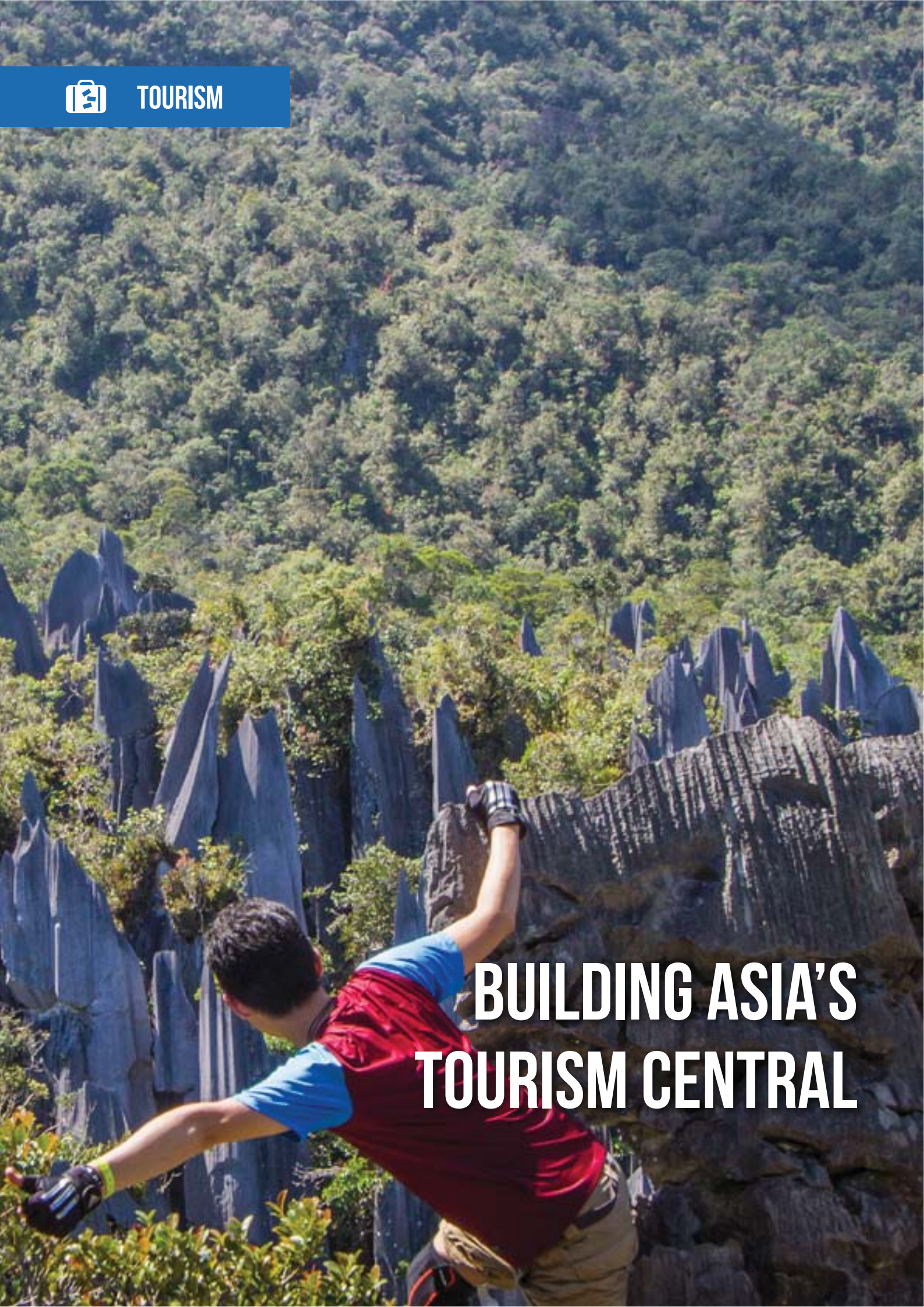




TOURISM

BUILDING ASIA'S TOURISM CENTRAL





YB DATO' SERI MOHAMED NAZRI ABDUL AZIZ
Minister of Tourism and Culture

Tourism remains a mainstay of the Malaysian economy and important developments in 2017 ensure that it will continue as an important economic growth driver for years to come – with the sector remaining on track towards achieving our targets of 36 million tourist arrivals and RM104 billion in GNI by 2020.

The year saw the sector received 25.7 million in arrivals in 2017. Tourism receipts reached RM81.4 billion in 2017, up from RM56.5 billion in 2010. Thus far tourism has contributed to RM81.1 billion in the country's GNI against RM37 billion in GNI in 2009.

The year, Malaysia continues to receive international accolades in tourism, with Penang being named one of the 17 must-visit destinations in 2017 by CNN Travel and Ipoh, Perak as one of Lonely Planet's Top 10 cities for travel in 2017. Kuala Lumpur, on the other hand, was also named among the world's top 10 cities in terms of tourism growth by the World Travel and Tourism Council (WTTC). All these serve as a testament to the commitment and work put in by the Ministry of Tourism and Culture (MOTAC) and the private sector in achieving the targets for tourism.

Following the successful rollout of the e-Visa facility for tourists from China, India, Bangladesh, Pakistan, Nepal and Myanmar in 2016, 2017 saw the facility being extended to citizens of Sri Lanka, Bhutan, Serbia and Montenegro, bringing the total number of countries eligible to ten, further contributing to the number of tourist arrivals.

The reopening and refurbishment of world class event venues such as Malaysia International Trade and Exhibition Centre (MITEC) and the Bukit Jalil Complex have upgraded the country's overall event hosting capacity and puts us in a better position to win the right to host more prestigious and influential events that will draw large international crowds. It also reinforces the country's already strong standing as one of the premier destinations for major events and business events. The efforts of the Malaysia Convention and Exhibition Bureau (MyCEB) has done much in ensuring that Malaysia continues to grow into one of the region's top destinations for world-class events by welcoming a total of 120,528 international delegates throughout the year, delivering RM1.4 billion in estimated economic impact to the country.

In order to achieve our 2020 targets, we will conduct a high-level review of existing initiatives and focus on game-changing and last-mile initiatives to push us towards our 2020 targets.

POSITIONING MALAYSIA AS A VIBRANT SHOPPING DESTINATION

Malaysia has long recognised the importance of shopping to drive yield from the country's tourism industry. It is indeed a lucrative component of the nation's tourism industry and efforts in promoting Malaysia as a vibrant shopping destination has resulted in shopping tourist spend of RM26 billion as of 2017, amounting to 32% of total tourism receipts against 28% in 2009.

This has been attributed by annual retail events such as the National Sales event launched on 1 March 2017 at Suria KLCC, the "Miss SHOPhia Shop" campaign, the Snap & Win online contest in conjunction with the 1Malaysia Super Sale 2017 and the "Malaysia Mega Sale – A Luxury

Shopping Experience" with the Melium Group and Pavilion. Efforts have also gone a long way towards designating Kuala Lumpur City Centre-Bukit Bintang as a vibrant shopping precinct. The vicinity recorded 124 million footfalls in 2017, against the target of 105 million.

In addition to retail promotion, the industry has identified Malaysian crafts as a retail opportunity to widen the country's unique offerings. In a bid to help popularise local arts and crafts among tourists and provide an avenue for local craftsmen and entrepreneurs to access the market, Kraftangan Malaysia has opened outlets at Kompleks Kraf Johor, Tangs Melaka and Plaza Sungai Wang in Kuala Lumpur. Products and items available at these outlets include locally made batik, pewter, wicker and wood, ceramics and songket souvenir items. During the year, craft sales from these three outlets have recorded cumulative sales of RM1.2 million, whilst craft industry sales reached a total of RM500.5 million.



Total craft industry sales reached a total of RM500.5 million.



MAKING MALAYSIA A TOP TOURIST DESTINATION

Building on Malaysia's growth as an internationally recognised tourist destination, the tourism industry remains on track to achieve its targets of attracting 36 million tourists to the country, and hitting RM168 billion in tourist receipts by 2020. Arrivals have grown to 25.7 million in 2017. Total receipts have also seen growth to RM81.4 billion in 2017, an increase of 44% compared to RM56.5 billion in 2010.

“ Total receipts have also seen growth to RM81.4 billion in 2017, an increase of 44% compared to RM56.5 billion in 2010. ”

In 2017, the roll out of the e-Visa facility was extended to tourists from Sri Lanka, Bhutan, Serbia and Montenegro. This brings the total number of countries eligible for the e-Visa to ten. It is hoped that these countries will contribute to tourists arrivals in Malaysia as tourist numbers from these markets is expected to grow in the next 10 years in line with the growth of middle income households in those countries.

Heritage sites

Malaysia boasts five important sites that are currently inscribed under UNESCO's World Heritage List. These include the famous Melaka City and George Town, Penang along the Straits of Malacca which has seen over 500 years of trade and cultural exchanges between the East and the West; the Lenggong Valley Archaeological Site which contains the remains of the Perak Man, Southeast Asia's oldest most complete human skeleton and records of human settlement in the span of over two millennia; whereas both Mulu National Park and Kinabalu Park on the island of Borneo are important biodiversity hotspots. All these sites play an important role in attracting tourists to visit Malaysia.

Visitor statistics of arrivals to the World Heritage sites in 2017 came up to 19 million visitors, against

the target of 16.5 million. The number of visitors at heritage sites in Malaysia surged dramatically by year-end as tourist arrivals increased in the months of November and December.

Promoting the spa and wellness industry

MOTAC has continued its efforts in promoting the spa industry to enrich Malaysia's tourism offerings. In October 2017, the Malaysian Signature Massage initiative was successfully launched to elevate massage techniques and introduce related products such as aromatherapy and oils into a country-specific signature massage product. This further serves as an effective enabler for the marketing of the Malaysian spa industry globally.

The launch also marked the start of a nationwide marketing and upskilling roadshow programme which had begun to roll out in various states at the end of 2017 into 2018. Further promotion and demonstration of the Malaysian Signature Massage in major regional and global tourism travel marts and forums were carried out at the end of 2017 and planned for 2018, including at the Asia Tourism Forum (ATF) Chiang Mai, International Tourism Fair (ITB) Berlin, Dubai Travel Mart and the World Travel Mart, London.

Malaysia Mega Biodiversity Hub

The Malaysia Mega Biodiversity Hub (MMBH) sites recorded a total of 906,661 visitors in 2017, against the year's target of 750,000 visitors. Generally, among the factors which have influenced the increase in volume of tourists to MMBH live sites are the natural resources attraction, recreational activities available and location accessibility.

Hiking is one of the most popular activities taken up by tourists at MMBH live sites, and a significant number of tourists have taken the hike up Gunung Tahan and Gunung Kinabalu. Meanwhile, for those more interested in flora and fauna conservation, activities at the Kuala Gandah Elephant Conservation Centre are geared towards the conservation of local wildlife affected by loss of habitat. Its short distance from Kuala Lumpur and accessibility via highways also increases its appeal among tourists. Gunung Mulu National Park, on the other hand, is known for its pristine tropical forest, unique limestone pinnacles and extensive cave formation, making it a popular adventurous and recreational attraction.

Although MMBH live sites are able to attract international and domestic tourists alike, the main challenges faced by most sites are maintenance, safety and accessibility among them. Moving forward, the sustainability of the environment and surrounding landscapes must be carefully balanced when establishing new sites, along with the impact of increased tourists on the culture of local people.

Developing ecotourism clusters

Tourism initiatives have also been focused on developing ecotourism clusters. In 2017, the Taiping-Kuala Sepetang-Batu Kurau-Bukit Merah area was identified as a site which will be developed as an ecotourism cluster. Among the proposed initiatives to develop the cluster include improving signage for ecotourism sites, upskilling and hand-holding local community businesses and establishing a research programme for product development and conservation. These initiatives are projected to benefit the local communities through the increased economic activities brought by the ecotourism industry.

Several other sites have also been identified for potential ecotourism clusters. These include Lanchang-Jerantut-Taman Negara (Pahang), Setiu-

Merang-Penarik (Terengganu), Bako-Santubong-Semenggoh-Bau-Padawan (Sarawak) and Sandakan-Kinabatangan (Sabah). In developing these clusters, engagements were held with the State Economic Planning Units on the implementation structure and project concession opportunities. There have also been engagements on the development of potential products within the cluster in addition to the roles of various agencies involved.

To oversee the development process, a Cluster Destination Coordination Group (CDCG) has been set up for the Taiping-Kuala Sepetang-Batu Kurau-Bukit Merah cluster. More CDCGs are in the pipeline to manage the progress of ecotourism clusters in Pahang, Terengganu, Sabah and Sarawak.

In keeping up with the global trends of ecotourism and ensuring sustainability, MOTAC has developed the National Ecotourism Plan (NEP) 2016-2025. The plan embodies the collaborations between the Government, private sector and local communities, with specific focus on areas such as investments, tourism concessions, synergy between ecotourism and conservation, marketing and promotion, and development of ecotourism clusters. The NEP will serve as a platform for sustainable development and conservation of ecotourism sites as well as poverty-reduction and community empowerment in Malaysia.



The growth of international cruise tourism in Malaysia has been a steady driver in the tourism industry.



Cruise tourism

The growth of international cruise tourism in Malaysia has been a steady driver in the tourism industry, with 471 international cruise calls at Malaysian ports bringing in 924,885 passengers at primary ports in the country. This brings the total calls made to Malaysian ports, including local cruise ships, to 599. In attracting a higher rate of arrivals, the cruise sector has been primed for growth with several new developments that will enhance Malaysia as a cruise destination.

One of the industry's key players, the TUI group, is designating Langkawi as a homeport in 2018. The "TUI Discovery" will be home-porting in Langkawi starting December 2018 to cater for the winter season market. The route will cover Langkawi, Port Klang, Melaka, Singapore, Koh Samui (Thailand), Laem Chabang (Thailand), Sihanoukville (Cambodia) and Phu My (Vietnam). Based on the cruise schedule, there will be eight sailings with 1,800 passengers on board for each sailing.

Another key player in the cruise industry, Star Cruises, has also expanded its offering with multiple homeports and fly-cruise options to cater for demand from Southeast Asian tourists as well as those outside the region. This provides greater flexibility to tailor cruise routes and itineraries to suit the needs of various consumers. Additionally, now that Port Klang has been established as a Star Cruise homeport, tourists have greater ease to fly in and out of Kuala Lumpur.

Royal Caribbean Cruises has also submitted a proposal to the Penang Port Council with the objective of extending the berths at the Swettenham Port Cruise Terminal to accommodate larger cruise ships. The proposed extension covers the lengthening of the pier from the present 400 metres to 688 metres. The extension will enable the docking of two mega cruise liners simultaneously – with each carrying 4,900 passengers, an increase over the pier's present capacity of simultaneous dockings of cruise ships carrying a maximum of 3,000 passengers each. The expansion includes space for tour buses to wait and pick up ship passengers taking packaged tours, along with better accessibility for senior citizens and the physically challenged.

EXTRACTING VALUE FROM MAJOR EVENTS AND BUSINESS EVENTS

The value of the major events industry extends far beyond the expenditure on venue rental and includes supporting industries such as hospitality, entertainment and food and beverages (F&B), transportation and retail. It also has an intangible but strategic value in providing the country exposure to event visitors from across the globe, who may potentially become leisure tourists or even investors in Malaysia.

Major events

During the period between 2012 to 2017, major events contributed RM3.17 billion to the nation's economy. This comprises RM792.7 million in F&B and entertainment spending, RM951 million in hotel accommodation spending, RM951 million in retail spending and RM475.6 million from other revenues. Among the top events destinations in Malaysia include Kuala Lumpur, Georgetown, Langkawi and Johor Bahru.

In 2017, the total number of international tourists at major events supported by the Malaysia Convention & Exhibition Bureau (MyCEB) amounted to 58,492 attendees. The events, which helped raised Malaysia's prominence on the world map, include G-Dragon 2017 World Tour "Act III, M.O.T.T.E" in Kuala Lumpur in September 2017 that drew 8,813 total attendees with total tourist expenditure worth RM8.8 million and Ed Sheeran Live in Malaysia in November 2017 with 12,956 total attendees and RM12.8 million worth of total tourist expenditure. Moreover, a sporting event called the Ironman® Malaysia and Ironman® 70.3 Langkawi was held in November 2017, and attracted 7,200 total participants and spectators with total tourist expenditure of RM22.3 million. Another international sporting event, the Viper Challenge Series 2017 was held and attracted 52,519 total participants and spectators with total tourist expenditure of RM50.1 million.

Furthermore, several international music events were hosted during the year. Amongst them, the Good Vibes Festival 2017 held on 12 to 13 August attracted



Malaysia hosted Ironman® Malaysia and Ironman® 70.3 Langkawi in November 2017.

10,294 attendees with total tourist expenditure of RM14.7 million, while the K-Wave Music Festival held on 5 August 2017 attracted 14,672 attendees with total tourist expenditure of RM14.97 million.

One of the main challenges facing the events industry is the decreasing amount of available subvention funds, a form of budget allocation from the Government for international events. This is despite international events segment generating positive economic returns from indirect economic benefits such as withholding taxes, levies, GST and international tourist expenditure from events hosted in Malaysia. In order to mitigate the effects of budget rationalisation, the international events segment has to adapt and recalibrate its focus to support more events that require lower investments from the Government. In addition, the targeted events should also possess the ability to attract regional attendees. Currently, Malaysia's key strategy is to fill the calendar with as many events as possible with the aim of offering variety and choice to potential regional attendees.

To strike the criteria of mass participation and high returns in events, MyCEB will identify events which can draw a high number of attendees per event to generate higher yield. For example, only concerts or sporting events which are able to attract more than 10,000 total attendees with the ratio of 3:1 (local: international) will be considered, given the availability of venues in the Kuala Lumpur Sports City such as the Bukit Jalil National Stadium and the Axiata Arena.

Business events

In the business event segment, MyCEB together with its partners has secured a total of 151 international conferences, incentive groups and trade exhibition events as at December 2017, which amounted to 381,342 number of delegate days, with a total estimated economic impact value of RM954 million.

Among the key conferences hosted in 2017 were the World Congress of the International Federation of Freight Forwarders Associations (FIATA) 2017 which drew 1,611 delegates and the Asia Pacific Life Insurance Congress (APLIC) 2017 that attracted 4,563 delegates. The incentive groups segment also drew large number of delegates, such as the Amway Advance Sales & Marketing Training to Malaysia that saw 1,390 delegates and Babycare Leadership Summit 2017 that drew 1,575 delegates. In addition, these events also contributed to benefits beyond tourism such as enhancing Malaysia's global reputation as a preferred business events destination, advocating knowledge transfer between international professionals and local talent, increasing trade and investment prospects, as well as creating legacy stories for Malaysia.

The industry is also further supported by the growth of Malaysia's association community with the establishment of the Malaysian Society of Association Executives in response to the need for a single body to regulate the profession of association executives in Malaysia. Its mission is to advance the stature and professionalism of associations in Malaysia through advocacy, education and advisory services.

Educational programmes such as the Malaysia Business Events Week and Bid Workshop were also held throughout the year to increase and strengthen the capabilities and capacity of local industry partners. These capability and capacity-building initiatives will enable the business events industry to deliver transformative outcomes in terms of increased spend per tourist, as well as generate a broader economic impact for Malaysia.

While the year 2017 was positive for business events and the segment has presented significant potential to generate revenue for the country, more effort and emphasis need to be placed on creating greater synergies between associations and relevant



Ministries in realising the potential socio-economic benefits from business events. MyCEB will continue with an inter-ministerial collaboration in order to identify events which contribute towards achieving the NTP goals. This will ensure that potential networking and business development opportunities are aligned with strategic ministerial goals.

As such, MyCEB has developed the Business Events Roadmap to power Malaysia's knowledge and creative economy. The roadmap has underlined five key goals that institutionalise platforms for collaboration and support the development of strong local hosts:

- Significantly increase Malaysia's market share in conventions and exhibitions taking place in Southeast Asia;
- Business events will play a major role in achieving 2020 goals of every government ministry
- Create Asia's most professional, successful and sustainable business events industry;
- Significantly increase the contribution of business events to the country's GDP, job creation and tax revenue; and
- Help Malaysians expand their global investment, trade and professional networks.

MyCEB will also empower and energise the Malaysian Association of Convention and Exhibition Organisers and Suppliers (MACEOS) and the newly formed Business Events Industry Council of Malaysia to become strong advocates of the needs of business events players.



MyCEB has developed the Business Events Roadmap to power Malaysia's knowledge and creative economy.

ENHANCING TOURIST CONNECTIVITY

Efforts to enhance Malaysia's connectivity have enabled more links between the country and potential tourist markets, with 158,682 weekly seats secured by all Malaysian carriers from identified priority countries including China, India, Australia, Japan, Republic of Korea and Taiwan.

“The Government will hold continuous bilateral discussions with potential target countries to leverage the ASEAN Air Transport Working Group (ASEAN ATWG) as a platform to discuss a more liberal air service arrangements.”

One of the notable highlights in 2017 was the new Air Service Agreement (ASA) signed with the Government of India during the YAB Prime Minister's visit to India from 30 March to 4 April 2017. An additional 1,861 seats have been added, giving a total of 22,531 seats per week to six major cities in India namely Delhi, Kolkata, Mumbai, Chennai, Bangalore and Hyderabad. Designated airlines from Malaysia will also be allowed to enter into domestic codeshare arrangements with selected Indian airlines.

There will also be continuous engagement with India to acquire additional traffic rights. This includes a proposal to add eight additional secondary cities to the existing 18 cities. The additional cities are Coimbatore, Pune, Madurai, Vijayawada, Mangalore, Surat, Chandigarh and Srinagar.

During the year, the Government also applied for additional traffic rights to Australia, especially to four main cities. The additional traffic rights to Australia will serve to increase travel and traffic between both countries by boosting weekly seat capacity.

To continue expanding Malaysia's global linkages, the Government will hold continuous bilateral discussions with potential target countries,

Making Malaysia an International Conference Destination

International conferences hosted by Malaysia have an impact that go beyond tourism as they serve as a catalyst for transformation, helping to spur national development on a variety of fronts through knowledge transfer, networking, global exposure and championing of key issues and best practices. To this end, the Malaysia Convention and Exhibition Bureau (MyCEB) has been working with various Ministries to bring in conferences that help them achieve their Ministry goals.

MyCEB currently works with Ministries and key associations to identify and bid for conferences which are aligned with the nation's development goals and requirements. "Our strategy is to bring in events that relate to Malaysia's areas of focus," says Datuk Zulkefli Hj Sharif, CEO of MyCEB.

Malaysia saw much success in bringing in major international conferences to its shores in 2017, thanks to aggressive efforts by the Government to bid for high profile events. Major conferences held in Malaysia during the year included the International Federation of Freight Forwarders Associations' (FIATA) World Congress, the International Forum on Quality and Safety in Healthcare Asia 2017 and the Asia-Pacific Retailers Convention and Exhibition (APRCE) 2017.

Building on this momentum, 2018 looks to be a banner year for Malaysia with a hefty number of world conferences lined up, mainly as a result of the NKEA Tourism's initiatives, as well as substantial Government backing. The United Nations' World Urban Forum



2018 looks to be a banner year for Malaysia with a hefty number of world conferences lined up.

will kick off the year, representing the premier global conference for sustainable urban development. To bring the conference to Kuala Lumpur, MyCEB worked with the Ministry of Urban Wellbeing, Housing and Local Government.

Other events on the calendar include the World Cancer Congress which will raise Malaysia's prominence as an international host and the World Chef Congress, for which Kuala Lumpur represented the Asian region at the global level to win the right to host the event, beating out high profile competing cities like Vancouver, Canada. The country will also host the World Library and Information Congress 2018 and the International Solid Waste Association World Congress.

Given the increasing importance of conferences to national development, MyCEB is now also tracking other outcomes beyond traditional statistics such as tourist arrivals and spending. These outcomes include charters and MoUs signed, legacies left behind and business deals concluded.

But much more needs to be done, including the public and private sector pulling together to successfully bid for key conferences. If leveraged correctly, there could be huge national benefits from the hosting of international conferences and exhibitions.

Conferences and exhibitions are considered so strategic in some countries, that in Thailand for example, MyCEB's equivalent – the Thailand Convention and Exhibition Bureau (TCEB) – comes under the Prime Minister's Department, notes Datuk Zulkefli. The benefits of hosting such events



The International Federation of Freight Forwarders Associations' (FIATA) World Congress was held in Malaysia in October 2017.



are numerous. Firstly, the host country gets to be profiled and showcase its strengths. Then there is the knowledge transfer that happens when professionals, experts and even Nobel Prize winners come together to interact with the local population. There is also the legacy left behind to the destination.

MyCEB, which was established in line with one of the NTP's targets to make Malaysia a leading destination for events and conferences, has also been working on initiatives to bolster the country's competitiveness in the sector. These include initiatives to raise the professionalism of associations to the next level through the Malaysia Society of Association Executives as well as the Kesatria programme which identifies prominent experts and authorities to be 'ambassadors' for the country to help boost Malaysia's hosting credentials. MyCEB has also developed a Malaysia Business Events Roadmap to help position Malaysia as Asia's business events hub.

The value of hosting global conferences is also being recognised by more countries now, which means more competition for Malaysia. With that, conference organisers are also looking at many other factors besides the normal pre-requisites.

"It's not all about how beautiful the country is or whether it has a good airport," says Datuk Zulfkefli. "Safety and security are also important."

The MyCEB chief adds that Malaysia also needs to build and allow access to more iconic and unique spaces and venues in order to make itself more competitive.

He notes that conference delegates want to experience something special offered by the host country. Examples of this are conferences in Beijing where delegates are taken to dinner at the Great Wall of China or conferences in Sydney where dining is provided outside the Sydney Opera House.

"It has become so competitive that conference organisers now want experiences that money cannot buy," he says. "All countries are now competing to offer special arrangements to win events. To win, you need a nationwide collaboration. From immigration, to local authorities, to hotels, everything has to work together. Collaboration needs to be a lot better, from inter-department to inter-agency. We cannot work in silos."



Malaysia needs to build and allow access to more iconic and unique venues in order to make itself more competitive.

Taking Melaka Tourism to The Next Level

Datuk Wira Boo Kuang Loon's vision to take Melaka's status as a tourist destination to new heights is drawing closer to reality with the impending completion of the Encore Melaka show in the second quarter of 2018.

The Encore Melaka is a world-class, live theatre production that has been staged exclusively in China for over 10 years as part of the Impressions Series of shows. Back when the production was heading out of China, Melaka successfully beat some 150 cities from around the world for the distinction to host the first international Impression production.

Once complete, the Encore Melaka show is expected to attract more than one million audiences a year, enriching the historic city's cultural scene and boosting the local creative industry through the hiring and training of local performers as well as through technology and knowledge transfer. The theatre is expected to be the first 360-degree rotating auditorium in Southeast Asia with advanced audio and lighting effects.

Datuk Wira Boo, who is the CEO of Yong Tai, the developer of the Impression Series-Encore Melaka, says the project will raise tourism standards in Melaka, not only in terms of venues but also service.



"Impression Series-Encore Melaka is a purpose-built theatre that has no rival in the region," he says. "What we offer is not just the advanced quality of the hardware such as the sound and lighting equipment but the software – the uniqueness of the cultural performance."

He adds that the Impression Series-Encore Melaka and the larger development it is part of, Impression City, have been planned carefully to ensure the quality of its service is on par with global standards.

"We aim to set the benchmark for excellent customer service. Visitors would visually experience the beauty of local culture, while having a deeper understanding of Melaka and the formation of modern Malaysia," he says.



Encore Melaka show is expected to attract more than one million audiences a year.



Encore Melaka is situated not far from the city and provides a great scenic view of the Straits of Malacca.

He adds that although the Impression Series originates from China, the show will reflect the “true voice” of the Melaka community.

“It will be a cultural performance reflecting a society that embraces diversity and upholds harmony,” he says. “Diverse and inclusive, Melaka offers a peaceful atmosphere welcoming multi-ethnic integration.”

The journey to host the world-famous show was a challenging one that took years of work and planning. It started with an official letter to the team behind Impressions in China. It was then followed up with many rounds of detailed assessments and numerous visits to China before successfully convincing Impression China to produce its first international show in Melaka.

The Malaysian Government also played an important role in the development of the Impression Series-Encore Melaka by providing Investment Tax Allowances and training grants from the Malaysian Investment Development Authority (MIDA). The training grants were allocated to train local performers and included course fees, audio visual equipment expenditure, venue rentals as well as funds to cover other expenses.

The Impression City tourist complex, meanwhile, provides a vibrant mix of entertainment, shopping, dining, art, culture and lifestyle attractions that caters to both locals and tourists.

“The Impression City master-plan takes its inspiration from elements found in nature and life. The Impression Series-Encore Melaka is the centre of Impression City – representing the sun, the centre of the solar system in our development philosophy,” says Datuk Wira Boo.

Challenges faced during development included identifying a suitable location for the theatre that was not too far from the city while providing a great scenic view of the Straits of Malacca. Datuk Wira Boo also says that since the theatre is one-of-a-kind, from the interior to the exterior, extra attention was required to resolve construction issues.

He adds that for Malaysia to continue to improve its capabilities to develop world-class tourist attractions, there must be an emphasis on enhancing the visitor experience.

“Key considerations to be addressed include quality of service infrastructure, hygiene conditions and safety and security,” he says. “We should work with local and international advisers to review and develop industry standards.”



Efforts to enhance Malaysia's connectivity have enabled more links between the country and potential tourist markets.

namely to leverage the ASEAN Air Transport Working Group (ASEAN ATWG) as a platform to discuss more liberal air service arrangements with related countries. However, negotiations are not straightforward as each country has its own policies and restrictions on air service arrangements.

Operational issues faced by Malaysian airlines operating in China and Japan, such as inadequate slot allocations, airport capacity constraints and traffic rights restriction, may hamper the ability of Malaysian carriers to expand their reach to these markets and attract more tourists from these countries to Malaysia. As such, the Government will continue to facilitate designated Malaysian airlines into the regions to develop the market.

Malaysia, as part of ASEAN, organised exploratory talks on air services agreements between the Republic of Korea and ASEAN on 11 October 2017 in Singapore. This served as a preliminary discussion before the convening of official air talks between both sides. The Government also convened with related countries during the 10th ICAO Air Services Negotiation Event (ICAN2017) held in Colombo, Sri Lanka from 4 to 8 December 2017. This marked a continuous effort to further liberalise air service

arrangements and acquire additional traffic rights to countries such as Australia and India, with a further 3,500 weekly seats being added to four Australian cities. Another planned negotiation, the ASEAN-Japan RASA (Regional Air Service Agreement) Meeting is scheduled to be held in early 2018.

To further grow international inbound tourist arrivals, there should be an increase in tourism promotion, especially to China and India, since most Malaysian airlines are now focusing on these two major markets. As such, Tourism Malaysia has been aggressively collaborating with industry players to develop special packages to Malaysia, participating in several joint promotions with foreign airlines such as Singapore Airlines, Etihad Airways, Emirates, and Air Asia X to attract tourist arrivals into the country. Apart from that, airlines and tour operators are continuously encouraged to carry out charter flight services from second- or third-tier cities particularly in China, Taiwan, Japan and Republic of Korea to new destinations such as the east coast of Peninsular Malaysia, Johor Bahru and Kuching. Tourism Malaysia has also executed targeted promotions to attract high net-worth tourists focusing on major events and business events, ecotourism and shopping.



MOVING FORWARD ▶▶

With the goal of recording a total of 36 million in arrivals and a GNI contribution of RM104 billion by 2020, the sector must remain abreast on delivering game changers and last-mile initiatives.

A number of initiatives from the Tourism Lab 2.0 were identified in 2016 with the potential to push for the achievement of 2020 targets. In addition to those currently being implemented, such as the focus on business and major events, MOTAC will continue to strategise the best ways to roll out those niche sectors identified within the lab including diving and culture and crafts, as well as nationwide rollout of Malaysian Signature Massage.

As part of MOTAC's ongoing efforts at driving progress in the tourism sector, a new policy study is being developed. The National Tourism Policy Study 2020-2050 is currently in the process of being formulated by comprehensively reviewing all existing plans and policies related to tourism in Malaysia. It applies a two-pronged approach: firstly, providing a well-defined strategic direction that sets targets for consolidating and strengthening the position of Malaysia as a leading tourism destination; secondly, transforming the governance of the industry into a more business-friendly environment to foster more public-private partnerships (PPP) involvement in the development of the sector.

The final report is targeted to be ready by June 2018. Once completed, the study will provide a blueprint for the development of tourism in Malaysia from 2020 to 2050, and will also identify new sets of targets in terms of tourist arrivals receipts, and manpower requirements in the sector for 2030.

In terms of marketing and promotions, Tourism Malaysia will continue to maximise integrated global advertising campaigns by integrating promotional messages from other Ministries such as the Ministry of Health, Ministry of Higher Education, MIDA and MATRADE in promoting Malaysia to the world. Furthermore, efforts in promoting Malaysia as a location for films, documentaries and reality game shows to international production houses and television stations will be intensified. In line with current trends, digital and social media platforms will continue to be used as the main medium for promotions, publicity and advertising campaigns.
