



Important Factors and Policies That Contributed to Tourism in Malaysia Between 1991 and 2018

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This paper presented the important factors contributing to Malaysian tourism development between 1991 and 2018. This study used qualitative methods such as a literature review, fieldwork investigations, in-depth interviews, and a focus group, as well as analysed data using content and descriptive analysis. The study found the Malaysian government has emphasised tourism development and promoted tourism around the world. The Malaysian government collaborated with the business sector to create many activities related to tourism to motivate long stays. Important factors contributing to tourism development in Malaysia include establishing the right policies, rule of law, environmental sustainability, health and safety, public transportation, information communication technology, transportation infrastructure, and tourism resource readiness such as skilled workers, green and clean cities, natural resources, and various cultural and social resources.

Key words: *tourism, policy, important factor, Malaysia*

Introduction

Tourism is one of the most important tools used to boost economies and is thus considered a key factor in development for developing countries (Szivas, Riley, & Airey, 2003). Malaysia has a tropical climate that allows travel throughout the year. Malaysia's beaches and islands with year round sunshine, cultural diversity and friendly people are its greatest strength (Mosbah & Saleh, 2014). Malaysia has diversified tourism resources, ranging from beaches, cities, culture, heritage, jungles, food, resorts, health, and business and shopping, which are unique in characteristics. Historical development of tourism in the country indicates people are attracted to its wildlife, scenery, forests and beaches (Nair & Thomas, 2013).

Tourism is the third biggest contributor to Malaysia's GDP, after manufacturing and commodities (Hirschmann, 2020). The tourism industry in Malaysia is the second largest source income from foreign exchange and affects the economy positively. Tourism creates many job opportunities. In 1990, the Ministry of Culture, Arts and Tourism started a campaign called "Visit Malaysia" to promote Malaysia to worldwide tourists. The campaign brought more than 7.4 million tourists into Malaysia and tourist arrival numbers keep increasing year by year. Tourists visiting Malaysia increased to 10.2 million in 2000 (Marzuki, 2010). The tourism industry is a significant sector in Malaysia's economy and the value of the tourism industry has gone upward since 2005. In 2017, tourism contributed to economic growth with a share of 14.9 percent of total country revenue (Department of Statistics Malaysia, 2018). In 2018, the tourism sector contributed around 5.9 percent to the total GDP (Hirschmann, 2020).

Malaysia has become one of the most important tourist destinations. The tourism sector is an important contributor to the economy, one of the major sources of foreign exchange earnings, and a catalyst for economic growth. The tourism sector contributes to at least 8 to 10 percent of the GDP (Sivalingam, 2007). Malaysia is a multicultural country, and its climate allows traveling throughout the year. It has a variety of attractions and tourism resources. Malaysia's location at the centre of South East Asia is another strategic advantage for the future development of tourism (Nair & Thomas, 2013). In addition, the challenges of Malaysian tourism involve safety and security, crime, health issues, and natural disaster (Ayob & Masron, 2014). This paper is interested in empirically understanding the causal factors that drive the growth of the tourism industry in Malaysia. The study aims to understand tourism development in Malaysia between 1991 and 2018 and the important factors contributing to tourism development in that time.

Conceptual Framework

Tourism is relaxation away from home (Shaw & Williams, 2002, p. 6). In addition, tourism includes visiting relatives, another place for work, business activities, and transportation, because those activities also have opportunity for enjoyment and relaxation (Hall & Page, 2000; Weaver & Lawton, 2002). Tourism is one tool to stimulate the economy, because tourism can create more job opportunities and income and connect with many industries, making several economic activities that increase the national income (Szivas et al., 2003).

Factors Influencing Tourism

The decisions of tourists depend on many factors such as attractions, activities, and their economic status (Viorica & Sorin, 2010). Cultural attractions influence tourists' decisions (Maneesaeng & Wall, 2017). Destination image has an effect on travel choice and behaviour (Mendes, Do Valle, & Guerreiro, 2011). In some countries, safety and security, terrorism, and perceived risk have significant effects on travel decisions (Shaikh et al., 2020). In addition, economic factors, location, transportation facilities, accommodation facilities, value for

money, quality perception, leisure tourism opportunity, meeting venues, and previous experiences also affect tourists' decisions (Houdement et al., 2017)

Tourism Elements, Facilities, and Services at the Destination

Tourism elements are divided into five categories: (a) physical plants such as cultural, traditional, and scenic attractions, (b) freedom of choice for travel, (c) tourism provider offers tourism services and experiences to consumers when the latter are travelling and performing tourism activities, (d) involvement in a linkage between tourist attractions and activities, and (e) the hospitality of the overall tourism service, which refers to the activities associated with travel planning and the administration of activities in a place where people meet (Smith, 1994). Facilities and services at the destination are related to tourism development. For example, public facilities, especially the transportation system, are important factors in the development of tourism (Promsaka Na Sakolnakorn et al., 2017). Accommodation (hotel, resorts, and apartments), nutrition services (food, restaurants, bars, cafés, and confectioneries), destination transport (buses, trams, trolley buses, taxis, and rental cars and bikes), shopping centers, and travel agencies are important element in tourism choices (Mazilu, 2010).

Tourism Policies

Government policy is important to encourage tourism, and the regulations and laws that support the tourism industry such as tax policy, immigration, and entry visas can increase tourists' impulse to travel overseas (Page, 2003, p. 276). Policymakers need to understand the nature of local tourism, and they should study the results of previous tourism policies and the role of participation in policymaking (Bramwell & Meyer, 2007; Stevenson, et al., 2008). The National Economic Development Policy, which had many objectives, was conceived in 1971 to address regional economic inequalities. Tourism policy was the also the objective for economic development. Malaysia started by promoting foreign tourism and set up a policy for domestic tourism. Malaysian tourism focused on four components of the tourism industry, namely ecotourism, shopping, sports and leisure, and meeting, incentive, convention, and exhibition tourism (Awang & Aziz, 2011).

Conceptual Framework

In this paper, the conceptual framework is related to factors influencing tourists' decisions, tourism elements, facilities and services at the destination, and tourism policies.

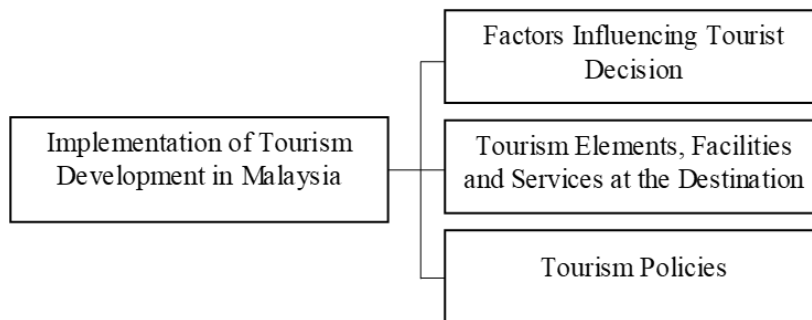


Figure 1. Conceptual framework.

Methodology

This study was conducted between June 2017 and April 2018 and used multiple empirical methods of data collection through interviews, focus groups, participation, observations, and fieldwork investigations across Malaysia, including the states of Sarawak and Sabah.

Methods

Secondary sources include literature reviews related to tourism development of Malaysia between 1991 and 2018. For the in-depth interviews, purposive sampling with 30 key informants was used, including Malaysian officers, Thai officers working in Malaysia, Thai people who lived in Malaysia for more than 20 years, and Malaysian business people.

Malaysian politicians at the local and national levels were interviewed. In addition, the researcher invited five local residents, two officers, and two business people to join the focus group discussion in Kelantan and Penang and to join a small-group discussion with four local residents in Johor Bahru.

Data Analysis

In this paper, data triangulation and investigator triangulation techniques from interview data, secondary data, and data from observations were used to check and compare the data. Content and descriptive analysis from interview data was used to analyse the data.

Results

Tourism development is the core strategy of the Malaysian government to increase revenue and boosts the country's economy and social wellbeing. From 2016 to 2018, revenue from tourism was approximately twenty billion US dollars, and Malaysia was the destination for an average of 25,000,000 tourists per year. In Southeast Asian countries, tourist visits to Malaysia were second only to Thailand. The tourism development in Malaysia is part of a national

development plan with the objective of achieving economic growth. The tourism development of Malaysia between 1991 and 2018 is shown in Table 1.

Table 1 Tourism development of Malaysia between 1991 and 2018

Year	Policy and Implementation
Sixth National Development Plan (1991-1995)	<ul style="list-style-type: none"> • Government promoted and supported Malaysian tourism • Government concern to raise employment rate with tourism activities • Government focus on promoting business, service, and activities related to tourism • Government set up policy to promote tourism connections to other industries, such as handicraft, cultural places, small enterprises, or industrial sector for making products for overseas tourists
Seventh National Development Plan (1996-2000)	<ul style="list-style-type: none"> • Development activities and products for responsiveness to tourism needs • Promote activities related to tourism such sport, water tourism, shopping, and meeting activities • Promote business related to tourism • Encourage local business and residents to have more participation and opportunity in local tourism • Infrastructure development
Eighth National Development Plan (2001-2005)	<ul style="list-style-type: none"> • Tourism management by balancing tourism activities and social, economic, environmental, cultural, and traditional issues • Promote cultural heritage and physical environment tourism • Present and promote tourism in Malaysia • Develop security and safety (reducing crime) and tourism facilities
Ninth National Development Plan (2006-2010)	<ul style="list-style-type: none"> • Focus on tourism sustainability • Encourage service sector using technology and innovation for tourism • Tourism development based on market demand and continuous tourism promotion on media • Develop new tourism activities and promote Malaysia as a second home of world's residents
Tenth National Development (2011-2015)	<ul style="list-style-type: none"> • Central government encouraged state governments to develop tourism based on their core competencies • Encourage cultural tourism, eco-tourism, homestay, sport activities, island and coast tourism, meetings, incentive travel, conventions, exhibitions, food and beverage, shopping, and medical activities (set up medical hub to motivate overseas patients to come to treatment in hospitals)

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- Improved tourism image
 - Set up “Green and Clean Malaysia” policy and safety for tourists.
 - Infrastructure investment, especially public transportation and renovated airport
 - Promote tourism in Malaysia, emphasis on European countries
 - Human development to raise worker skill to support tourism business and quality of service

Eleventh National
Development
(2016-2020)

- Revised tax policy (e.g., tax exemption of luxury goods, duty free shops), encouraged private sector to open new department stores and shopping plazas
 - Development of big cities such as Kuala Lumpur as shopping centres
 - Encourage spa and health massage tourism
 - Promote and more infrastructure development in Sabah and Sarawak
 - More infrastructure and city development in undeveloped areas such as Kelantan state to promote new tourism destinations
 - Encourage business sector to improve hotels and accommodations
 - More infrastructure development with overseas companies, such as railways, airports, roads, electrical vehicles, and bus stations (also improved buses)
 - More investment in technology such as high-speed internet in all areas
 - Continuously promote green and clean Malaysia
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Tourism development in Malaysia increased tourists from 24.58 million in 2010 to 25.83 million in 2018, and in 2019, there were approximately 26.1 million tourist arrivals in Malaysia (Malaysia Tourism Promotion Board, 2019). Tourism development in Malaysia makes rapid economic growth. Tourism increases year by year (except after the COVID-19 crisis in 2020). Important factors contributing to tourism development in Malaysia are related to the tourism competitiveness index presented by the World Economic Forum (2019) that has three categories. First is government readiness such as rule of law, policy, environmental sustainability, and health and safety. Second is business sector and infrastructure readiness such as public transportation, information communication technology, and transportation infrastructure. Third is tourism resource readiness, such as skilled workers, natural resources, and cultural and social resources. The important factors contributing to tourism development in Malaysia between 1991 and 2018 are shown in Table 2.

Table 2 The important factors contributing to tourism development in Malaysia between 1991 and 2018

Factors	Remark
Political system	<ul style="list-style-type: none"> The political system in Malaysia is stable
Infrastructure and transportation	<ul style="list-style-type: none"> The infrastructure and transportation is on development (e.g., road and highway linkage into any city, renovated and new airports in important cities, car rental systems at an international standard, high-speed trains, renovated public transportation [bus, taxi] for cleanness, and public high-speed internet, including Sabah and Sarawak states)
Economy	<ul style="list-style-type: none"> Economic development such as shopping centres, exempt tax for luxury goods, exchange rate management
Tourism environment	<ul style="list-style-type: none"> Urban design to support tourism, tourism area maintenance, archaeological site conservation, urban areas renovated as friendly, and clean and green city concept for city development
Cultural	<ul style="list-style-type: none"> Malaysia has cultural pluralism and maintains unique cultural identities. Malaysia has various foods, various local handicraft products, cultural goods, and local product
Government-created opportunity for business sector	<ul style="list-style-type: none"> Malaysian government revised the obstacles to international and local business investment in Malaysia, opened more opportunity for the business sector to joint investment with government holding companies, and allowed the business sector in government planning to set up the right policy
Society	<ul style="list-style-type: none"> All society levels' concerns about tourism issues and supporting the tourism industry
Religions	<ul style="list-style-type: none"> Most Malaysian residents respect Islam. Other religions include Hinduism, Buddhism, Christianity, etc. Malaysian society strongly follows Islamic ways of life, but it does not trouble tourism industry development
Low cost of travel	<ul style="list-style-type: none"> Travel in Malaysia is not expensive, and tourists from developed countries such as countries in Europe, the United States, and Australia have advantageous exchange rates
Healthy and security	<ul style="list-style-type: none"> The Malaysian government set up policy and operations to reduce and prevent crime in tourism areas, developed health systems to support health tourism, and developed into the medical hub of Southeast Asia
Education and training	<ul style="list-style-type: none"> Education plays a major role in preparing students and workers to gain professional and practical skills required by the tourism and hospitality industry

Table 2 The important factors contributing to tourism development in Malaysia between 1991 and 2018

Factors	Remark
Language and communication	<ul style="list-style-type: none">• Tourists from many countries can easily travel in Malaysia. People can speak many languages, especially English. Melayu is the Malay language of Muslim people. English is a second language (Malaysia was under British rule). Chinese language is spoken for Chinese people, as well as Hindi for people from India and Bangladesh. However, for economic development, researchers found many Muslims can speak Chinese and Hindi, also many Chinese and Indians can speak Melayu.

In addition, to promote and present Malaysian tourism to the world, the Malaysian government collaborated with private agencies for film production about good aspects of tourism destinations in Malaysia and published films in National Geographic and Discovery Channel. It also advertises on television channels in many countries around the world to promote tourism.

The tourism sector is a core issue for Malaysia's economic growth because Malaysian people in any social class are all involved in tourism. Small to large business are also involved in tourism. In addition, the Malaysian government set up careers for Malaysian workers, such as tour guides. All travel agencies must also employ Malaysian tour guides for groups brought to the attraction. The Malaysian government aims to progress from a middle-income country to a high-income country, and tourism development is one sector that can increase economic growth. Thus, the Malaysian government develops tourism by planning many strategies for tourism growth, such as the "Malaysia Truly Asia" campaign in 1999. It had very good feedback from global tourists, and this campaign improved Malaysia's image in the world tourism market. The Malaysian government set up 2014 as a year to visit Malaysia with the campaign "Visit Malaysia (VMY) 2014" and its slogan "One Malaysia Truly Asia," which defines the country's unique diversity.

The Malaysian government targeted high-end tourism via a strategy to motivate tourists to stay longer and spend more money. The government also promoted new areas of tourism in the world tourism market, such as islands, beautiful beaches, and world heritage areas (Kinabalu National Park, Gunung Mulu National Park, Malacca City, George Town city, and the Lenggong archaeological site). In addition, the Malaysian government allowed many tourism activities, such as an amusement park and casino at Genting Highlands, Legoland at Johor Bahru, car races (Malaysian Grand Prix and Formula One at Sepang International Circuit), and more. In addition, the Malaysian government set up business tax deductions for international and local businesses who invest in tourism businesses in Malaysia.

The campaign related to tourism development is 1 Malaysia Green and 1 Malaysia Clean (IMG, 1MC) and was announced in 2011. This campaign will instill a cleanliness mindset in Malaysia to become the cleanest city, cleanest mall, cleanest taxi, and more. The campaign also includes a tree-planting project to keep the city green. Malaysia's design and construction have various degrees of eco-friendliness, and the Malaysian government has been providing tax incentives and other benefits for home owners, companies, and developers who incorporate energy-saving and recycling technologies into their buildings. Green and clean cities in Malaysia focus on sustainability, and more entities in Malaysia, especially in tourism areas, focus on sustainability. Malaysia's state and local governments obviously set up the policy in the most popular regions for tourism, making cities clean and green by growing more trees, including non-smoking areas, and reducing crime (Promsaka Na Sakolnakorn, 2018).

Conclusion

In conclusion, this paper focuses on the positive effects of Malaysia's tourism development and does not focus on obstacles and negative impacts, because the research funding agency for this study would like more knowledge about Malaysia to develop a positive way to apply Thailand's development policy. From this study of tourism development in Malaysia, the suggestion for the Thai government's development of tourism in Thailand is as follows: 1) the Thai government should encourage more activities related to tourism and focus on creative tools for tourism development based on local resources, such as arts and culture, local wisdom, history, and archaeological sites; 2) the Thai government should develop rapid public transportation between tourism areas and cities; 3) for crime and safety reasons, the number of Royal Thai Police should increase in tourism areas (currently, Thai police rarely walk or ride bicycles on patrol); 4) the Thai government should renovate all immigration buildings in all border areas (because few modern immigration buildings exist); 5) the Thai government should show more concern about low-carbon tourism; 6) the Thai government should show more concern about law enforcement to preserve the natural environment and to increase awareness about eco-tourism in Thai society; 7) via international language learning, Malaysia has an advantage in communication, so the Thai government's Ministry of Education should show more concern for foreign language in the Thai education system; and 8) the study of Promsaka Na sakolnakorn (2019) stated that Malaysia still lacks skilled workers in tourism and hospitality industries, so the Thai government should encourage and collaborate with the Malaysian government to bring skilled Thai workers to Malaysia's tourism sector.

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