COVID-19 AND THE TOURISM SECTOR
In Malaysia

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Presentation Outline

- Impacts of COVID-19 pandemic on tourism industry
- Government policies and mitigative measures
- Long term adaptive strategies: sustainable and resilient tourism industry
- Tourism Recovery Policy Recommendations
Impacts of COVID-19 Pandemic on tourism industry

Tourism: third largest contributor to the national economy

Positive impacts on environment

Pandemic impacts

- Borders closed, decrease in tourist arrivals
- Closure of businesses
- Unemployment and loss of incomes
- Disruptive the tourism value chain
- Uncertainty, Crisis, and Resiliency
- New SOP business operations
- Affect the economic growth

Movement control orders

Travel bans, social distancing
# Financial losses resulting from COVID-19

<table>
<thead>
<tr>
<th>Tourist arrival (2019-2021)</th>
<th>Cancelled the Visit Malaysia Campaign 2020 (VM2020)</th>
<th>Malaysia budget hotel association</th>
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<tbody>
<tr>
<td>• 99% decline in international visitor spending</td>
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<td>• 31% drop in domestic visitor spending</td>
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<td>• 65% drop in travel and tourism's contribution to GDP</td>
<td>• 30 million international tourists</td>
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<td>• £21.63 billion (RM100 billion) in tourist receipts</td>
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<td>• 2025</td>
<td>Estimated loss: RM 369,667 million</td>
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<td>Total financial lost: an estimated US$29.6 billion from interrupted travel and tourism</td>
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<td>RM 12.8 billion in total damages to the hotel sector</td>
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Government policies and mitigative measures

1) Financial and Monetary
   - Emergency economic stimulus package worth US$4.8 billion

2) Economics Fall out: small and medium enterprises
   - Financial aid packages amounting to RM530 billion

3) Health and safety measure
   - Movement control as an effective measure

4) Initiatives for the survival of the tourism industry
   - Overhead expenses, financial loan, wage subsidy one-of cash assistance
Long term adaptive strategies: sustainable and resilient tourism industry

- six category strategies to revive the tourism industry
Long term Measures

- Aligning tourism finance with sustainability
- Improving tourism governance
- Tourism Diversification
- New forms of tourism workforce training

- Tourism-led regeneration
- LOCAL PARTICIPATION
- Strategy for sustainable tourism
Tourism Recovery Policy Recommendations

1) **PRIVATE PARTNERSHIPS & INVESTMENTS**: Investments in sustainable tourism may attract private sector participation and lead to stronger partnerships with the public sector.

2) **ECONOMIC DIVERSIFICATION**: Growth of innovative micro-, small- and medium-sized enterprises, as well as promoting domestic and regional tourism.

3) **STRENGTHENED GOVERNANCE STRUCTURES**: Multilateral cooperation, alongside collaborative systems for travel safely, restore tourist confidence, stimulate demand and accelerate tourism recovery.

4) **PARTICIPATORY MECHANISMS**: Local communities, the informal economy, and small businesses.