

# A Review of Tourism Development in Malaysia

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## Abstract

This article looks into the development of tourism sector in Malaysia and sheds light on the efforts undertaken by successive governments so far to set a comprehensive planning, build infrastructure and promote Malaysia as a preferred destination internationally. The commitment of the government to the development of this sector and the improvement of the quality of tourism services and infrastructure are unlimited. Currently, tourism sector comes second after manufacturing in terms of contribution to GDP while the country is ranking among the top ten world tourist destinations. Such results indicate that government planning, which involves the interaction of all the influencing aspects and takes in consideration the broad international context, proves successful and rightly guided. This unique experience can serve as a model to follow by other developing countries especially those countries with similar multicultural settings and natural potential.

**Keywords:** Policy, Planning, Government, Malaysia, Tourism.

## 1. Introduction

Tourism, or smokeless industry, is a multi-sectoral activity that requires inputs of an economic, social, cultural and environmental natures and generates employment directly and indirectly with the growth in other related industries. According to UNWTO (2013), for the first time in history, international tourist arrivals reached 1.035 billion in 2012 with 4% growth; that is an additional 39 million tourists. Malaysia is a multicultural and federal constitutional monarchy in Southeast Asia. Geographically, the country is surrounded by Brunei, Indonesia, Singapore and Thailand and made up of two regions; peninsular Malaysia which lies between Singapore and Thailand, and East Malaysia across the South China Sea on Borneo island. Malaysia has a tropical climate which is generally warm along the year with temperature ranging from 21° to 32° Celsius. This natural endowment itself along with beaches and islands are some of the factors that attract tourists. Malaysia's greatest strength is its fascinating nature with year round sunshine, cultural diversity and friendly people. Leisure, business-related events and shopping are often the most attracting activities for tourists. Entertainment; beach and island tourism are increasingly becoming some of the major areas where tourists spend much time.

In recent years, Malaysia has become one of the most important tourist destinations in the world. Currently, the tourism sector is an important contributor to the economy and is identified as one of the major sources of foreign exchange earnings and catalyst to the economic growth. It contribute at least about 8 to 10 percent of the GDP (Sivalingam, 2007). Almost two million jobs were created by tourism sector and tourism-related industries in 2011 (MoT, 2013). Malaysia was ranked 9th tourism in terms of tourist arrivals in 2009 with 23.6 million and 10th in 2012 with over 25 million tourists. According to the Ministry of Tourism (MoT, 2013), Major tourist markets for Malaysia in 2012 were the neighboring ASEAN nations with Singapore on top (52%), Indonesia (9,52%), China with Hong Kong & Macau (6,23%) and Thailand and Brunei (5,05% and 5,03% respectively). Malaysia was also ranked fourth most price competitive country in the world in terms of travel and tourism industry out of 133 countries surveyed (Wong, 2009).

Such fast growth of the tourism sector in Malaysia is not spontaneous. This article looks into the nature of the overall practices undertaken to develop tourism industry in Malaysia. Therefore, the focus would be on government planning made since 1970, infrastructure built to support the sector, and promotion and marketing activities implemented so far to help growing tourism. Aims are geared towards contributing to a well-informed understanding of the practices of the Malaysian policy maker while drawing the necessary lessons that can serve as basis in other developing countries. The structure of this article goes as follows; the first section looks into the history of tourism in terms of planning and development strategies plans and policies undertaken since the independence to develop the tourism sector. The second section reviews the growth of international tourists inflow and receipts. Third section discusses types of tourism with more focus on three of them namely; the cultural and heritage tourism, medical tourism, and educational tourism. The two remaining sections deal with investment and infrastructures development, and promotion and marketing activities. Discussion and conclusion are provided last.

## 2. Background: SMEs Policy and Development Strategies

According to Bhuiyan et al. (2013), the government in Malaysia has played a crucial role in the adoption and formulation of various laws while providing the appropriate institutional and legal framework to ensure

sustainable tourism. Two government bodies are in charge of the development of tourism in Malaysia. The first is Ministry of Tourism - Ministry of Culture, Arts and Tourism (MOCAT) prior to 2004 – which is responsible for the planning, monitoring and coordinating policy with the government. The second is Malaysia Tourism Promotion Board (MTPB or Tourism Malaysia) whose main role is to market and promote tourism aspects and suggest investment opportunities. Some other federal agencies are also involved in tourism development including: 1) Department of Agriculture (agrotourism), 2) Department of Forestry (ecotourism), 3) Department of Fisheries (coastal tourism), 4) Department of Wildlife and National Parks (ecotourism), 5) Department of Aborigines' Affairs (ethnic tourism), and 6) Department of Museums and Antiquities (heritage/cultural tourism). Malaysia's first tourism efforts goes back to the 1960s. However up to 1970s, local economy was heavily dependent on primary commodities; mainly petroleum products, rubber, tin and palm oil, while tourism sector was still given a low consideration. Only in 1972 where the Tourism Development Corporation of Malaysia (TDC) was set to act as a development authority, but the performance of the latter remained modest and Malaysia was a relatively unknown destination compared to other countries in the region such as Thailand, Singapore and Bali in Indonesia. As a result of worldwide tourism boom registered in 1980 and after the collapse of primary commodity prices in the same decade, Malaysia recognized the potential of the tourism sector in economic and social development, and in fostering national integration and unity. Serious interest in developing the tourism sector was first reflected in the 5-year Malaysian Plans (MPs) in particular the last seven plans (4th to 10th MPs). These plans were supplemented with National Tourism Policy (NTP) in 1992, the National Ecotourism Plan (NEP) in 1996 and the Malaysian Tourism Transformation Programme (MTTP) in 2010.

**Table 1:** Tourism Strategy Development in the last five Malaysian Plans

Malaysian Plans (MPs)	Tourism Strategy Development
<b>MP 6</b> (1990-1995)	<ul style="list-style-type: none"> <li>✚ channel investment into the country and nurture selected activities able to create employment and linkages with other economic sectors, and generate tourism growth, income and added value.</li> <li>✚ provide the necessary support to promote Malaysian destination locally and internationally.</li> </ul>
<b>MP7</b> (1996-2000)	<ul style="list-style-type: none"> <li>✚ diversify products and services to meet needs of tourists</li> <li>✚ promote new products namely; sports, shopping, conventions, and water based activities.</li> <li>✚ ensure more effective marketing and promotional efforts</li> <li>✚ encourage investment and especially private sector participation in innovative tourism projects.</li> <li>✚ increase the involvement of local communities and small entrepreneurs</li> <li>✚ improve infrastructures and provide necessary basic facilities</li> <li>✚ provide communication facilities</li> </ul>
<b>MP 8</b> (2001-2005)	<ul style="list-style-type: none"> <li>✚ balance between economic, environmental, cultural and social, when aspects planning and implementating of tourism activities</li> <li>✚ designing methods to conserve physical environment and cultural heritage</li> <li>✚ establishment of a holistic approach in tourism development (hospitality, innovation and strength of the private sector, creating courtesy and public consciousness)</li> <li>✚ display Malaysia as an along-the-year carnival destination</li> <li>✚ more focus on products that cater special needs such as cruise and yachting tourism</li> <li>✚ ensure safety, comfort, and well-being of tourists</li> </ul>
<b>MP 9</b> (2006-2010)	<ul style="list-style-type: none"> <li>✚ ensure the development of sustainable tourism</li> <li>✚ support innovative tourism services</li> <li>✚ encourage marketing and promotional activities</li> <li>✚ focus on new developing new product such as agro-tourism, eco-tourism, educational tourism, meetings and exhibitions, sports and recreational tourism, and Malaysia My Second Home.</li> </ul>
<b>MP 10</b> (2011-2015)	<ul style="list-style-type: none"> <li>✚ stressing the state's tourism development based on the nine core areas of heritage tourism, eco-tourism, homestay tourism, sports tourism, coastal and island tourism, meetings and exhibition tourism, food tourism, golf tourism, and shopping and health tourism</li> <li>✚ improve the image of tourism destinations</li> <li>✚ implement major tourist events and large-scale programmes intended to improve levels of comfort, safety, cleanliness</li> <li>✚ more development for tourism facilities and infrastructures</li> <li>✚ continue marketing and promotion of intensive tourism products in key markets in Asia, Indo-China and Europe</li> <li>✚ emphasis quality of training and human resource development in order to deliver quality services.</li> </ul>

**Source:** Adapted from Prime Minister's Office of Malaysia Website

### 2.1. Malaysian Plans (4th to 10th)

Additional attention was given to the tourism sector during the *Fourth Malaysia plan (1981-1985)* and the *Fifth Plan (1986-1990)* with more public allocations for infrastructure, product development, marketing and promotional activities. Expenditure was RM 125.5 million under the Fourth Plan and RM 132.1 million under the Fifth Plan. The end of the Fifth Plan period was marked by « Visit Malaysia Year 1990 » which could make a high international profile for Malaysia and attracted 7.4 million tourists as well as revenues of RM 4.5 billion.

Moreover, The government, under the *Sixth Malaysia Plan (1991-1995)*, increased the public allocation for tourism development to RM 533.9 million; widely used to provide and expand the physical and social infrastructure, facilities and services required to support the future growth of the tourism sector. Under the *Ninth Malaysian Plan (2006–2010)*, the government spent RM1.8 billion on upgrading tourist destinations and infrastructure, and on marketing promotions in major source markets (EPU website). Table 1 gives more details on the content of these plans in regard to tourism strategy development.

#### 2.2. National Tourism Policy (NTP)

This policy was prepared by the Federal government in 1992 and recommended guidelines for the planning, development and marketing of tourism with the following objectives; 1) boost economic and social development; 2) instigate rural enterprises; 3) generate employment; 4) accelerate urban/rural integration and cultural exchange; 5) allow participation sector of all ethnic communities in the tourism; 6) improve the image of Malaysia internationally; and 7) consolidate national unity. NTP recommended also -besides the traditional sea, sand and sun market segment- new areas for product development: riverine tourism; fly drive holidays; ecotourism; cultural and heritage based tourism; Meetings, Incentives, Conventions, and Exhibition (MICE); special interest tourism and agrotourism.

#### 2.3. National Ecotourism Plan (1996)

Ecotourism is seen as a major tool for nature and cultural conservation, given that Malaysia has one of the greatest undiscovered and unexplored forests, and the large number of rare species of animals. NEP is a comprehensive blueprint prepared in 1996 by a local environmental NGO for MOCAT. It provided a guidelines for the sustainable development and management of ecotourism including; 1) status of ecotourism; 2) development guidelines; 3) issues, strategies and actions plans; 4) site listing; and 5) the position of Malaysia in Asia Pacific Region.

#### 2.4. Malaysia Tourism Transformation Programme (MTTP)

In order to realise Malaysia's aspiration of becoming a high-income country by 2020, the Economic Transformation Programme (ETP) was launched in 2010. Towards this end, tourism has been recognized as one of the national key economic areas (NKEAs) able to contribute to this economic transformation. Hence, the Malaysia Tourism Transformation Programme (MTTP) was formulated to tap the growth potential of tourism sector. MTTP aims to attract 36 million international tourists with RM168 billion (around RM3 billion per week) as receipts in 2020; that is an expansion by 3 times the amount of foreign exchange earnings. (MoT, 2013). Accent is put on the following themes; affordable luxury, business tourism, nature adventure, family fun, events and entertainment, and spa and sport (Wong, 2012). Furthermore, a report published by Economic Transformation Programme (ETP) on tourism in 2012 reveals that future focus will be the on 12 areas; 1) positioning Malaysia as a duty-free shopping destination, 2) designating Bukit Bintang-Kuala Lumpur City Centre as a vibrant shopping center, 3) establishing premium outlets, 4) making of Malaysia a global biodiversity hub, 5) developing an eco-nature resort, 6) cruise tourism, 7) golf tourism, 8) targeting more international events, 9) creating dedicated entertainment zones, 10) developing local expertise while better regulating the Spa industry, 11) improving quantity and quality of hotels, and 12) establishing Malaysia as a leading business tourism destination

### 3. Growth of International Tourists Inflow: A Concise Review of Evolution

Except the year 2003 were the south east Asia tourism destinations was hit following Bali bombing, tourist arrivals to Malaysia for the last eleven years have shown an enormous increase (Figure2). For the first time in history, Malaysia was among the top ten tourist destination in the world in 2009. In this particular year, Malaysia could withstand the lack of consumers demand for global tourism during a difficult period of the global economic crisis and the outbreak of H1N1 virus. The same thing was noticed for the year 2005 where tourist number increased despite the tsunami badly hitting the neighboring Indonesia one year before. A total of 23.6 million foreign tourists were attracted and more than RM53 billion generated with an increase of 7.2% over 2008. The positive performance came in contrast to the 9% decrease forecasted by the government at the start of the year. Monetary Receipts have been increasing constantly as tourists inflow was increasing in number. The number of tourists grew to more than 25 million in 2012 with over RM60 billion revenues.

**Table 02:** Tourist Arrivals and Receipts To Malaysia 1998-2009

YEAR	ARRIVAL	RECEIPTS <sup>1</sup>	THREATS
2012	25.03	60,6 Billion	
2011	24.71 Million	58,3 Billion	
2010	24.28 Million	56,5 Billion	
2009	23.6 Million	53,367.7 Million	H1N1 & World Economic Crisis
2008	22.0 Million	49,561.2 Million	
2007	20.9 Million	46,070.0 Million	
2006	17.45 Million	36,271.1 Million	
2005	16.4 Million	31,954.1 Million	Tsunami
2004	15.7 Million	29,651.4 Million	Sars & Iraq War
2003	10.5 Million	21,291.1 Million	Bali Bombing
2002	13.2 Million	25,781.1 Million	9/11 Bombing
2001	12.7 Million	24,221.5 Million	
2000	10.2 Million	17,335.4 Million	
1999	7.93 Million	12,321.2 Million	
1998	5.56 Million	8,580.5 Million	

Source: Tourism Malaysia Website

#### 4. Types of Tourism: A Question of Optimal Identification and Exploitation of Assets

Malaysian government promotes various types of tourism (See MP 10 in figure 1), however, Culture and Heritage Tourism, Medical Tourism and Education Tourism are some of the types that received increased interest especially in the last years. *Cultural and Heritage Tourism* was defined by World Tourism Organization in (1985) as « *the movements of persons for essentially cultural motivations such as performing arts, study and cultural tours; festivals and other events.*» Cultural resources in Malaysia are quite varied; this includes performing arts, archaeological/ historical sites and handicrafts. Malaysia has distinctive multicultural heritage with strong Islamic, Chinese, Indian and Western influences which made it into a little Asia. This cultural diversity is clearly manifested in the successful “Malaysia Truly Asia.” This situation led to heritage tourism being identified as one of the niche products to be developed extensively, though the use of some ethnic cultural and heritage assets for the purposes of attracting more tourists.

*Medical Tourism* – also known as health tourism- has a great potential to generate foreign currencies. The government has taken series of proactive measures to market Malaysia as a preferred health tourism destination. Competitive medical fees and modern medical facilities are two vital factors that make Malaysia as popular destination among medical tourists. Patients can undergo treatment and recuperate in any part of the country for much less than what it would cost them for a same treatment in other developed and high income countries. For example, a normal cardiac bypass surgery (CABG) in Malaysia would only costs US\$6,000 and US\$7,000 (Tourism Malaysia website). Malaysia is among the world's top 5 medical tourism destinations which present the most attractive opportunities for medical tourists and foreign investors alike (Yanos, 2008).

Statistics indicate a strong and growing interest in Malaysia's healthcare tourism industry. According to (IMTJ, 2009), Malaysia medical tourism grew at a rate of 25.3 percent a year since 1998, while revenues posted a growth of 37.9 percent during the same period. Revenues per patient has also grown 2.5 fold from \$92 in 1998 to \$241 in 2008. By 2010, medical tourism revenue per patient were expected to reach \$590. The Association of Private Hospitals Malaysia indicates the number of foreigners seeking healthcare services in Malaysia has grown from 75,210 patients in 2001 to 296,687 patients in 2006; something that allowed generating a total of RM203.66 millio. In 2007, Malaysia received 341,288 medical tourists worth RM253.84 million (Tourism Malaysia website); this value was expected to reach RM590 million in 2012 (Enderwick and Nagar, 2010).

Malaysian government has taken a proactive role in promoting medical tourism with, for instance, ten public hospitals were built within 4 years recently (www.hospitals-malaysia.org website). The facilities, either private or public, have state-of-the-art equipments and a strong reputation for curative, diagnostic and dental service. To ease entry formalities for patients, the Immigration Department of Malaysia has implements the Green Lane System at main entry points which expedites custom clearance for medical travellers, extended the visa period for health tourists from one month to six months.

Healthcare expenditure in Malaysia is driven by increased privatization within the healthcare service provision. The number of private hospitals increased dramatically from 50 in 1980 to an estimated of 223 private hospital last year. Up to 2009, six hospitals that are JCI accredited while 35 private providers were certified ISO9001-2000 (www.hospitals-malaysia.org 2010). In 2006, most of foreign patients came from Indonesia (65-70%),

<sup>1</sup> Current approximative value of RM 01 = \$ 0.31

followed by Japan (5-6%), Europe (5%) and India (3%). There are an increasing numbers of patients from Middle Eastern countries (particularly Qatar, Saudi Arabia and U.A.E). Regionally, Malaysia show better attractiveness to international patients compared to its neighbouring competitors; Singapore (higher foreign exchange rate) and Thailand (political unstable). Major hospitals in Malaysia are now targeting patients from new markets such as Vietnam and Cambodia.

According to Enderwick and Nagar (2010). Malaysian medical specialists and doctors rank among the best in the world in terms of expertise and training. The same authors indicate that medical tourists are attracted to the country because of its favorable exchange rate, high rate of literacy and political and economic stability. It is worthy of note that through exploring foreign medical tourists' satisfaction (n=137) in five private hospitals in Kuala Lumpur, Ghazali et Al. (2012) found that these tourists are most satisfied with doctors, nurses, hospital atmosphere, hospital services, and hospital facilities, with hospital facilities and doctors being the two most important factors influencing the overall satisfaction.

*Education Tourism* is another type of tourism that has been closely considered. The flow of international students to Malaysia has increased steadily since 1996, when higher education reforms were introduced to make Malaysia a center of regional excellence in education and facilitate the entry of international students into higher education institutions. According to the Institute of International Education (www.iie.org) Malaysia has 24,218 public institutions and 62,705 private institutions in 2010. Number of international students in Malaysian international schools and higher education institutions totalled 65,000 in 2008 with 30% increase over 2006 and 87,000 in 2010 (Robertson, 2008). Up to the year 2010, total foreign exchange earnings from international students amounted RM 900 million.

**Table 3:** International Student Enrollment in 2010

	Place of Origin	Number of Students	Percent of Total
1	Iran	11,823	13.6%
2	China	10,214	11.8%
3	Indonesia	9,889	11.4%
4	Yemen	5,866	6.7%
5	Nigeria	5,817	6.7%
6	Libya	3,930	4.5%
7	Sudan	2,837	3.3%
8	Saudi Arabia	2,252	2.6%
9	Bangladesh	2,041	2.3%
10	Botswana	1,911	2.2%
	All Others	30,343	34.9%

**Source:** MOHE as cited in Institute of International Education website

The Ministry of Higher Education (MOHE) announced in 2011 that Malaysia is targeting 200,000 international students by 2010. This increase is thought to generate an estimated RM600 billion to the economy. In 2011, and Malaysia was ranked 11th with more than 90,000 International students enrolled; that is 2% of the world share (MOHE). Sirat (2008) argues that the impact of September 11 has led to an increasing number of new applications to Malaysia especially from Middle Eastern countries. Promotional actions made to encourage more enrolment include organised seminars and exhibitions annually in the target markets such as Middle East, Iran, China; Indonesia and others (Sirat, 2008).

Other types of tourism and events in Malaysia are: 1) Eco and Agro Tourism, which include popular spots such as Malacca, Penang, Sabah, Sarawak, Mulu Caves, Kinabalu Park, Marine Parks, Tioman and Redang Islands; 2) Sports and Recreation Tourism like the F1, the Raja Muda Regatta, Le Tour de Langkawai, golf championships, boat championships such as the Monsoon Cup; 3) Conventions, Exhibitions; and Thematic Events which include traditional festivals and celebrations.

### 5. Investment and Infrastructure Development: Towards Better Service Quality

As reaction to the decrease in oil and the world economic recession, serious attention was given to tourism industry. The *Investment Incentives Act* (IIC) was revised in 1986 to include the tourism sector. Additional stimulus was given to tourism investment; this includes the Pioneer Status Investment Tax Allowance, Industrial Building Allowances, and tax exemption for large foreign group tours. There are huge opportunities for investment in both tourism and travel sectors of Malaysia. Tourism Promotional Board identifies and create potential investment opportunities in many areas; from retail and services to hospitality and travel. Many tax incentives were reviewed to attract foreign investors. Investment opportunities which are granted tax incentives

include tourism projects like hotel businesses, recreational projects as well as the construction of holiday camps and convention centres.

Malaysia's infrastructures related to tourism include airport, hotels, ports, railways, attractions, zoo, farms, shopping malls, supermarkets, ethnic stores, exclusive boutiques and duty free shops. Almost all the leading *Hotel* brands that exist in the world are operating in Malaysia; the list includes Shangri-La, Hilton, Sheraton, Marriott, Westin, hard rock and many others. The average occupancy rate of hotels (AOR) was 62.4 in 2012 with an increase of 1.8 over the previous year (Tourism Malaysia website) this is due to the increasing supply of hotel which grew 38% since the last ten years and reached 160,237 in 2008. The consistently rate is often high for popular tourist attractions such as Kuala Lumpur, Langkawi and Genting Highlands.

In terms of *Connectivity* there exists in Malaysia seven international airports which relate Malaysia with the rest of the world. Kuala Lumpur International Airport (KLIA) is a major gateway in Malaysia. It has a big capacity of handling flights for almost 50 international carriers including most of the international renowned flight airlines such as KLM, British Airways, Emirates, Japan Airlines, Northwest, Lufthansa, Qatar Airways and others (MoT, 2013). Measures were undertaken to improve connectivity to Malaysia. In order to cater for the needs of tourists and contain their expected increase in air passenger traffic, a second Kuala Lumpur International Airport (KLAI) is being built and will be open soon in this year (2013), and Kota Kinabalu International Airport and Penang International Airport were recently upgraded as well.

Negotiations for additional landing rights are in progress and promotional campaigns with airlines and tour agents were implemented to improve connectivity for both scheduled and chartered flights. For instance, more than 2000 additional seats per week to six priority countries were implemented in 2012 and 436 chartered in-flights to Malaysia were mounted totalling of 74,028 inbound tourists (MoT, 2013) in the same year. Malaysia railway network covers most states in Peninsular Malaysia as well as Sabah in the Eastern part, this network links the country with Singapore in the south and Thailand in the north. On February this year, Malaysia has agreed with Singapore to build a high-speed rail (HSR) link between Kuala Lumpur and Singapore by 2020. This new train is expected to respond to the increase of tourists flow and incredibly lower the traveling period between the two countries.

## 6. Promotion and Marketing Activities in the Globalization Era: A Crucial Push

Malaysia Tourism Promotion Board (MTPB) is the main player in promoting the country as destination of choice at an international scale. It has representative offices in 29 countries. Tourist image that Malaysia promoted had changed over the years, it was first 'Beautiful Malaysia' then 'Only Malaysia', after that 'Fascinating Malaysia' and now 'Malaysia, Truly Asia'. Tourism marketing activities and promotion materials aim to position Malaysia as a preferred tourism destination. They range from billboards to state tourism brochures and international channels' advertisements which often portray the Malays, Chinese, Indians and other ethnic cultures as well as local beauties. In fact, the promotion tag line, 'Malaysia, Truly Asia' which is being promoted currently as its tourism image reflects the cultural diversity and represents all the major civilisations in Asia (Malays, Chinese, and Indians). Among the other campaigns and projects launched to attract international inflow do exist:

- *Malaysia My 2nd Home (MM2H)*: This program evolved from the 'Silver Hair Program' launched by the Malaysian government in 1996. A number of policies have been implemented under this program. These policies are geared towards making Malaysia one of the best places to retire in Southeast Asia and convince foreign retirees to make Malaysia their second home. The programme, which has been running since 2002, is promoted by the Government to allow foreigners who fulfil certain criteria, to stay in the country for as long as possible on a multiple-entry social visit pass. Retirees are allowed to take up part-time work, invest in businesses, and also are able to purchase a home and import a motor vehicle duty-free. Foreign retirees had to open a fixed deposit of RM 300,000 (for persons below 50 years age); or RM 150,000 or show proof of monthly off-shore income of at least RM 10,000 (for persons above 50 years age).

- *Visit Malaysia Year 2007*: which coincided with the country's 50th year of independence.

- *Make it Malaysia* was launched in 2005 to generate closer industry relationships with foreign travel trade partners. Under this program, groups of foreign media staff and tour operators were invited to experience tourist products and destinations in Malaysia.

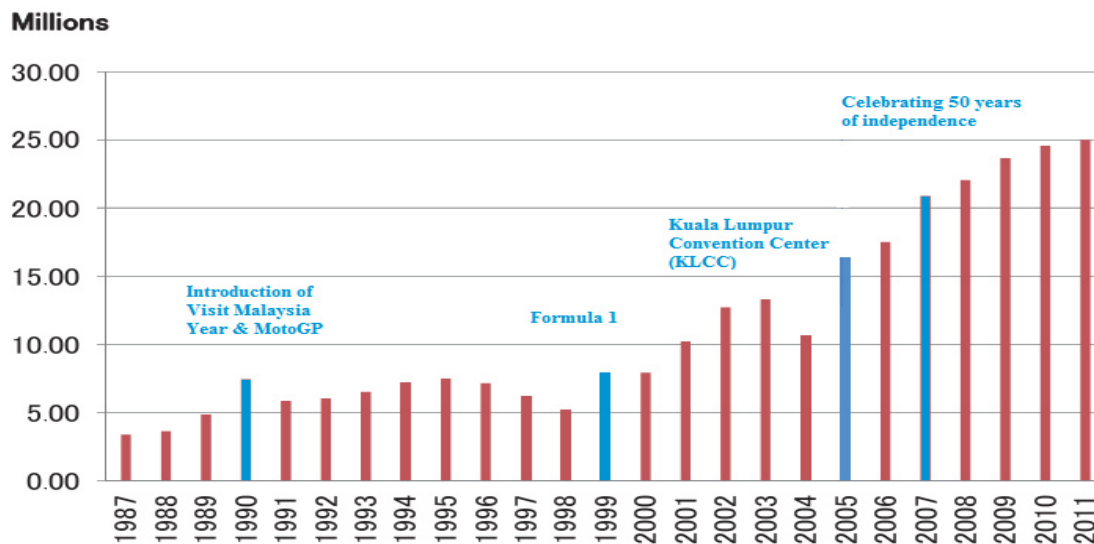
- *MICE activities (Meetings, Inventions, Conventions and Exhibitions)*: this industry is one of the key areas being aggressively promoted in recent years to market the country as a choice destination for MICE

- *Mesra Malaysia* was launched by Tourism Malaysia to prepare front line staff in tourism industry to deliver exceptional customer service to visitors to the country. They were taught to be 'courteous, friendly, and customer-oriented' and to ensure that they made visitors to Malaysia feel comfortable in every way.

Furthermore, Malaysia participate in worldwide exhibitions, travel meetings and events to promote its attractions and showcase its tourist products as well as to strengthen relations particularly with the travel players and media in target markets (Ariffin & Hasim, 2009). These include IMEX in Frankfurt, the Arabian Travel Market (ATM),

Expo Shanghai and others. Joint promotions marketing campaigns such as a two-year malaysia-singapore marketing campaign aimed to jointly promote both destinations are also used. Ministry of Tourism, Tourism Malaysia and the Shopping Malaysia Secretariat organize Mega Sale Carnival which is an exciting one-month showcase of promotions held twice a year. The Mega Sale Carnival showcases promotions and discounts of up to 70% on a wide variety of products and services at malls and shopping centers across the country. During this period, tourists can take advantage of concessions on room rates, F&B, entertainment outlets as well as transportation & travel packages. The aim of international promotional events is to create awareness and maintain strong brand image (Wong, 2012).

**Figure 1: Positive Impact of Tourism Promotional Events**



**Source:** Wong, 2012

Materials of the promotions are various and differ from one market to another according to target tourists preferences. The target audience for the West Asian market, for instance, includes families, honeymooners, young adults, special interest groups, corporate groups, students, business travellers, and members of royal families, eco-tourism, medical and health tourism, and My Second Home program (Ariffin & Hasim 2009).

## 7. Discussion and Conclusion

There exists vast tourism development potential in Malaysia. The government has placed unprecedented interest on the role of tourism in its economic development process (Chon et al, 1997). Ministry of Tourism plans and implements policies and performs regulatory role, while marketing and promotion are conducted by Tourism Malaysia. Though an overlap in the duties of some government agencies does exist (Hamzah, 2004), it does not prevent smooth coordination at various levels to properly develop the tourism sector. Significant efforts were and continue to be devoted to the development of the tourism sector. Initiatives, policies, programs and infrastructure have been all put together in a way that allows the creation of an appropriate environment for tourism to flourish. Tourism planning seems to be comprehensive and takes into account careful coordination among all the aspects which are likely to affect the sector in a positive way; including human resources, infrastructure, marketing and promotions, natural potential and cultural heritage. This huge work has made Malaysia in what it is today as one of the world's top ten tourist destinations with continuous increase of tourists, revenues and reputation.

One clearly noticeable characteristic of the development of tourism sector in Malaysia is that number as well as quality of tourist products implemented have been gradually increasing and depending on the economic capacity of the country, demand and environmental issues. For instance, first Malaysia Plans (MP) tried to focus on cultural heritage and nature as assets which do not require much investments. As the economy grows, private sector strengthens and foreign direct investment (FDI) increases, new products that require financial and organizational efforts were introduced; this includes shopping, sports, conventions, water activities (MP7) and carnivals (MP8), later on, the focus shifted to educational tourism, eco-tourism, meetings and exhibitions, recreational tourism, food tourism, golf tourism, health tourism (MP9 & MP10), Luxury niche and business tourism (MTTP). Furthermore, Tourism Malaysia's campaigns proved successful as reflected by the constant increase in tourist arrivals and tourist receipts in general and the increase during years with major promotional efforts such as visit malaysia in 1990 in particular.

It seems there exist many reasons behind such success; natural potential and cultural heritage, sound government planning, well-performed promotional activities, and international political context are the most important reasons. Successive governments took advantage of international political context while promoting Islamic tourism. For instance, Malaysia has, since the time of the former prime minister Dr. Mahathir, adopted an aggressive approach to bring Middle Eastern Tourists through exploiting in the vacuum created in the aftermath of the September 11, 2001, between USA and Muslim world in general and Middle Eastern in particular with Muslim tourists being at risk when they travel to western countries (Salman and Hasim, 2012).

International tourists perceive Malaysia as offering natural scenic beauty with all the nice beaches and rich wildlife, something which makes visiting Malaysia a real adventure. In the same way, Malaysia is perceived as providing good amenities with events and tourist activities available anywhere (Mohamed et al., 2013). Salman and Hasim (2012) argue that the reasons for the growing international inflow of tourists to South East Asia include among others the effective organisation of tourism activities, packaging and promotional activities. Salleh et al., (2013) have studied Tourist Satisfaction in Malaysia and found that the main factors attracting tourists are; beautiful scenery, quality of services provided, customs and culture, quality of food and the friendliness of the local people. In a more exhaustive view, Wong (2012) attributes the success of tourism to the following factors; political stability, availability of multiple natural and man-made areas of attractions, well developed tourism infrastructures, existence of harmonious ethnic groups, common use of English language, advancement with global trends in many areas including technology, good position of the currency and pleasant and warm weather.

Challenging objectives have been set within Malaysia 2020 Vision that is intended to transform the country into a high income country. Until then, Malaysia seems to be in the best position among South East Asian neighbours to compete and capture significant share of tourists flows to the region. Tourism, as a complex and dynamic sector, requires that policy makers should continually review, monitor and evaluate tourism performance and strategies already formulated to ensure the long-term sustainability of tourism inflow to the country.

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