such as the Malaysian Association of Hotels (MAH), Malaysia Budget Hotel Association (MyBHA), Malaysian Association of Tour and Travel Agents (MATTA), and Malaysian Inbound Tourism Association (MITA).

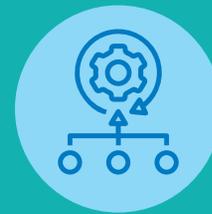
The recovery plan has outlined three core strategies as part of the "quick win" to boost domestic tourism campaign:



**Restore
confidence
to travel**



**Revive
domestic
tourism**



**Maximise
resources**

In addition, vouchers, discounts, and cash rebates, as well as other added values will be offered to amplify the use of digital technology through online orders and purchases, mobile applications, and the redemption of cash e-vouchers.

Besides that, the Rt. Hon. Prime Minister of Malaysia launched the National Tourism Policy 2020-2030 in December 2020, which aims to transform Malaysia's tourism industry by harnessing public-private sector partnerships and embracing digitalisation to drive innovation and competitiveness towards sustainable and inclusive development in line with the United Nations Sustainable Development Goals (UNSDGs).

The policy would be implemented through six main strategic thrusts, namely strengthening of governance, creating inclusive tourism investment zones, and intensifying digitisation in the tourism sector. In addition, the core thrusts also involve enriching tourists experience and satisfaction, strengthening commitment to sustainable tourism and increasing human capital capacity in all tourism sub-sectors.

Digital technology-based tourism industry development is vital in ensuring that the objective of the policy could be achieved.

Furthermore, technology advancement can also strengthen the network between industries and pave the way for new innovative sub-sectors in the tourism industry, which will create business and employment opportunities.

In addition, the government is also committed to balancing the development, preservation and conservation of national treasures, including the environment, culture and heritage. Its goal is to brand Malaysia as a top-of-mind ecotourism destination, drive new economic growth and create employment opportunities through resource sustainability. These efforts are in line with Malaysia's commitment to Agenda 2030 and the 17 Sustainable Development Goals (SDGs) adopted by the United Nations Member States.

In line with the objectives and strategies of the National Tourism Policy 2020-2030 and the development of the tourism industry, Tourism Malaysia prepares its strategic direction for 2022-2026, where a session with industry players was held, and six pandemic ponderers were put forward for discussion. As a result, we've formulated strategies to attract tourists based on the following strategic directions:

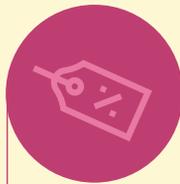
STRATEGIC DIRECTION 2022-2026



**1.
BOOST
DOMESTIC
TOURISM**



**2.
FORGE
SMART
PARTNERSHIP**



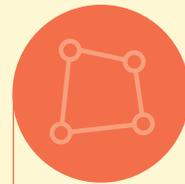
**3.
ENHANCE
TOURISM
PROMOTION
(ONLINE &
OFFLINE)**



**4.
OPTIMISE
STRATEGIC
COMMUNICATION/
MEDIA
ENGAGEMENT**



**5.
IMPLEMENT
TRAVEL
BUBBLE**



**6.
UNDERTAKE
STRATEGIC
TRANSFORMATION**



KUALA LUMPUR CITY CENTRE

OUTLOOK, TRENDS & CHALLENGES





GLOBAL

The world tourism industry is facing its worst crisis in 2020 due to the COVID-19 outbreak, which has been declared a pandemic by the WHO beginning 11 March 2020. This unprecedented situation has a negative impact on health, social and economic worldwide.

The United Nations World Tourism Organization (UNWTO) stated that world international tourist arrivals plunged 74% for 2020 against the previous year with an estimated expenditure loss of USD1.3 trillion – more than 11 times the loss recorded during the 2009 global economic crisis.

Asia and the Pacific, the first region to suffer the impact of the pandemic and the one with the highest level of travel restrictions currently in place, recorded a decline in international arrivals of 84.1% in 2020 with a total of 57.2 million tourists, about 300 million less than the previous year. This follows border closures and travel restrictions enforced by Asia-Pacific countries, as well as a massive drop in demand, which posed a negative impact on foreign tourist arrivals.

According to UNWTO, tourist arrivals to Southeast Asian countries decreased by 81.7% with a total of 25.4 million tourist arrivals. In line with the report, foreign tourist arrivals to ASEAN countries recorded a decline ranging from 75% to 86%.

Based on the data from the Pacific Asia Travel Association (PATA) and National Tourism Organisation (NTO), foreign tourist arrivals to Thailand dropped 83.2%, from 39.9 million tourists in 2019 to 6.7 million tourists in 2020; arrivals to Indonesia decreased by 75%, from 16.1 million tourists in 2019 to 4.0 million in 2020; arrivals to Vietnam were 3.8 million in 2020, signifying a drop of 78.7% from 18.0 million in 2019; while arrivals to Singapore declined 85.7% from 19.1 million visitors in 2019 to 2.7 million in 2020.

UNWTO stated that demand for international travel remained very weak at the beginning of 2021. The worsening of the pandemic with a surge of cases and the emergence of new variants, many countries reintroduced stricter travel restrictions, including mandatory testing, quarantines and in some cases a complete closure of borders, on top of local lockdowns, all weighing on the resumption of international travel.

International tourist arrivals were down 83% in the first quarter of 2021 over the same period of 2020, as widespread travel restrictions remained in place. However, the UNWTO Confidence Index shows signs of a slow uptick in confidence. Between January and March 2021, destinations around the world welcomed 180 million fewer international arrivals compared to the first quarter of last year. Asia and the Pacific continued to suffer the lowest levels of activity with a 94% drop in international arrivals over the three-month period.

The recovery of international tourism may be slow and irregular at first; however, large pent-up demand after over a year of restricted travel is expected to accelerate the recovery once traveller confidence improves and the pandemic is largely contained. Consumers' main concerns now are health and safety measures and also cancellation policies. Due to volatility of pandemic-related events and travel restrictions, last minute bookings have also increased.

In addition, domestic tourism is among the major travel trends identified by experts in 2021. It has shown positive signs in many markets since people tend to travel for 'staycations' or vacations close to home. Besides that, nature, rural tourism and road trips have emerged as popular travel choices due to travel limitations and the quest for open-air experiences.

No doubt, health and safety measures continue to be a major concern for travel in 2021 and beyond. Experts pointed out the importance of consumer protection, flexibility and digitalisation. Travel corridors and bubbles were also mentioned as 'safe' alternatives to resume international travel.

In the "Future of Tourism: Travel Trends for 2021 and Beyond", Tourwriter predicted travel to look a little different than it did pre-pandemic, stating the need to get creative by designing itineraries that avoid public transportation and crowded tourist areas, and focus more on remote locations

TRAVEL CORRIDORS AND BUBBLES WERE ALSO MENTIONED AS 'SAFE' ALTERNATIVES TO RESUME INTERNATIONAL TRAVEL.



or even the increased popularity of niches like birding and biking tours.

Besides that, group travel is predicted to pivot completely to 100% FIT travel, while choice of airlines may no longer be solely price driven, as decisions will also be influenced by hygiene standards. As travel becomes increasingly complex, travellers will engage with travel experts to help them manage the complicated arrangements and health regulations they must adhere to.

Meanwhile, Booking.com, one of the world's leading digital travel companies, also agreed that global travel will forever be re-shaped by the unparalleled impact of the COVID-19 pandemic. A research, involving 20,000 travellers across 28 countries, was carried out to uncover the trends that will shape the way we experience travel in the year ahead, and beyond.

Stating that innovation within the travel industry will accelerate faster than ever to respond to marked shifts in travel expectations and behaviours, Booking.com also predicted that travellers will look for a heightened level of travel safety and more sustainable travel offerings, as well as evolve their preferences for where and with whom they travel.

Newfound appreciation for doorstep delights will endure alongside an abiding love of the far flung, and travellers will find new ways to blur the lines between work and travel. All of which will catapult a demand for deeper value from the trips we book in the future.



MALAYSIA

Malaysia's tourism is one of the sectors hit hardest by the COVID-19 pandemic, and the effects have been severe. This is similar to many developing countries in the Asia-Pacific and Western Hemisphere, particularly destinations that rely heavily on international, business and events tourism.

Even though vaccines have been widely distributed and have boosted hopes for recovery, there are enormous challenges ahead and the outlook remains uncertain. Although Malaysia is slowly restarting its domestic tourism, which will help reduce the impact of the pandemic on businesses and jobs in some destinations, real recovery is only possible when international tourism resumes. In order for travel restrictions to be safely lifted, international cooperation and evidence-based solutions are needed.

Continued support from the government is also vital to cushion the blow to tourism and ensure the survival of businesses throughout the tourism sector, minimise job losses, and to build recovery.

The Organisation for Economic Cooperation and Development (OECD) stated that the key policy priorities include:

- Restoring traveller confidence
- Supporting tourism businesses to adapt and survive
- Promoting domestic tourism and supporting safe return of international tourism
- Providing clear information to travellers and businesses, and limiting uncertainty (to the extent possible)

- Evolving response measures to maintain capacity in the sector and addressing gaps in supports
- Strengthening co-operation within and between countries
- Building a more resilient, sustainable tourism

While flexible policy solutions are needed to enable the tourism economy to live alongside the virus in the short to medium term, it is important to look beyond this and take steps to learn from the crisis as it is an opportunity to rethink tourism for the future. OECD stated that governments need to consider the longer-term implications of the crisis, while capitalising on digitalisation, supporting the low carbon transition, and promoting the structural transformation needed to build a stronger, more sustainable and resilient tourism economy.

International tourism can only commence once the borders are reopened and vaccinations and quarantine standard operating procedures (SOPs) have been accepted worldwide; nevertheless, the reopening of international borders is subject to the approval of the Malaysian National Security Council (NSC) and the current situation of the COVID-19 pandemic.

MOTAC has held discussions with the Ministries of Health, Home Affairs, and Foreign Affairs to explore opportunities for the creation of travel bubble arrangements with a few neighbouring countries amidst the pandemic. They include South East Asian and Asia-Pacific countries, which are deemed safe by the World Health Organization (WHO).

Besides that, MOTAC is also looking forward to restarting leisure travel by introducing travel bubble with ASEAN countries. In addition, a few foreign airlines are in discussions with Malaysia to promote islands in the country as the main destinations for international travellers.

For Europe, circumstances do not permit any travel bubble arrangement yet, as most European countries have restricted their travel corridors, due to the surge in COVID-19 infections.

Nevertheless, the implementation of the travel bubble depends on bilateral discussions and considerations, and acceptance by both countries on health, immigration, data-tracking and ongoing monitoring.

Meanwhile, when the Malaysia borders were closed in March 2020, Tourism Malaysia spearheaded a strategic communication plan and continued updating our counterparts via our overseas offices on the current situation of

MALAYSIA IS NOW FOCUSING ON CREATING MORE PERSONALISED ECO-PACKAGES, CATERING FOR SMALLER GROUPS OF TOURISTS, AND OFFERING NATURE-BASED ACTIVITIES.

COVID-19. This constant communication update is a part of our strategy in restoring the confidence of travellers once our international borders are reopened. By continuous engagements and collaborations with outbound tour operators and airlines, we are getting ready to relaunch Malaysia through various tourism products.

Due to the shifting trend in travelling preferences, Malaysia is now focusing on creating more personalised eco-packages, catering for smaller groups of tourists, and offering nature-based activities. Besides that, the government is also mulling the issuance of a COVID-19 vaccine passport for those who have been vaccinated to ease the travel restrictions and revive the aviation sector within the region.

Tourism Malaysia has also identified and held engagement sessions with key tourism players to strengthen collaborations by offering attractive packages to tourists. The key players are representatives across the tourism sector, including airlines, hotels, and travel and tour operators.

The government is aware that the implementation of several levels of the Movement Control Order (MCO) to curb COVID-19 had brought about significant impacts on the country's tourism industry. According to the National Economic Action Plan (MTEN), Malaysia would need at least four years to revive its tourism industry, which is a relatively long period and presents great challenges to all quarters involved.

Nevertheless, the government believes that Malaysia can revive its tourism industry by boosting domestic tourism activities and enhancing the confidence of the people to travel domestically while the borders are still closed.