

Travel and Tourism in Malaysia

Travel and tourism remains a highly important part of the Malaysian economy, with an ever increasing number of companies competing for a share of rising tourist expenditure. The tourism accommodation and air transportation sectors have seen the lion's share of growth. For example, Air Asia, the country's premium low cost carrier, has expanded its operations and now offers many more routes within and outside the country and is regarded as a significant regional player. The hotel segment has been growing particularly rapidly, with the popularity of top-end boutique hotels continuing to increase. In addition, the budget accommodation segment is also performing well, with new entrant Tune Hotels expected to become the country's largest chain of budget hotels.



Visit Malaysia Year 2007 Campaign Helped to Boost Tourist Arrivals

The visit Malaysia Year 2007 campaign helped to increase awareness of Malaysia as a tourist destination throughout the world and to sharply increase the number of tourists visiting the country. Tourist arrivals have increased across all sectors, whether business or leisure. The 9th Malaysia Plan, a 5 year economic plan developed by the Malaysian government, projected a 9% annual increase in tourism inbound figures from 2006 to 2010 - a target which is likely to be met as a result of the success of the marketing campaign.

Internet Sales Limited but Growing Rapidly

In 2009, the majority of travel and accommodation reservations were either performed via the telephone or face-to-face, with internet retailing remaining very much a niche channel. However, the number of internet bookings continues to increase rapidly as retailers increase their technological capabilities. The leader of the internet sales model is Air Asia, which follows an almost exclusive online booking strategy in order to minimize operating costs. Not surprisingly, internet bookings are

most popular in the airline sector and are increasing in the hotel segment, with internet sales in other categories such as travel retail, car rentals, and tourist attractions lagging behind.



Slower Growth Forecasted due to Economic Slowdown

According to Euromonitor International, the global economic downturn is expected to have a severe impact on Malaysia's travel and tourism industry, with many tourists worldwide likely to reduce expenditure as a result of declining confidence. As a result, tourism arrival figures are expected to decline over the early part of the next five years period. However, incoming tourism numbers are expected to recover towards the end of the next five years period, partly as a result of the government's fiscal stimulus package.

Malaysia among Top 10 Tourist Destinations for Europeans

Malaysia is among the top 10 most affordable destinations in the world where Europeans can go a long way with their Euros for a memorable holiday, according to the German-language Yahoo! Travel Magazine. It listed Malaysia along with Thailand, India, Sri Lanka, Mexico, Croatia, Bulgaria, Turkey, Egypt and Hungary. Malaysia's Langkawi island was praised for its long, white sandy beaches, palm trees and fascinating coral reefs. Nature lovers too get "full worth" for their money with the abundance of flora and fauna.

TheStar.com.my

Robust Performance by Tourism Sector

A total of 23.65 mn tourists visited Malaysia in 2009, according to data released by the Immigration Department, an increase of 7.2% year-on-year. The robust performance came in stark contrast to the dire prognosis of a fall of 9%, forecast by the government at the start of the year and shows that Malaysia did well to withstand the lack of consumer demand for global tourism during a difficult period. Speaking at the release of these figures, Tourism Minister Dato Sri Ng Yen Yen praised the tourism industry for its efforts in promoting Malaysia over the year against a backdrop of challenges such as the global economic crisis and the outbreak of H1N1 virus. The minister also added that, for the first time, arrivals from China passed the 1 mn mark, at 1.01 mn.

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(Extract from Euromonitor International's report "Travel and Tourism in Malaysia")

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