


# NATIONAL TOURISM POLICY

2020 - 2030

EXECUTIVE SUMMARY



MINISTRY OF TOURISM,  
ARTS AND CULTURE MALAYSIA

An aerial photograph of a tropical beach. The water is a vibrant turquoise color, and the sand is a light beige. Several small boats are anchored in the water, and a few people are swimming. The word "contents" is written in large, white, bold letters across the bottom half of the image.

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*Perhentian Island, Besut, Terengganu*



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Part A

# TRANSFORMATION AGENDA

## THE NEED FOR TRANSFORMATION

To harness the competitiveness of Malaysia's tourism industry in an increasingly competitive and uncertain world by increasing revenue, securing partnerships and investments, empowering local communities, and ensuring the sustainability and resilience of the industry.



*Terrapuri Resort, Terengganu*

# BREAKING OUT OF THE COMFORT ZONE

There are signs that Malaysia's tourism industry is stuck in a comfort zone. Existing tourism products are becoming "tired" and unattractive due to the lack of creativity and innovation, resulting from the over-dependence on the government and a silo mentality. The inability to harness a service culture has resulted in a real or perceived deterioration in service quality in comparison to our ASEAN neighbours. Poor destination management has also led to unsustainable physical development and negative tourist experiences. Finally, an over-reliance on traditional marketing and promotion has left Malaysia behind in terms of embracing Smart Tourism. Hence the need to re-invent and transform the industry so as to remain competitive.





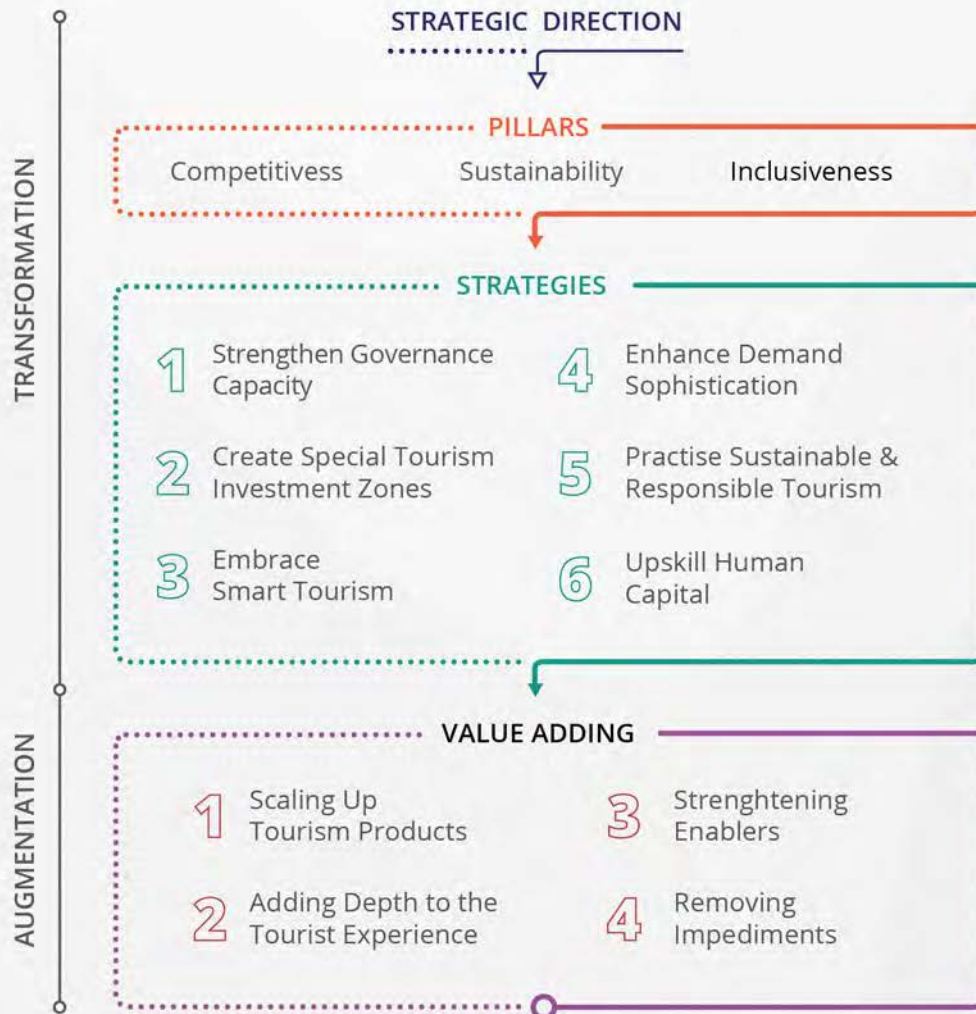
Part B

# DRIVING A

# TRANSFORMATION AGENDA

*Perdana Putra Building, Putrajaya*

# THE TRANSFORMATION PROCESS





# GOAL

To formulate a National Tourism Policy based on the principles of **competitiveness**, **sustainability** and **inclusiveness** to place Malaysia as a global **top ten tourism destination** in both arrivals and receipts.



# STRATEGIC DIRECTION

## 2020 - 2030

Transform Malaysia's tourism industry by harnessing public-private sector partnerships and embracing digitalisation to drive innovation and competitiveness towards sustainable and inclusive development in line with the United Nations Sustainable Development Goals.



# DRIVERS OF **TRANSFORMATIVE CHANGE**

In line with the Strategic Direction, six Transformation Strategies are formulated to drive the transformative change. These strategies are supported by 22 strategic actions and 32 tactics.



## Part C

# 6 TRANSFORMATION STRATEGIES



**01**  
Strengthen  
Governance  
Capacity



**02**  
Create Special Tourism  
Investment Zones



**03**  
Embrace  
Smart Tourism



**04**  
Enhance Demand  
Sophistication



**05**  
Practise Sustainable  
and Responsible  
Tourism



**06**  
Upskill Human  
Capital



## TRANSFORMATION STRATEGY 1

# Strengthen Governance Capacity



### Strategy

Transforming the governance capacity of tourism-related agencies in Malaysia to harness their tourism core skills



### Rationale

Strengthening coordination and the governance capacity of more than 40 government agencies and local authorities directly or indirectly involved in tourism development will improve the delivery of competitive tourism products and memorable tourist experiences

# 4 Strategic Actions

## 8 Tactics

### STRATEGIC ACTION 1

**Strengthen high level coordination to drive the implementation of the National Tourism Policy**

Tactic 1 : Establish a National Tourism Council (NTC)

Tactic 2 : Strengthen MOTAC's authority in tourism planning and destination management

### STRATEGIC ACTION 2

**Enhance tourism core skills of related government agencies to support the implementation of the National Tourism Policy**

Tactic 1 : Establish a tourism academy for government officials involved in tourism

### STRATEGIC ACTION 3

**Increase the capacity and tourism core skills of local authorities that are involved in destination management**

Tactic 1 : Empower local authorities to be actively involved in tourism destination management

Tactic 2 : Encourage local authorities of major cities to set up in-house MICE units

### STRATEGIC ACTION 4

**Embrace innovative governance models to facilitate participatory processes and public-private sector partnerships**

Tactic 1 : Adopt a collaborative management model for island tourism

Tactic 2 : Embrace tourism concessions to strengthen the ecotourism component and sustainable financing of national parks

Tactic 3 : Reduce the role of government in managing tourism attractions through PPPs



## TRANSFORMATION STRATEGY 2

# Create Special Tourism Investment Zones



### Strategy

Creating Special Tourism Investment Zones (STIZs) to drive the development of high value and innovative tourism products and services in response to growing market sophistication



### Rationale

Public private partnerships are crucial in transforming Malaysia's tourism industry and the designation of STIZ's will create a pro-investment environment besides sending the right signal to international and homegrown investors

## 2 Strategic Actions

### 5 Tactics

#### STRATEGIC ACTION 1

##### **Spearhead tourism innovation through Public-Private Partnerships (PPP)**

Tactic 1 : Designate STIZs to stimulate high value tourism development

Tactic 2 : Issue Request for Proposals for key tourism (PPP) projects as growth accelerators within the STIZs

#### STRATEGIC ACTION 2

##### **Create a pro investment environment through targeted business facilitation**

Tactic 1 : Provide Flagship Matching Grants for innovative tourism projects

Tactic 2 : Ease access to the Special Tourism Fund/Tourism Infrastructure Fund for tourism SMEs

Tactic 3 : Intensify capacity building for tourism SMEs



*Langkawi Sky Bridge, Kedah*



## TRANSFORMATION STRATEGY 3

# Embrace Smart Tourism



### Strategy

Embarking on a comprehensive digitalisation journey to transform Malaysia's tourism industry towards Smart Tourism



### Rationale

Embracing the whole spectrum of digitalisation will provide the necessary tools for the tourism industry to be internationally connected, perform rigorous data analytics of tourism futures and shorten the supply chain

# 4 Strategic Actions

## 4 Tactics

### STRATEGIC ACTION 1

**Optimise e-marketing through smart partnerships between the government and the tourism industry**

Tactic 1 : Step up synergy between the government and industry players in driving digitalisation

### STRATEGIC ACTION 2

**Embrace but regulate the Sharing Economy to encourage innovation**

Tactic 1 : Leverage on the Sharing Economy to innovate the informal tourism sector and rural tourism

### STRATEGIC ACTION 3

**Advance the use of Big Data Analytics in tourism planning and management**

Tactic 1 : Leverage on Big Data Analytics to support data driven decision making and future planning

### STRATEGIC ACTION 4

**Consolidate the Visitor Economy to optimise the tourism value chain**

Tactic 1 : Increase the Visitor Economy of rural areas through digitalisation



## TRANSFORMATION STRATEGY 4

# Enhance Demand Sophistication



### Strategy

Nurturing demand sophistication by increasing the depth of the tourist experience in support of customised and discerning travel



### Rationale

Influencing tourism demand to attract high value tourists as well as catering to the needs of customised travel both as a mainstream and niche travel form is essential in enticing tourists to stay longer and spend more at multiple destinations

# 4 Strategic Actions

## 6 Tactics

### STRATEGIC ACTION 1

#### Undertaking rigorous and sophisticated tourism analytics

Tactic 1 : Produce sophisticated market intelligence to support future planning

### STRATEGIC ACTION 2

#### Understand and cater to customised travel demand

Tactic 1 : Cater to the needs of customised travellers with high discretionary spending

Tactic 2 : Encourage high value domestic tourists to participate in creative tourism activities at cultural tourism attractions

Tactic 3 : Restore air connectivity to traditional high value markets

### STRATEGIC ACTION 3

#### Leverage on international designations as part of destination branding

Tactic 1 : Brand Malaysia as a premier ecotourism destination

### STRATEGIC ACTION 4

#### Remove impediments that restrict high value tourism

Tactic 1 : Curtail 'zero cost tours' that impedes the growth of the tourism industry along the value chain



## TRANSFORMATION STRATEGY 5

# Practise Sustainable and Responsible Tourism

### Strategy

Aligning the National Tourism Policy towards the United Nations Sustainable Development Goals (UNSDGs) by reinforcing the role of tourism as a catalyst for economic development in a sustainable, responsible and inclusive manner

### Rationale

The UNSDGs provide the appropriate benchmarking for the sustainable growth of Malaysia's tourism industry that is cognisant of the role of tourism in promoting inclusive development as well as for the industry to promote responsible consumption and practices

# 4 Strategic Actions

## 4 Tactics

### STRATEGIC ACTION 1

#### **Champion responsible tourism especially at environmentally fragile areas**

Tactic 1 : Advocate responsible tourism in the management of fragile tourism destination areas (UNSDG Goal 12)

### STRATEGIC ACTION 2

#### **Manage the development of tourism islands in synergy with conservation**

Tactic 1 : Reposition the tourism islands as premier marine ecotourism destinations

### STRATEGIC ACTION 3

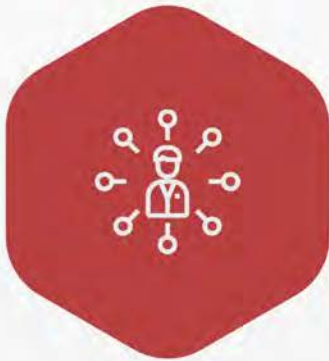
#### **Practise inclusive tourism development to include women, youth and disadvantaged groups**

Tactic : Reinforce the role of tourism as a catalyst for rural empowerment (UNSDG Goal 8)

### STRATEGIC ACTION 4

#### **Monitor the tourism industry's contribution to the UNSDGs**

Tactic 1 : Develop a data reporting mechanism for sustainable tourism that is aligned to the UNSDGs (Goals 8, 14 and 15)



## TRANSFORMATION STRATEGY 6

# Upskilling Human Capital



### Strategy

Nurturing the development of a service culture through capacity building and human capital development that cascades seamlessly from the macro level to the destination level



### Rationale

Ensuring an attractive career path in tourism by transforming human capital development is key towards the creation of a service culture that personifies the warmth, hospitality and professionalism of the people in the tourism industry

# 4 Strategic Actions

## 5 Tactics

### STRATEGIC ACTION 1

#### **Improve the quality of tourism education and the credibility of the profession**

Tactic 1 : Enhance collaboration between the public sector, private sector and academia in streamlining human capital development

### STRATEGIC ACTION 2

#### **Value add Smart Tourism content in education and training**

Tactic 1 : Expand the use of digital technology in tourism and hospitality programmes

### STRATEGIC ACTION 3

#### **Entice youths with fresh ideas and new skill sets into the tourism profession**

Tactic 1 : Support the progression and career path of tourism startups

### STRATEGIC ACTION 4

#### **Enhance professionalism through specialised training**

Tactic 1 : Elevate the career path development of women and youths in tourism through upskilling

Tactic 2 : Revisit the role of tour operators and tour guides in response to growing demand sophistication



*Kampung Mangkuk Penarik, Terengganu*

Part D

# PRODUCT AUGMENTATION STRATEGIES



Adding value to the existing tourist experiences through product development, strengthening enablers and removing impediments.



## **Ecotourism**

Positioning Malaysia as a premier ecotourism destination by value-adding the tourist experience through product development and differentiation, high quality interpretation and service quality as well as sustainability certification.



## **Adventure Tourism**

Position suitable destinations in Malaysia as the capital of adventure tourism in response to discerning tourist demand for exciting, challenging and life changing experiences.



*Mount Kinabalu, Sabah*



*Kuala Kubu Baru, Selangor*



## Youth Tourism

Investing in youth tourism to develop and harness a tourism culture and brand loyalty among today's youths.



## Sports Tourism

Optimising the synergistic relationship between tourism and the whole spectrum of sports to maximise economic benefits along the value chain.



## **Cultural & Heritage Tourism**

Strengthening the preservation of Malaysia's tangible and intangible cultural heritage as valuable assets for showcasing the country's identity through creative tourism.



## **Community Based Tourism**

Reinventing the Malaysia homestay experience to become economically vibrant community based tourism variants.



*Wayang Kulit, Kota Bharu, Kelantan*



*Bohey Dulang Island, Semporna, Sabah*



## Island Tourism

Reinforcing the sustainable development of tourism islands by preventing over-tourism, embracing sustainability certification and strengthening the governance capacity.



## Coastal Tourism

Revitalising the coastal belt along the east coast as a top of the mind coastal tourism destination that offers unique experiences beyond sea, sand and sun.



## Urban Tourism

Consolidating Kuala Lumpur as a world class urban tourism destination whilst also branding Johor Bahru, George Town, Kota Kinabalu and Kuching as attractive secondary cities with their own identity and tourist image.



## Shopping Tourism

Consolidating Malaysia's position as a major shopping destination by complementing affordable luxury with exciting local brands and signature products to showcase the country's creative talents.



*Merdeka Eve Night, Kuala Lumpur*



*Pangkor Laut Resort , Perak*



# Medical & Wellness Tourism

Position Malaysia as a global brand to take advantage of the burgeoning global position of medical tourism and the vast untapped potential of the country as a premier retirement destination.



# MICE

Improving physical infrastructure, stakeholders collaboration and the professionalism of event organisers to position Malaysia as a leading business tourism destination.



## **Cross Border Tourism**

Optimising resources and mutual benefits through synergistic cross-border tourism product development, integrated destination management and joint marketing and promotion.



## **Rural / Agro Tourism**

Adding value to agriculture as a rural economic sector through tourism to boost the creation of rural entrepreneurs and foster the consolidation of vibrant rural tourism corridors.



*Eastern & Oriental Express*



*Cruise, Port Klang*



## **Cruise Tourism**

Strengthening collaboration and integration between the key stakeholders at the major ports in Malaysia to leverage on the opportunities along the ASEAN cruise corridor under The ASEAN Strategic Tourism Plan.



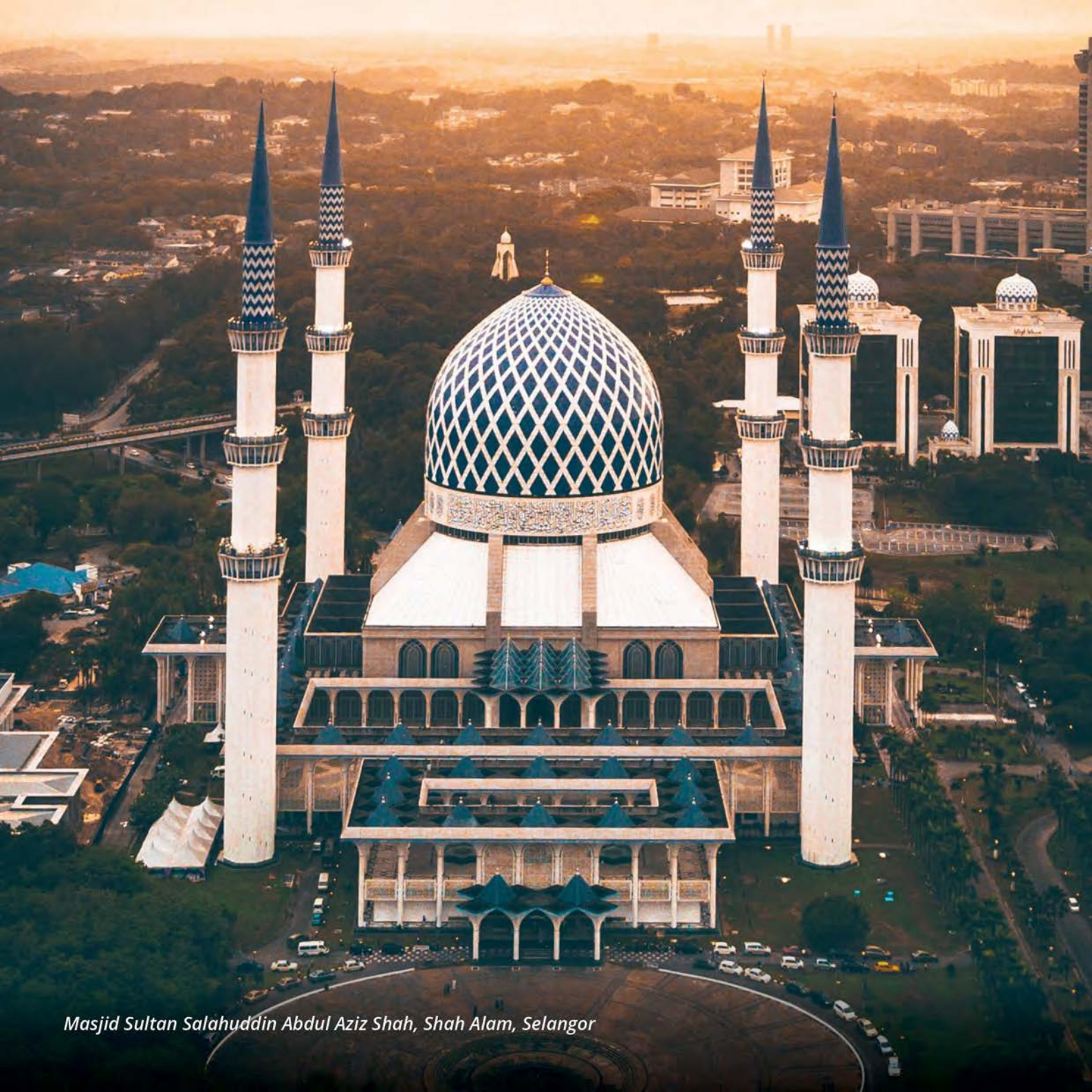
## **Special Interest Tourism**

Creating a critical mass of special interest niches that appeal to high value segments by delivering an exceptional tourist experience that focuses on product differentiation and the wow factor.



# Muslim Friendly Tourism

Consolidating the position of Malaysia as the world's top destination for Muslim Friendly Travel (MFT) by increasing the depth of the spiritual experience through specialised interpretation and exceptional Muslim hospitality.



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