

## HOW FARES VISIT MALAYSIA YEAR?

*What has Visit Malaysia Year achieved so far and what is to come after 1990?*

THE VISIT MALAYSIA Year 1990, by far Malaysia's most extravagant party, has reached its halfway mark, but it is by no means an indication that the host is running out of ideas to entertain its guests. In fact, this is just the beginning. The full effect of the celebration has yet to be felt.

The 'To know Malaysia, is to love Malaysia...' melody has permeated the local airwaves for quite a while now. By just a sheer humming of the tune, one knows exactly what it stands for and what it promotes. Yes, with enough advertisements and promotions going around, domestically, regionally, as well as world-wide, there will come a time when global community will recognise Malaysia not as just a one-off holiday destination, but also a worth while place to continue visit in subsequent holiday plans.

In addition to 'selling' Malaysia aboard, Datuk Sabbaruddin Chik, Minister of Culture and Tourism, says there is a growing awareness of domestic tourism. The awareness may not have an enveloping effect yet, but there are certainly signs of it taking root locally. Domestic travel, according to the culture and tourism minister, has increase significantly, a good indication that Malaysians are learning to take vacations to enjoy the country's delights apart from the gazette holidays.

Most developing countries regard tourism as a very good vehicle to for economic development. In addition to increasing foreign exchange earnings, the tourism industry helps generate new employment. It also gives a good geographical spread in terms of a more balanced development. 'Tourism is not like the manufacturing industry where there are specific zones,' says Badri Masri, director-general of the Tourist Development Corporation (TDC) of Malaysia. 'People go everywhere, even to remote places.'

Badri points out that it is close to impossible to have tourist attractions centered on one particular place or region. 'It's got to be more spread out,' he says. Tourism will also help produce economic opportunities and multiplier effects in the various regions of the country. There will also be cross-country linkages and a host of other spin-off trades springing from the belly of tourism industry. Supportive tourism industries will continue to experience good growth.

Commenting on why Malaysia did not embark on the lucrative tourism industry much earlier, Badri says the country was very comfortable with its trade and goods. He attributes the cause to rubber and tin prices in the 1960s and 1970s. Unemployment was not a problem back then, and extra labour could be absorbed into the existing industries. Foreign exchange earnings were also fantastic. When commodity prices turn sour in the early 1980s with the release of the US tin stockpile which modified the demand and supply equation, and with the 1986-87 recession, Malaysia knew it was time for a change.

It was time to further diversify the national economy – to create another economic base by promoting the country as a tourist destination worldwide. ‘Instead of concentrating on commodities and manufacturing, Malaysia is venturing into the service area,’ Badri says. ‘It was then that VMY was formulated.’

The VMY campaign is merely a plan to introduce the country as a possible holiday destination, as an option in the travel itinerary of the tourist, the TDC director-general explains. ‘The emphasis here is to increase the level of awareness about Malaysia in the global marketplace.’

‘What we are looking for in the tourism industry in Malaysia is what happens after 1990,’ Badri quips. ‘Many people have the misconception that VMY is the be-all and end-all of the tourism push. That’s not true. It’s an on-going thing.’

‘When we go promotion abroad, we promise the marketplace many things; in other words, you create a certain kind of expectation in their minds about the destination which of course includes price, service and amenities. So, if they come and experience something else; if there’s a gap between experience and expectation, it’ll have a negative impact on us. We need to be very careful about what we promise people abroad and what we can deliver here.’

‘Tourist are generally quite satisfied with our level of service,’ he says. ‘But it has to go without saying that we need to improve in many areas. I believe that there’s always room for improvement.’ Generally, English-speaking tourists do not have any complaints against Malaysians compared to other countries in the region. But the standard of English is certainly not high, Badri admits.

Like any industry, the tourism industry also has its own environmental cost and impact. While creating new products, some parts of ecology will be affected or harmed, especially when forests are cleared to build amusement parks and resorts. ‘But we are trying to minimize these occurrences,’ says Badri.

There are also socio-cultural costs. Foreign influence on the local culture has the potential of eroding some traditional norms and values. But this is not something new, and is certainly not the direct effect of the VMY. ‘Intrusion’ of places previously not opened to tourists might cause resentment among the locals.

‘Artificially, there’s nothing really much Malaysia has to offer to tourists,’ says Mokhti Abas, president of the Malaysian Association of Tour and Travel Agents (Matta). ‘We don’t have a Disneyland or an Ocean Park to offer the tourist with a wide variety of things to do. One can only be fascinated by Malaysia’s natural beauty and culture.’

Badri concurs with Mokhti. ‘There is a lack of attractions, in terms of VMY products,’ Badri says. He adds that the inadequacies discovered in the VMY are not to be regarded as setbacks, but rather stepping-stones. ‘To me, these shortcomings are something positive because we can learn from them and perhaps have better and more focus plans in our future efforts.’

BOTH BADRI AND MOKHTI generally agree that accessibility in East Malaysia is quite a problem because of the density of forests. Mokhti says there is a definite need for a good highway to link Sabah and Sarawak.

The year 1991 will see more people coming to Malaysia. 'What we are seeing in 1990 is only the tip of an iceberg,' Mokhti says. The best is yet to come with increasingly higher levels of awareness, he adds.

During the periods of January-May 1990, the total arrivals to Peninsular Malaysia showed an increase of 61.2 per cent with the arrival of 6,847,913 visitors, as compared to only 4,249,438 in the same period in 1989.

A total of 140,348 foreign visitors came to Sarawak during January to April this year. This represents an increase of 44.3 per cent as compared to 97,234 visitors during that span of time last year. Sabah recorded a total of 14,749 foreign visitors in the same quarter of 1990, an increase of 15.2 per cent when compared to a total of 12,819 visitors in the same quarter in 1989.

Sabbaruddin says after 'discounting' Singaporean road rivals via the Johor Bahru Causeway, total arrivals in Malaysia recorded an impressive 104.5 per cent, increasing from 906,861 visitors in January-may 1989 to 1,854,583 visitors this January to May. Using the 1985 actual data that estimated that 36.3 per cent of Singaporean arrivals and 73.6 percent of other foreign arrivals were genuine tourists, it could be calculated that during January to May 1990, Peninsular Malaysia received a total of 3,061,997 tourists, registering a growth rate of 69.8 per cent. Sabbaruddin says that approximately 87 per cent of them are not first timers.

The total receipts from visitors (excluding expenditure by Singaporean road arrivals) shows a growth of 112.2 per cent in Peninsular Malaysia, from 511.4 million rgt in January-May 1989 to 1,085.4 million rgt in the same period in 1990. The same expenditure per person day stands at 131 rgt.

Sarawak receipts indicate an increase of 48.1 per cent from the first four months of 1989. Sabah also had an encouraging growth in tourist receipts of 31.7 per cent, a comparison made with figures from the first quarter of 1989.

Malaysia is a late entrant to the tourism industry. As such, Badri says that the industry suffers from several handicaps. 'Like any other business, if you are a late entrant, problems like low awareness level, market share and accessibility are common.' With the government 's support and encouragement, tourism is seeing an influx of players into the industry.

'As a result of having too many agencies around, the tendency to undercut price and give lots of discounts is prevalent. Everybody wants business. This will also lead to a dilution of professionalism,' Mokhti laments. You cannot be professional if there are so many of us around. There would be lack of control. The government's policy of free enterprise is one that has got to be looked good, but there should also be some kind of protective policy to exercise control and guard the industry.' The number of registered travel agencies in Malaysia currently stands at a little more than 1,750. According to Mokhti, 1,750 travel agencies are far too many for a population of approximately 17 million.

Mokhti calls the tourism industry a 'discount industry'. 'Most people I meet, if they want to buy a ticket from me, 90 per cent of them will ask for discount. We cannot afford to give discounts all the time.'

The industry earns a 9 per cent from international tickets and 5 per cent from domestic tickets. It's set, says Mokhti. 'In some other industries, you don't even know what the mark-up is.'

Mokhti chides the laid-back attitude of the industry's operators. He says that they are not enterprising enough. The industry is still very immature, he adds. Most operators would 'follow rather than lead'.

Despite the opportunities and governmental support that are beckoning the private sector with open arms, players are still slow in getting a piece of action. Source say the private sector does not see does not see profit potential in the industry, which leads to the reluctance of entrepreneurs to invest.

Tourism as an industry still relatively novel to Malaysia. As such, continuous generation of new and innovative products and attractions in addition to proper management are needed to sustain the industry. Improvement of infrastructures and communications to give greater accessibility would further facilitate the traveling experience. But most of all, says Sabbaruddin, there is a need for a national commitment to ensure the VMY's success and the success of Malaysian tourism industry in years to come.

<b>WHO &amp; HOW MANY CAME TO PENNINSULAR MALAYSIA BETWEEN JANUARY – MAY IN 1989 &amp;1990</b>			
<b>Country of Origin</b>	<b>Jan to May, 1989</b>	<b>Jan to May 1990</b>	<b>% Change</b>
Asean countries	444,250	705,546	58.8
Asia & Pacific	242,664	688,041	183.5
Europe	113,061	282,524	112.3
The Americas (USA, Canada, & Latin America)	59,160	126,333	113.5
Others	27,726	52,139	88.1
<b>Total</b>	<b>906,861</b>	<b>1,854,583</b>	<b>104.5</b>
Singaporean road arrival via JB Causeway	3,342,557	4,993,330	49.4
<b>Grand Total</b>	<b>4,249,438</b>	<b>6,847,913</b>	<b>61.2</b>
Note: The figures above include tourists, excursionists and those coming in for employment purposes.			
Source: Ministry of Culture & Tourism			