

Corporate Malaysia, time to rise up for tourism

International tourist arrivals increased 6% worldwide to reach an unprecedented 1.4 billion last year, achieving the United Nations World Tourism Organization's target two years ahead of schedule. In the first quarter of this year, international tourist arrivals grew 4% compared with the previous corresponding period.

During the same period, there was a positive increase in revenue passenger kilometres (RPK) for airlines, according to IATA data, while booking data from ForwardKeys shows that international departures to Asia and the Pacific increased 4%. Malaysia received 25.8 million international tourist arrivals in 2018 and for the first five months of this year, there was a year-on-year growth of 4.8%.

The government knows how important the tourism sector is to the economy. This goes back to the First Malaya Plan 1956-1960, under which the Department of Tourism was set up under the Ministry of Trade in 1959. Today, the Ministry of Tourism and Culture is a wholesome tourism body with one of the largest tourism promotion networks in the world. With more than 30 overseas and 15 state offices carrying out promotions and conducting events all year round, the government has indeed invested heavily in the tourism sector.

However, it was not until Tun Dr Mahathir Mohamad took over as the fourth prime minister that we saw great impact and growth in the tourism industry. A visionary leader in his own right, he placed Malaysia on the world map with infrastructure projects such as the Kuala Lumpur International Airport (1998); Petronas



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Twin Towers (1998), which were the tallest buildings in the world until 2004; and the Sepang International Circuit (1999), which hosted the MotoGP and Formula 1 race annually. The next big thing was his appointment of Tan Sri Abdul Kadir Sheikh Fadzir as the Minister of Culture, Arts and Tourism in 1999. It was Abdul Kadir who conceptualised the Malaysia Truly Asia marketing tagline that is still being used today. Indeed, Mahathir is actually our Father of Tourism.

What Malaysia needs now are more heroes from Corporate Malaysia. There has been private-sector participation since the early days. A quick look at the public listed companies on Bursa Malaysia reveals that there are 29 companies under the travel, leisure and hospitality subsector and more than 20 companies under other subsectors operating businesses involving airlines, hotels, theme parks, tour operations, cruise terminals, retail outlets and other tourism-related products. According to Malaysian Association of Tour and Travel Agents (MATTA), there are 3,355 small and medium-size enterprises offering travel and tour services solely focused on ground handling and packaging of sight-seeing products.

Mahathir champions big businesses and wants Corporate Malaysia to take the lead in growing the economy, even more so in the tourism sector. During his first stint as prime minister, many companies significantly changed the tourism landscape. Among them were AirAsia, Sunway Group, Genting Bhd, YTL Corp, Berjaya Group, Country

Heights, Boustead Holdings, KLCC Property and Shangri-La.

Khazanah Nasional, which Mahathir established in 1993, is currently undergoing a restructuring exercise based on its new investment policy. In recent years, Khazanah has invested heavily in the tourism sector through Themed Attractions Resorts & Hotels Sdn Bhd in the Iskandar region but we do not know if it will invest more under the restructuring.

The real question here is, can Corporate Malaysia rise up and develop more products for tourism or must we rely on the government? The Ministry of Finance has offered matching grants for tourism development and promotion but there are not many takers. Southeast Asia is a big tourist source market and an emerging tourist destination too, and it will continue to grow bigger on both counts. Malaysia is blessed to be in a strategic location in the region. It should keep pace with the competitive tourism product offerings out there. It needs more products to attract new and repeat tourists to come, stay longer and spend more. And when these visitors go home, they can spread the word offline and online. AirAsia has been and is contributing significantly to this goal of bringing more international tourists to Malaysia. Genting, with its new theme park is a game changer. Countries all over the world, especially the top 50 by international tourist arrivals, have depended on their private sectors to create such products. How are we doing in that department going forward? **E**