



KEMENTERIAN PELANCONGAN
SENI DAN BUDAYA



TOURISM RECOVERY FRAMEWORK 2.0: PATHWAYS TO RESILIENCE BUILD FORWARD BETTER





REPUBLIK INDONESIA
KEMENTERIAN PELANGKARAN
DAN KREATIFITAS



TOURISM RECOVERY FRAMEWORK 2.0: PATHWAYS TO RESILIENCE BUILD FORWARD BETTER





MINISTER'S MESSAGE


Malaysia is a unique country with diversified culture and a strong sense of unity, making it a gastronomic heaven, laced with various festivals and a laid-back culture. We can promote diversity through tourism. Visitors can learn about Malaysia's traditions and enjoy its natural beauty by traveling to fascinating destinations while creating intercultural relationships with people from all over the world.

On average, the gross value-added tourism industry (GVATI) contributed 14.9 percent annually, and tourism's direct gross domestic product (GDP) contributed 6.5 percent to Malaysia's economy. However, the COVID-19 pandemic has had a massive impact on the visitor economy and tourism ecosystem. As a people-oriented industry, tourism is one of the hardest-hit economic sectors which is expected to take a longer time to recover. When compared to the pre-pandemic state, the tourism industry is estimated to suffer a loss of around RM165 billion in tourism revenues in 2021.

Consequently, the Ministry of Tourism, Arts and Culture (MOTAC) has launched a series of initiatives aimed at revitalising and reopening Malaysia's tourism industry. Among the key strategies are boosting domestic tourism, kick-starting international travel through the Langkawi International Tourism Bubble Pilot Project, and providing financial and non-financial assistance to ensure the industry's survival.

With the resumption of tourism activities across the country, rising vaccination rates, and the reopening of the country's borders, we are safely but surely moving along the reopening phase, which focuses





on resuming the tourism operations in a restricted capacity while minimising the risk of a virus resurgence without resorting to lockdown measures. We should be moving toward a more sustainable and resilient future after recovery.

We must be prepared to seize every growth opportunity that arises and develop a new kind of tourism that is closely associated with the nation's Shared Prosperity Vision 2030 and Sustainable Development Goals (SDGs). The pandemic has given us an opportunity to reimagine ourselves as a culturally rich and environmentally sustainable destination. We should "build forward better" rather than "build back better." This will be our great reset.

To this end, the Ministry evaluated and refined the previous recovery plan, and worked with industry players and stakeholders to build the Tourism Recovery Framework 2.0. It's a blueprint for recalibrating and rejuvenating the tourism industry so that it may become stronger and more resilient. It outlines how we will build on and improve upon our 2019 achievements, including employment creation, new enterprises, more tourism revenue, and enhanced infrastructure, all of which contribute to overall economic development and improved quality of life.

In order for this plan to fulfil its goals, we must all work together to put the strategies in place. It is time for the government, industry players, and all Malaysians to band together in the spirit of Keluarga Malaysia to return our tourism industry's splendour to where it was prior to the pandemic, if not better.

Finally, I'd like to express my gratitude to everyone in the tourism fraternity who has worked together to discover solutions,

provide assistance, and show tremendous tenacity in overcoming the pandemic's impact and assuring the industry's survival. Let us continue to work together to build a more versatile and stronger future. Let's make Malaysia a sought-after tourist destination with a diverse range of cultures, arts, and traditions, as well as breathtaking natural beauty.

#ComingBackStronger
#BuildForwardBetter
#KeluargaMalaysia
#BekerjaUntukRakyat



DATO' SRI HAJAH NANCY SHUKRI
Menteri Pelancongan, Seni dan Budaya



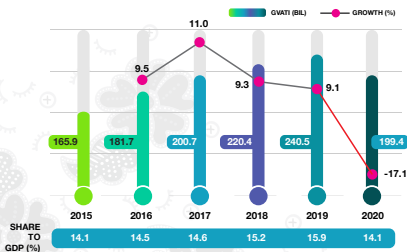
INTRODUCTION

The value of tourism is demonstrated throughout the world. This visitor economy contributes greatly to a country's growth and development, going beyond appealing attractions to become a key contributor to economic progress. Visitation increases income in the economy, which provides jobs, and investments, improves a country's infrastructure, and promotes cultural interchange between people all over the world.

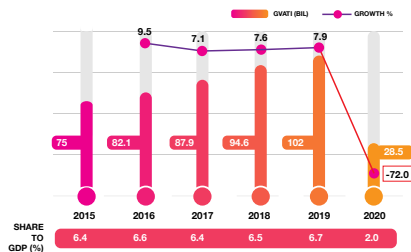
Malaysia is no exception, where tourism is a key contributor to the economy.

Prior to the COVID-19 crisis, travel and tourism were major contributors to Malaysia's economy, growing from strength to strength each year with a contribution of 15.9 percent to the Gross Domestic Product (GDP) and 3.6 million people employed, accounting for 23.6 percent of total employment in 2019.

GROSS VALUE ADDED TOURISM INDUSTRY (GVATI)

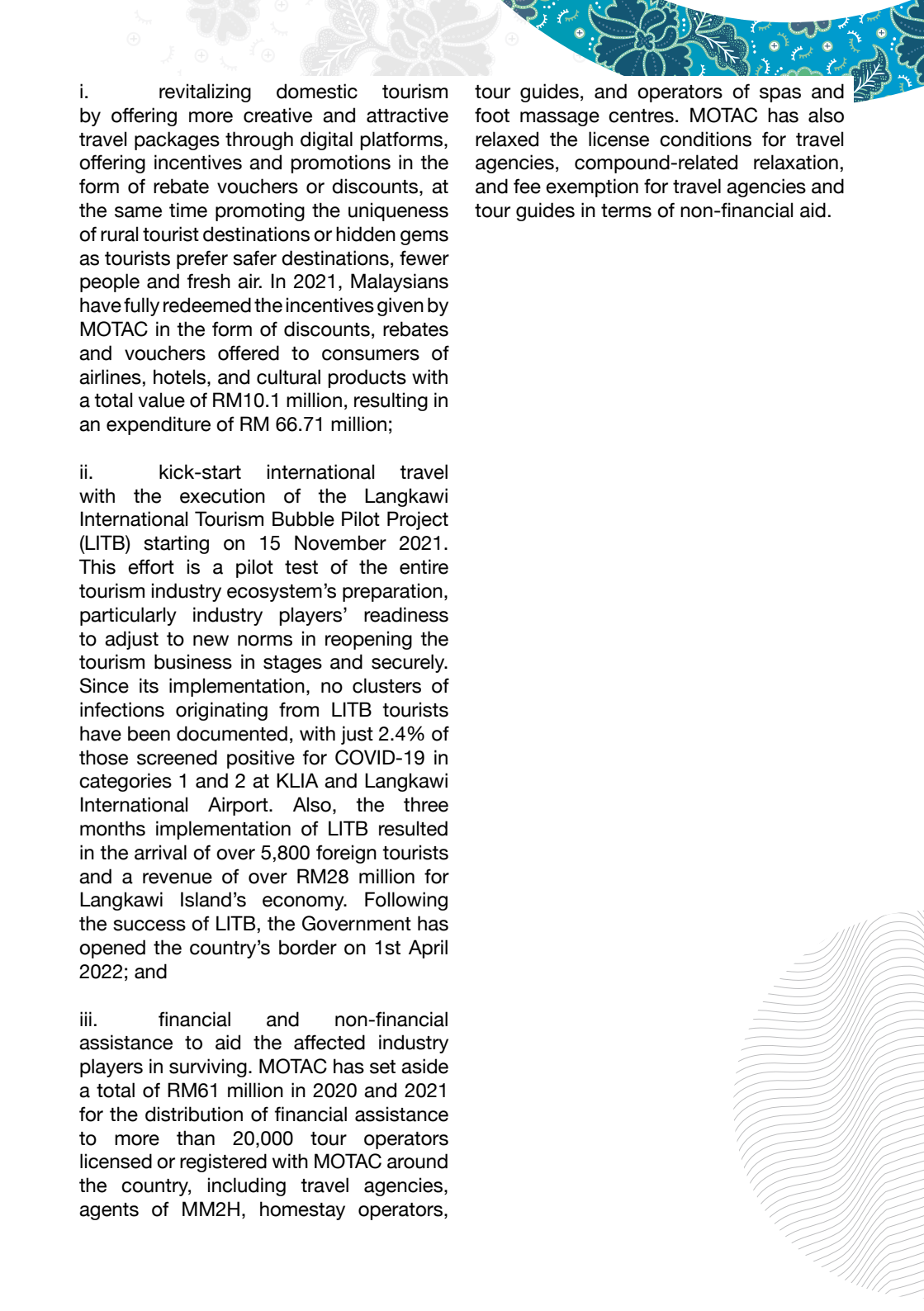


TOURISM DIRECT GROSS DOMESTIC PRODUCT (TDGDP)



However, due to the pandemic's catastrophic breakout, Malaysia has imposed a Movement Control Order (MCO) as well as closed borders in an effort to curb the escalating number of COVID-19 cases. The tourism business in the country has suffered as a result of this. In 2020, the tourism industry contributed only 14.1 percent to GDP, a significant drop of 17.1 percent compared to 2019. The impact of the pandemic is also reflected in the Tourism Direct Gross Domestic Product (TDGDP) which has declined by 72 percent to RM28.5 billion compared to RM102 billion in 2019.

In this regard, the Ministry of Tourism, Arts and Culture (MOTAC) through a series of consultations with tourism industry players has developed the Tourism Recovery Plan (TRP) 1.0 and put in place several key strategies for reopening and reviving the country's tourism business, including:



i. revitalizing domestic tourism by offering more creative and attractive travel packages through digital platforms, offering incentives and promotions in the form of rebate vouchers or discounts, at the same time promoting the uniqueness of rural tourist destinations or hidden gems as tourists prefer safer destinations, fewer people and fresh air. In 2021, Malaysians have fully redeemed the incentives given by MOTAC in the form of discounts, rebates and vouchers offered to consumers of airlines, hotels, and cultural products with a total value of RM10.1 million, resulting in an expenditure of RM 66.71 million;

ii. kick-start international travel with the execution of the Langkawi International Tourism Bubble Pilot Project (LITB) starting on 15 November 2021. This effort is a pilot test of the entire tourism industry ecosystem's preparation, particularly industry players' readiness to adjust to new norms in reopening the tourism business in stages and securely. Since its implementation, no clusters of infections originating from LITB tourists have been documented, with just 2.4% of those screened positive for COVID-19 in categories 1 and 2 at KLIA and Langkawi International Airport. Also, the three months implementation of LITB resulted in the arrival of over 5,800 foreign tourists and a revenue of over RM28 million for Langkawi Island's economy. Following the success of LITB, the Government has opened the country's border on 1st April 2022; and

iii. financial and non-financial assistance to aid the affected industry players in surviving. MOTAC has set aside a total of RM61 million in 2020 and 2021 for the distribution of financial assistance to more than 20,000 tour operators licensed or registered with MOTAC around the country, including travel agencies, agents of MM2H, homestay operators,

tour guides, and operators of spas and foot massage centres. MOTAC has also relaxed the license conditions for travel agencies, compound-related relaxation, and fee exemption for travel agencies and tour guides in terms of non-financial aid.

TOURISM FRAMEWORK FOR RECOVERY AND RESILIENCE

According to the World Tourism Organization (UNWTO) Panel of Experts, most tourism professionals (61%) see better prospects for 2022, and a majority of experts (64%) expect international arrivals to return to 2019 levels only in 2024 or beyond. Therefore, MOTAC anticipates that the recovery phase will last at least two to three years, providing enough time and resources to support the communities and tourism industry. The reopening of Malaysia's border on 1 April 2022 is expected to bolster and accelerate the recovery of the travel and tourism industry, as well as contribute significantly to the country's economy.

Aside from that, recent disruptions in the global supply chain caused by lockdowns and travel restrictions, oil supply disruptions, China's harsh zero-Covid policy, and the Russia-Ukraine war have all had an indirect impact on the tourism and travel industry. For example, the closure of Ukrainian and Russian airspace has resulted in detours in long-haul flights from Europe, resulting in longer flights and higher costs. Furthermore, the rise in global oil prices will raise the cost of travel, which will eventually be passed on to consumers. Additionally, the high likelihood of rising inflation due to higher food prices may result in less money to buy goods and services, and even travel, which will affect the cost of living, the cost



of doing business, and other aspects of the economy.

MOTAC has since reviewed and improved the TRP1.0 in order to regain global competitiveness, with a focus on efforts to increase revenue, secure smart international and national partnerships, empower local communities, and ensure the industry's sustainability and resilience in the face of future uncertainties.

Tourism has proven to be an effective sector for economic growth, allowing for the diversification of a local economy and attracting foreign exchange investment, all of which can help to enhance the balance of payments, job creation, and domestic household spending. TRP1.0 is therefore improved based on four major economic recovery drivers: investment, technology, trade, and productivity, with a focus on

the three Cs: co-create, cross-overs, and cooperation.

This framework also reflects the shared vision of the government and industry for a more competitive and future-proof tourism industry.



OUR VISION

Malaysia a Culturally Rich and Sustainable Destination

OUR MISSION

Empowering an Inclusive Tourism and Cultural Industry Ecosystem

STRATEGIC DIRECTION

Increase revenue, secure smart international and national partnerships, empower local communities, and ensure the sustainability and resilience of the industry for future uncertainties.





STRATEGIC FRAMEWORK: 5 PATHWAYS

Pathway 1:

Support Tourism and Cultural Businesses' Recovery

Pathway 2:

Restore Travellers' Confidence and Seamless Intraregional and International Travel

Pathway 3:


Reinvent Tourism and Cultural Products/Services to Drive Competitiveness.

Pathway 4:

Align Tourism with Sustainability and Inclusivity

Pathway 5:

Reinforce Recovery with Long-Term Resilience and Crisis Preparedness



Pathway 1: Support Tourism and Cultural Businesses' Recovery



Strong fiscal support is required for the tourism industry to revive quickly. MOTAC received RM265 million in Budget 2022, allowing it to continue playing an important role in the country's economic recovery following the COVID-19 epidemic. Additionally, stakeholders must become involved in order to revitalize this industry and commit to more sustainable and competitive strategies.

Besides that, MOTAC, in collaboration with tourism associations will provide training, reskilling, and upskilling to help

rebuild a robust and diverse tourism workforce, focusing on digital literacy, creativity, and innovation.

MOTAC will continue to support and collaborate with industry players, including communities, to assist them in their recovery and resilience, which will aid in the restoration of the country's tourism business.



Action Plan

1. Provide fiscal and non-fiscal assistance to secure the viability of tourism and cultural business:

- RM85 million for special financial assistance to more than 20,000 tourism operators licensed or registered under MOTAC for three months.
- RM30 million allocated for matching grants for the repair of budget hotels as well as homestay owners registered under MOTAC.
- RM50 million in matching grants to companies to organize tourism, arts and culture-related programs such as Tourism Sector Matching Grant (GSSP) and Cultural Sector Matching Grant (GSSK), where industry players may apply starting 1st April 2022 through Tourism Malaysia.
- RM65 million in incentive funds for promotional activities including domestic tourism.
- Maintenance of tourism infrastructure with an allocation of RM35 million including the Sultan Abdul Samad Building.
- Tourism funds such as PENJANA Tourism Financing, Tourism Infrastructure Fund (BPMP), and Galakan Melancong (GAMELAN).
- Ease the burden of industry players by simplifying the regulations, exempting license fees, and easing compound-related matters to tour operators/agents (TOBTAB) and tour guides (TG), among others.

2. Provide appropriate training and skills development to serve the recovery-driven needs of tourism:

- Collaboration with tourism associations such as the Association of Tourism Training Institute of Malaysia (ATTIM) to organize training programs for industry players on topics such as health tourism, storytelling, tour guide presentation skills, and MM2H program.
- Organize training programs such as the Mesra Malaysia course for front liners, particularly at the entry points.
- Encourage locals to work in the tourism industry by introducing work-based learning in universities/ colleges, allowing students to work part-time in the industry for credits, as well as exposing primary and secondary school students to tourism such as the 3P program.

3. Establish a support structure for tourism micro, small and medium enterprises (MSMEs):

- Organize training programs or workshops for MSMEs
- Provide helpdesk for MSMEs through MOTAC or its agencies' websites.

Pathway 2: Restore Travellers' Confidence and Seamless Intraregional and International Travel



CCOVID-19 has altered travellers' tastes and behaviours toward places that are familiar, trustworthy, and low-risk. Outdoor activities such as adventure tourism, ecotourism, and off-the-grid experiences, as well as domestic and regional vacations, will be in high demand. This will allow for the promotion of lesser-known places, which will not only widen the economic benefits of tourism beyond hotspots, but will also alleviate existing crowding concerns.

Aside from that, clear and proactive communication is critical for increasing demand. It must be presented in a clear and straightforward manner, providing travellers with information and data that are easily available, accurate, and current.

Following the pandemic, health and cleanliness will become major elements in attracting tourists, who will prefer sites with established infrastructure and high-quality medical facilities, as well as a clean and health-safe environment. In order to acquire travellers' confidence in visiting Malaysia, it is critical to assure their safety and hygiene. Malaysia must be portrayed and promoted as a safe, sanitary, and healthy travel destination.

Action Plan

1. Promote inbound tourism to boost visitor economy and tourist arrivals:

- Execution of Tourism Malaysia's Marketing Plan 2022-2026 and Malaysia Business Events Strategic Marketing Plan 2021-2030.
- Increase the accessibility to Malaysia through Joint Tourism Program.
- Accelerate the implementation of the "Meet in Malaysia" Campaign to support the business events industry including home-grown regional or international conventions as well as domestic corporate meetings and to encourage international event planners to hold events in Malaysia.
- Joint promotion with local travel agents/ airlines to create and sell attractive travel packages to Malaysia.
- Ease of travel includes a safe, efficient, and affordable visa application process, such as e-visa.

2. Encourage aligned health and safety standards and protocols as well as sustainable tourism across ASEAN and globally:

- Participation in ASEAN, APEC, UNWTO, and other international meetings, dialogues, or programs to align Malaysia's standards, particularly on health and safety and sustainable tourism with international standards such as World Travel and Tourism Council (WTTC) Safe Travels Stamp, Global Sustainable Tourism Council (GSTC), Ecolabel, and ESG (Environmental, Social and Governance).

3. Establish an effective communications mechanism with businesses, buyers, operators, and travellers especially on Malaysia as a safe and trusted destination:

- Participation or networking with local and international industry players for instance, through tradeshow, roadshows, travel fairs, exhibitions, travel marts, and seminars/ webinars, among others.
- Organize familiarisation trip (MegaFam) for media, social media influencers, bloggers, tourism operators, and trade partners to promote Malaysia as a safe holiday destination.



Pathway 3: Reinvent Tourism and Cultural Products/Services to Drive Competitiveness.



Tourism entails having experiences or adventures away from home. Travellers' demands are becoming more specialised and customised, and this corresponds with their willingness to pay for a unique, differentiated, and memorable experience. As a result, in order to regain competitiveness, industry players must increase demand by recreating and diversifying cultural and tourism products, increasing the value of services and goods provided, and improving destination attractiveness in order to attract high-value tourists who will stay longer, travel more widely, and spend more.

Furthermore, segments such as business events, ecotourism, community-based tourism (CBT), medical and wellness,

edu-tourism, and experience travel should be highlighted as catalysts for bringing tourists to Malaysia while also contributing to the expansion of the visitor economy. Malaysian culture, cuisine, arts, and heritage will also be utilised to enhance tourism experiences.

Action Plan

1. Encourage innovative product development in responding to new travel trends:

- Collaboration with industry players to identify and produce tourism and cultural products/packages that cater to travellers' wants and needs, including niche products, for instance arts and culture, health and wellness, Muslim-friendly, eco, adventure, diving, bird watching, sports etc.
- Diversify business events market segments towards emerging sectors such as digital twin technology and international sporting events.

2. Focus on specific segments that will accelerate the recovery towards resiliency:

- Collaboration with industry players to actively promote and market tourism products such as ecotourism, edu-tourism, community-based tourism, cultural and heritage, and medical and wellness packages in order to attract high spending tourists.
- Collaboration between relevant agencies in promoting Malaysia as the preferred destination for filming and production.
- Establish strategic partnerships such as "Asia Convention Alliance" to create more opportunities and increase the number of international business events to be held in Malaysia.
- Encourage international participants to fly through KLIA and make a pit stop in Malaysia. For example, attract participants from Europe, India, and Asia to travel via Kuala Lumpur when attending the MICE event in Australia.



Pathway 4: Align Tourism with Sustainability and Inclusivity



The United Nations Environment Program (UNEP) and World Tourism Organization (UNWTO) describe sustainable tourism as “tourism that addresses the requirements of visitors, the industry, the environment, and host communities while taking full account of its current and future economic, social, and environmental implications.” It refers to the environmental, economic, and socio-cultural components of tourist development, and an adequate balance between these three dimensions is required to ensure long-term sustainability.

The commitment to sustainable and responsible tourism will strengthen tourism’s role as a catalyst for economic development in a sustainable, responsible, and inclusive manner, including minimising negative impacts on the biophysical environment, preserving cultural and heritage resources and values, and

ensuring the empowerment of local and indigenous communities where tourism’s wealth spreads to remote communities that can offer tourists unique experiences. Simply put, sustainability entails returning more than we take.

Simultaneously, emphasis will be placed on increasing tourism revenues, as they are important indicators in influencing the country’s economy, which prioritises quality over quantity. In simple terms, attracting high-spending and responsible tourists to the country.

Action Plan

1. Set fundamentals for sustainable tourism – “Give Back More Than We Take”:

- Encourage participation of local communities in voluntourism activities at tourism spots.
- Train tourist guides and enlist their assistance in creating awareness among tourists on the importance of sustainable and responsible tourism.
- Organize programs to train industry players such as hoteliers and product owners on sustainability practices.
- Tax deduction incentive for sponsorship of Arts, Culture, and Heritage activities under Subsection 34 (6) (K), Income Tax Act 1967.
- Identify sustainable standards that can be adopted and adapt in Malaysia’s context

2. Improve infrastructure in tourism destinations for the betterment of the visitor experience

- A budget of RM35 million has been set aside for the maintenance of tourism infrastructure, including the Sultan Abdul Samad Building.

3. Empower women, youth, and indigenous people to involve in tourism and cultural activities/ businesses

- Organize workshops to train women, youth, and indigenous people on entrepreneurship.
- Collaboration with related ministries/agencies to increase the number of women, youth, and indigenous people entrepreneurs in tourism and culture-related industry.



Pathway 5: Reinforce Recovery with Long-Term Resilience and Crisis Preparedness



The COVID-19 pandemic is may not to be the last. As a result, the industry must brace itself for future uncertainties and challenges such as taxation, inadequate infrastructure, shortage of skilled human resources, rising vacation costs and inflation, climate change, man-made disasters, pollution, overtourism, security, and cross-border regulations.

This pandemic has revealed gaps in government and industry preparedness and response. Subsequently, the emphasis is on increasing the industry's resilience through recovery and reconstruction efforts, which will lead to a more culturally rich and sustainable industry.

Apart from that, the pandemic has given the tourism industry an opportunity to accelerate the integration and acceptance of new technology and innovation. Businesses will adapt and accelerate their digital transformation from touchless technology to automated services, such as cashless payment, online booking, contactless check-in, and delivery robots, among other technologies, to avoid becoming a sunset industry.

Action Plan

1. **Establish a long-term advocacy program to promote the importance and reliance on tourism:**
 - Review and refine the existing guideline for tourism crisis management.
 - Dedicate the year 2025 as Visit Malaysia Year to re-energize the tourism industry.
 - Introduce and implement the “Association Development Program” to support and grow local associations that are empowered to secure business events for Malaysia.
2. **Improve the tourism industry’s understanding and use of digital technologies:**
 - Encourage industry players to promote tourism packages through www.malaysia.travel website.
 - Promote and market tourism and cultural products through the digital platform. Kraftangan Malaysia, for example, has encouraged crafts entrepreneurs to innovate and adopt digital technology in showcasing their products and improving service delivery through platforms such as E-Kraf Bazar and MyCraftShoppe as well as mobile apps – CraftOnTheGo.
 - Develop a new Tourism License and Enforcement System (TOURLIST) to digitalize the tourism licensing application.
 - Implementation of the Malaysia Healthcare Digitalization Framework in relation to the healthcare travel journey.





DELIVERABLES AND IMPACT

HIGH VALUE & SUSTAINABLE TOURISM

Where we are now? Where we want to be?



... Now

Current Status

High tourist arrivals and low sustainability

Indikator 2020

Contribution to GDP :
14.1%
Tourism receipts :
RM 12.7 billion
Tourist arrivals :
4.3 million



2025

Medium Term

High-value tourism in parallel with sustainability

Target Indicators

Contribution to GDP :
15.6%
Tourism receipts :
RM 77 billion
Tourist arrivals :
22 million



2030

Long Term

A competitive, resilient and sustainable tourism

target Indicators

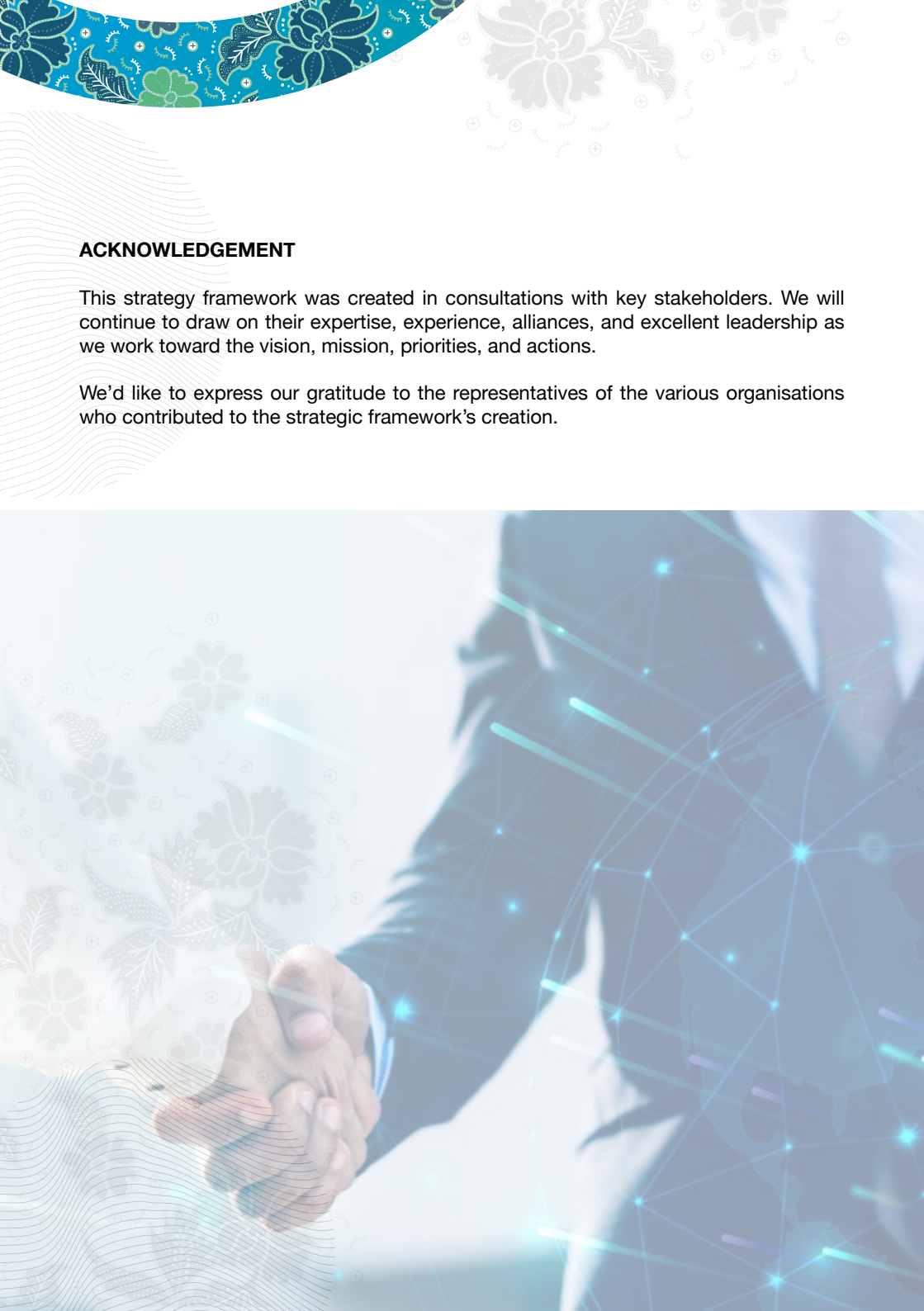
Contribution to GDP :
16.6%
Tourism receipts :
RM 120 billion
Tourist arrivals :
30 million

CONCLUSION

Malaysia's tourism future will be well-balanced tourism that contributes to the economy while also providing socio-economic benefits to all, leaving no one behind. At the same time, the country's nature, culture, and heritage must be conserved, preserved, and protected for the benefit of current and future generations.

Close collaboration among operators, local communities, non-governmental organisations, and the government is now more important than ever in achieving the vision and reversing the terrible consequences of the COVID-19 epidemic in order to create and raise a profitable and resilient tourism industry.





ACKNOWLEDGEMENT

This strategy framework was created in consultations with key stakeholders. We will continue to draw on their expertise, experience, alliances, and excellent leadership as we work toward the vision, mission, priorities, and actions.

We'd like to express our gratitude to the representatives of the various organisations who contributed to the strategic framework's creation.





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