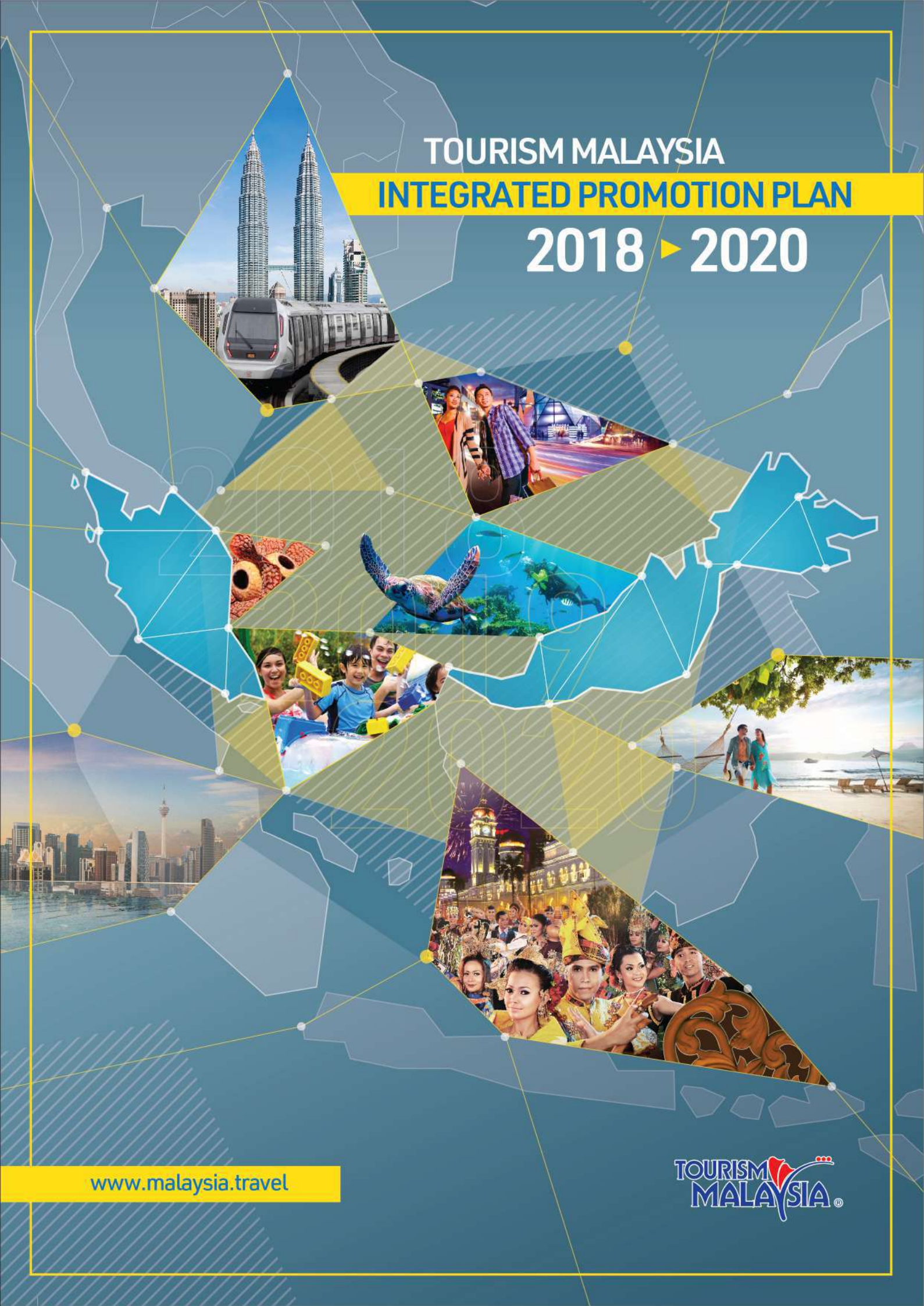


TOURISM MALAYSIA INTEGRATED PROMOTION PLAN

2018 ▶ 2020



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TOURISM
MALAYSIA®

CONTENTS

Message from Director General,
Tourism Malaysia

02

1. About Us

04

2. Executive Summary

06

3. Global Tourism - Outlook
and Trends

08

4. Malaysia's Tourism - Outlook and
Challenges

11

5. Malaysia's Tourism Performance
2016

- 5.1. Tourist Arrivals
- 5.2. Tourist Receipts
- 5.3. Domestic Tourism
- 5.4. Hotels and Average Occupancy Rate
- 5.5. Industry Performance

6. Strategic Direction 2018-2020

17

7. International Promotion Strategies

18

- 7.1. Short-haul
- 7.2. Medium-haul
- 7.3. Long-haul

8. Domestic Promotion Strategies

25

9. Niche/High-Yield Segment
Strategies

27

10. Integrated Communication
Strategies

29

- 10.1. Advertising and Information
Technology
- 10.2. Corporate Communication and Public
Relations

11. Support Services and Distribution

32

- 11.1. Production
- 11.2. Strategic Planning and Resource Centre

12. Conclusion

34

13. Tourism Malaysia Promotion
Programmes 2018

35

- 13.1. ASEAN
- 13.2. Asia/Africa
- 13.3. Americas, Europe and Oceania
- 13.4. Domestic & Events
- 13.5. Package Development
- 13.6. Mega Familiarisation Tour Programmes

14. Resources and Suggested Reading

40

15. Acronyms and Initialisms

40

16. Acknowledgements

41

17. List of Tourism Malaysia Domestic
and International Offices

42

MESSAGE FROM

DIRECTOR GENERAL

TOURISM MALAYSIA



“ It gives me great pleasure to present Tourism Malaysia Integrated Promotion Plan 2018-2020, which sets out the general outlook and perspectives for the overall marketing programme for Tourism Malaysia. ”



This plan continues the strategic path laid out in the previous plans and paves the way for the achievement of the country's ultimate goal of 36 million tourist arrivals and RM168 billion in tourist receipts, as outlined in the Malaysia Tourism Transformation Plan (MTTP) 2020.

Our major focus is to enhance Malaysia's appeal as an attractive top-of-mind tourism destination while promoting domestic tourism. Guided by MTTP 2020, we have undertaken various strategies and dynamic efforts over the last few years to boost the country's arrivals and tourism revenue, including the promotion of Visit Malaysia Year 2014 and Malaysia Year of Festivals 2015.

Moving forward, we have to be cognisant of the fact that challenges in the global travel and tourism industry will continue to increase. We foresee greater competition for the global tourism dollar, in addition to the threat of natural disasters, volatile economic trends, and changing travel patterns and preferences, which can affect this industry. Though vulnerable, the tourism industry is also resilient and has always managed to bounce back.

Therefore, in order to achieve our goal and ensure that the industry continues to prosper, we need to forge ahead with greater resolve and introduce bold measures. For the next three years, cooperation between industry players from the public and private sectors is crucial as we focus on promotional programmes that will build momentum and culminate with the celebration of the country's fifth Visit Malaysia Year in 2020. Therefore, this promotional plan will be a useful reference for all industry players to steer our tourism sector in the right direction.

I would like to take this opportunity to thank all our tourism partners and stakeholders who have contributed by way of inputs into this plan. We look forward to working closely together with them to reap the economic benefits of the tourism industry for the overall development of Malaysia.

Thank you.

DATUK SERI MIRZA MOHAMMAD TAIYAB
Director General

2

EXECUTIVE SUMMARY

In 2016, Malaysia's tourism industry continued to build on the country's prominence as a world-renowned tourism destination. It recorded 26.8 million tourist arrivals, bringing in a revenue of RM82.1 billion to the country's economy.

Malaysia also continued to gain international recognitions and was named Asia's Leading Destination at the World Travel Awards Asia & Australasia 2016 for the second consecutive year, and the No. 1 World's Top Muslim-friendly Destination, according to MasterCard-CrescentRating Global Muslim Travel Index 2016.

Besides that, the country also clinched the Best Asian City Destination and Best Asian Culinary Destination at the 2016 Travvy Awards, while Kuala Lumpur was listed among the top 5 destinations in Expedia UK's list of the World's Best Shopping Destinations 2016. Furthermore, George Town was listed in Lonely Planet's Top 10 Cities for Best in Travel 2016, while Ipoh was in Lonely Planet's Top 10 Best in Asia 2016 list.

Through the Tourism & Culture Lab 2.0, held by the Ministry of Tourism and Culture Malaysia, several new areas of opportunities have been identified, such as culture, arts, heritage, and crafts, as well as niche sector, namely birding, diving, and homestay. In addition, the ecotourism cluster and cruise industry have also continued to provide strong

opportunities for growth. Malaysia has also emerged as one of the region's top business destinations, hosting highly accredited MICE events.

Another major highlight for the industry in 2016 included the introduction of Visa-free entry and eVisa facilities to facilitate Chinese travel. This initiative resulted in a 26.7% growth in Chinese tourist arrivals for the year. The eVisa has also been extended to nationals from India, Bangladesh, Nepal, and Myanmar, who are residing in their respective countries.

In line with its objective to intensify the use of digital marketing, Tourism Malaysia signed a Memorandum of Understanding (MoU) with Alitrip, an e-commerce platform owned by the Alibaba Group, to strengthen promotion in China. The Alitrip Malaysia Tourism Pavilion was launched by the Prime Minister of Malaysia the Hon. Dato' Sri Mohd Najib Tun Abdul Razak on 4 November 2016. Through this e-marketplace, Chinese travellers can now access Malaysia's travel and tourism products and services directly, while Malaysian travel trade players can get a bigger slice of the Chinese outbound market.

Besides that, Tourism Malaysia's shopping promotion arm, SSM, has also embraced digital media by launching Miss SHOPhia, its digital icon who provides guidance to shoppers on fashion trends, the latest news on when and where to shop, what to look out for and get the best out of shopping in Malaysia. It marks a departure from the conventional static advertising.

Moving forward, our strategies to attract arrivals from key markets revolve around forming strategic partnerships with airlines and corporate bodies,

utilising digital media platforms for marketing and publicity, organising fam trips for selected markets, and taking part in major international tourism trade shows.

Therefore, taking into consideration the country's tourism target under MTTP 2020 and the development of the tourism industry, Tourism Malaysia Integrated Promotion Plan for 2018-2020 will be based on the following strategic directions:

1. Optimise the use of the latest information technology

2. Leverage on upcoming major events

3. Synergise with the development of mega projects

4. Enhance initiatives made under the NKEA

5. Maximise integrated marketing campaigns

6. Promote Malaysia as a filming destination

Cameron Highlands, Pahang





MALAYSIA'S TOURISM

4

OUTLOOK AND CHALLENGES

Destination Appeal

Malaysia continues to be rated as one of the world's most popular tourism destinations. The UNWTO ranked Malaysia as the 12th most visited country in the world for 2016.

The "Malaysia, Truly Asia" tagline has worked wonders to position our destination's diversity. Malaysia showcases a kaleidoscope of customs, religions, traditions, festivals, heritage, arts and crafts, and cuisines of the Malays, Chinese, Indians, and various ethnic groups that continues to fascinate visitors from all over the world.

Malaysia has also premised itself as a diverse tourism destination that offers world-class attractions, including nature, shopping, adventure, islands and beaches, as well as many international events, offering visitors a plethora of interesting choices. Besides that, the country is also a major destination for health tourism and MICE events.

In addition, the country has many new developments to facilitate travel, such as the MRT project, which has completed the Sungai Buloh-Kajang phase, offering travellers a user-friendly and convenient gateway into the city and the surrounding suburbs.

There is also the highly-anticipated Kuala Lumpur-Singapore High Speed Rail project, which aims to facilitate seamless travel between the two capital cities, enhance business linkages, and connect the peoples of both countries closer together. The express service is estimated to start operations by the end of 2026. Besides that, China's 'One Belt, One Road' initiative, a regional economic expansion, is expected to shower an abundance of trade opportunities and development on Malaysia's ports, railways, and airports. Melaka Gateway has been earmarked as a key port of call along this route.

Malaysia also has many new and upcoming tourist attractions, such as the Movie Animation Park Studios (MAPS) in Ipoh, Premium Shopping Outlets, international hotel chains, Desaru Coast development, and the upcoming 20th Century Fox World theme park in Genting Highlands.

Economic

Tourism is one of the most dynamic and fastest growing sectors of the economy. Every year, a bigger portion of the world population takes part in tourism activities, hence the total arrivals continue to rise each year.

According to UNWTO, over 581.6 million international tourist arrivals were recorded worldwide in the year 1999. By 2016, the figure increased to 1.235 billion. UNWTO forecasted that the tourist arrivals worldwide will hover at 1.8 billion by 2030 (average increase of 43 million each year).

International tourist arrivals to Asia and the Pacific are projected to increase by 331 million in two decades, from 204 million in 2010 to 535 million in 2030. Besides that, a large portion of the new arrivals in this period will originate from the countries of Asia and the Pacific, which are expected to generate on average an additional 17 million international arrivals every year.

In line with the global tourism trend, Malaysia's tourism industry has recorded significant growth. For instance, Malaysia welcomed 7.9 million tourist

arrivals in 1999, with total receipts of RM12.3 billion. The increase of tourist arrivals almost tripled by the year 2007 to 20.97 million and contributed RM46.1 billion in receipts. By 2016, Malaysia received 26.8 million tourist arrivals, with total receipts of RM82.1 billion.

In addition, the tourism industry has contributed greatly to the country's employment sector. In 1999, the industry employed 113,819 employees. By 2016, the number of employees in the tourism industry increased significantly to 3.2 million.

Despite many challenges and uncertainties, Tourism Malaysia remains optimistic that the country's tourism industry will continue to grow. This is due to the continued strong interest from the main markets, such as Brunei, Indonesia, Thailand, and China.

Outlook and Challenges

It is no doubt that the rationalisation measures by the national carrier, Malaysia Airlines Berhad (MAS), has affected tourist arrivals to Malaysia. The shortage of air accessibility has resulted in the dramatic decrease in tourist arrivals, particularly from Europe.

Before the rationalisation, a total of 58 direct flights from Europe travelled to Malaysia weekly in the first quarter of 2015, with seats capacity of 21,066 per week. After the rationalisation, only 37 direct flights per week from Europe were available in the first quarter of 2017, with seats capacity of 13,115 per week. In brief, the air accessibility from Europe has been reduced by 36.2% (-37.7% in seats capacity).

To counter the shortage, Tourism Malaysia has to establish smart partnerships with other prominent

airlines, such as Singapore Airlines, Etihad Airways, and Turkish Airlines, to increase tourist arrivals from the affected region.

In recent years, neighbouring countries, such as Thailand, Indonesia, and the Philippines, have invested heavily in tourism. Their efforts have created strong competition in the region, which in turn has impacted the number of tourist arrivals to Malaysia. In fact, according to UNWTO, Malaysia was ranked 9th in 2010 as the most visited country



Macalister Mansion, Penang

in the world. However, in 2016, Malaysia's position dropped to 12th.

The weakening of the Ringgit may provide an intriguing proposition for tourists, as Malaysia becomes a more value for money destination. However, the weakening of our currency also causes adverse effects as the costs in promotional activities and advertising, particularly overseas, increases significantly.

In addition, inflation has seen media cost skyrocket compared to previous years. For instance, the cost for 30 secs TVC on CNN was RM4,408 in 1999. However, the media cost for the same spot increased 130.3% to RM10,152 in 2017. This causes the investment made to devalue greatly, thus reducing Malaysia's visibility through advertising. It was estimated that due to the currency devaluation and rising costs in advertising and promotion, the "Opportunity to See" (OTS) has been reduced by 70%.

In the coming years, any further routes rationalisation of the national carrier, cancellation of foreign airlines, as well as adverse travel advisories, will put a damper on our tourist arrivals from some medium and long-haul markets. Besides that, direct competition from other Southeast Asia destinations with aggressive promotional efforts will also have impact on arrivals to Malaysia.

Having said that, we are making progress in responding to the challenges by easing the visa rules, engaging in smart partnerships with airlines, working with the private sector and Malaysian agencies under the NBOS initiatives, and maximising the use of digital marketing.

In addition, new tourist attractions and development of packages will help make Malaysia "fresh" in the minds of tourists. For instance, lung washing packages, making Malaysia a filming destination, and promoting Malaysia as a wedding and honeymoon destination, are some of the new packages that are being promoted to the relevant markets.



Mantanani Island, Sabah



MALAYSIA'S TOURISM

5

PERFORMANCE 2016

After the slowdown in 2015, Malaysia's tourism industry showed signs of recovery in 2016 with significant growth in several markets. In addition, international recognitions and accolades also kept pouring in, either for Tourism Malaysia's promotional efforts overseas, or Malaysia as a tourist destination.

5.1 Tourist Arrivals

Tourist arrivals to Malaysia for 2016 registered a hike of 4.0% compared to the same period in 2015. The country received 26,757,392 tourists compared to 25,721,251 tourists in 2015.

The top 10 tourist generating markets to Malaysia in 2016 were Singapore (13,272,961), Indonesia (3,049,964), China (2,124,942), Thailand (1,780,800), Brunei (1,391,016), India (638,578), South Korea (444,439), the Philippines (417,446), Japan (413,768), and the United Kingdom (400,269).

The ASEAN region continued to be the largest contributor of tourist arrivals to Malaysia with a 75.8% share of its total arrivals. Thailand registered the highest growth of 32.5%, followed by Laos (27%), Brunei (22.7%), Indonesia (9.4%), and Singapore (2.6%).

The medium-haul markets contributed 15.7% share of Malaysia's total arrivals. Markets that registered positive growth included China (26.7%), Taiwan (6.2%), and South Korea (5.5%).

Tourist arrivals from the long-haul markets constituted 8.5% share of the total arrivals to Malaysia. Saudi Arabia tourist arrivals showed a growth of 24.2%, Egypt (+17.9%), and Iraq (+12.1%).

Malaysia's stronger tourism performance in 2016 is attributed to improved flight accessibility and travel facilitation, as well as the foreign exchange rate.

5.2 Tourist Receipts

Tourist receipts rose by 18.8% in 2016, contributing RM82.1 billion to the country's revenue against RM69.1 billion in 2015. It translated to an average per capita expenditure of RM3,068.2. Total receipts in shopping also recorded positive growth, with RM26 billion in 2016 compared to RM21.6 billion in 2015, an increase of 20.3%.

Meanwhile, the ALOS of a tourist increased by 0.4 in 2016 to 5.9 nights. Generally, the West Asians stayed the longest at 9.6 nights, followed by the Australians (7.6 nights), New Zealanders (7.5 nights), Americans (7.3 nights), Europeans (7.1 nights), East Asians (5.9 nights), ASEAN tourists (5.2 nights), and South Asians (4.9 nights).



Legoland Theme Park, Johor

5.3 Domestic Tourism

On the domestic front, Tourism Malaysia initiated various local consumer and trade shows to help stimulate domestic tourism among the public and corporate sectors. As a result, there were 66.0 million domestic tourists in 2016, signifying a growth of 5.3% compared to 62.7 million in 2015. For the same period, receipts from domestic tourists increased by 9.5% to RM48.4 billion from RM44.2 billion.

Meanwhile, the average per capita expenditure for domestic tourists rose 4.0% to RM733 from RM705, while their average length of stay remained the same, which was 2.3 nights.

In 2016, shopping recorded the highest share of expenditure by domestic tourists with 22.1%. In terms of purpose of visit, VFR continued to dominate in 2016 with 72.2%, followed by holiday/leisure/relaxation/getting away (19.6%), and official business/education (4.0%).

The percentage share of tourists who stayed at relatives and friends' houses was the highest (67.6%), while paid accommodation recorded in 2016 was 32.4%.

The top five states that received the highest number of tourists in 2016 were Johor (7.4 million), followed by Perak (7.2 million), Pahang (6.9 million), Selangor (5.5 million), and Negeri Sembilan (5.3 million).

The main tourist generating states were Selangor (15.52 million), Kuala Lumpur (6.08 million), Johor (5.66 million), Sarawak (4.86 million), and Pahang (4.79 million).

5.4 Hotels and Average Occupancy Rate

Up to 2016, Malaysia has a total of 4,961 hotels (+3.4%), offering 321,972 rooms (+5.7%). The top five states with the highest number of paid accommodation were Sabah (608), Johor (585), Kuala Lumpur (472), Pahang (455), and Sarawak (410), while the top five states with the highest number of rooms/units were Kuala Lumpur (58,963), Johor (33,585), Pahang (30,907), Sabah (30,023), and Selangor (28,867).

The hotel industry in Malaysia recorded an average occupancy rate of 60.9% in 2016, signifying a drop of 1.0 percentage points compared to 61.9% in 2015.

The states that recorded higher than national average occupancy rate were Pahang (74.6%), Putrajaya (70.6%), Kuala Lumpur (66.1%), Sabah (64.5%), Penang (63.9%), Selangor (62.4%), and Johor (61.0%).

The total paid accommodation guests in 2016 was 72.3 million, registering a growth of 1.17%. It was comprised of 35.8% (25.9 million – an increase of 1.32%) international guests and 64.2% (46.4 million – an increase of 1.08%) domestic guests.

The five states that recorded the most number of hotel guests were Kuala Lumpur (16.2 million), Pahang (10.3 million), Johor (7.0 million), Penang (6.4 million), and Sabah (6.2 million). A total of 84.1% (60.9 million) guests (international and domestic) stayed in Peninsular Malaysia and only Kuala Lumpur registered a higher share of international paid accommodation guest.

New hotels that are expected to open in 2018 include Courtyard Marriott, Penang; Impiana Resort Melaka; i-City 2 Hotel, Shah Alam; Jen Hotel, Kota Kinabalu; Royal Cameron Highlands Hotel; Ramada Resort Lumut, Perak; Four Seasons, KLCC, Kuala Lumpur; and Ibis Kuala Lumpur City Centre. These hotels will contribute a total of 2,599 rooms.

Several new hotels are also expected to open in 2019, namely Park Hotel Melaka, Pulau Perhentian Marriott Resort & Spa, Ibis Styles Penang George Town, Ibis Styles Penang Resort, and Sheraton Nusajaya Medini Hotel, contributing 1,424 rooms.



Four Seasons Resort, Langkawi

5.5 Industry Performance

Overall, the tourism sector maintained its position as the third highest contributor to Malaysia's GNI in 2016 with RM73.3 billion.

The growth in tourist arrivals and spending in 2016 was attributed to the successful implementation of the initiatives under the MTTP 2020.

Moving forward, our focus for the period of 2018 to 2020 is on achieving the MTTP target of 36:168:2020 – to bring in 36 million tourists and RM168 billion in tourist receipts by the year 2020. With concerted efforts, Malaysia's tourism industry will be well on its way towards becoming a major economic contributor for the country.



STRATEGIC DIRECTION

6

2018 - 2020

Tourism Malaysia Integrated Promotion Plan 2018-2020 is developed by taking into account the country's brand policy, market and travel trends, available resources, budget, network, trade and economic policy, travel formalities, technology know-how, manpower skills, and support from the stakeholders, at both international and domestic levels.

The Plan will drive Malaysia's tourism industry forward and achieve its objectives and targets for the next three years – 33.1 million tourist arrivals and RM134 billion in tourist receipts for 2018, and 34.5 million arrivals and RM151 billion in receipts for 2019. All the promotional efforts will culminate with the celebration of Visit Malaysia Year 2020 to achieve the country's ultimate goal of 36 million tourist arrivals and a revenue of RM168 billion.

To achieve our objectives and goals for the period of 2018-2020, Tourism Malaysia is adopting 6 strategies for the successful implementation of the country's tourism promotion plan:

1. Optimise the use of the latest information technology

to create a fresh and exciting approach in promotion, publicity, and advertising

2. Leverage on upcoming major events

in Malaysia, such as hosting PATA Travel Mart 2018, Commonwealth Heads of Government Meeting, APEC Economic Leaders' Meeting, and World Congress on Information Technology in 2020

3. Synergise with the development of mega projects

such as Bandar Malaysia and High-Speed Rail and East Coast Rail Link, which are expected to revitalise the tourism industry

4. Enhance initiatives made under the NKEA

through smart partnerships with industry players by developing tourism packages, encouraging charter flight operations, promoting shopping, and focusing on high-yield tourist markets and specific niche tourism, such as MICE, ecotourism, cruise, diving, birding, and wellness

5. Maximise integrated marketing campaigns

by partnering with government agencies, such as MITI, MATRADE, MIDA, and the Ministry of Education, to position Malaysia as an education, medical, investment, and trade destination

6. Promote Malaysia as a filming destination

by working together with FINAS and other agencies



7

INTERNATIONAL

PROMOTION STRATEGIES

The international promotion strategies to ensure the steady inflow of tourist traffic into Malaysia are important, and must therefore be formulated based on market trends and preferences throughout the period, and flexible enough to respond to any abrupt changes in travel patterns and in times of crisis.

7.1 Short-haul

In 2016, the ASEAN region remained as the highest contributor of tourist arrivals to Malaysia with a share of 75.8% (20,271,144) of its total arrivals and 68.4% (RM56.18 billion) of its total receipts.

Thailand registered the highest growth of 32.5%, followed by Laos (27%), Brunei (22.7%), Indonesia (9.4%) and Singapore (2.6%).

Selected Market Analysis

In 2016, a total of 13,272,961 Singaporean tourists visited Malaysia, registering a growth of 2.6% compared to 12,930,754 tourists in 2015. Correspondingly, the total receipts from the market recorded an increase of 29.2% from RM29.5 billion to RM38.1 billion. The ALOS of tourists from this market was 4.0 nights compared to 3.3 nights in 2015.

Singapore has a low population growth, with 3.44 million citizens (+0.89%) in 2016, but high growth in tourist arrivals target - 15.43 million (+16.27%). At the current rate, each Singaporean is expected to visit Malaysia at least four times a year.

The traffic congestion at the borders is a factor that contributed to the drop in tourist arrivals from Singapore via land. At the current rate, the arrivals from Singapore via land is expected to decrease by 5.2%.

In 2016, Malaysia received a total of 3,049,964 Indonesian tourists, signifying a growth of 9.4% compared to 2,788,033 tourists in 2015. Correspondingly, the total receipts from the market recorded an increase of 33.3% from RM6.6 billion to RM8.8 billion. The ALOS of tourists from this market was 5.3 nights compared to 5.6 nights in 2015.

For the period of January-September 2017, Indonesian tourist arrivals via air recorded a growth of 17.4% from 745,395 in the same period of 2016 to 875,107. However, arrivals via land and sea dropped 6.5% and 19% respectively, which contributed to the downtrend of arrivals from Indonesia.

In 2016, a total of 1,780,800 Thai tourists visited Malaysia, registering a growth of 32.5% compared to 1,343,569 tourists in 2015. Correspondingly, the total receipts from the market recorded an increase of 40.7% from RM2.53 billion to RM3.56 billion. The ALOS of tourists from this market was 6.1 nights compared to 6.0 nights in 2015. The implementation of 24-hour operations of Bukit Kayu Hitam ICQS complex beginning 1 January 2019 is set to boost border tourism by encouraging more tourists from Southern Thailand to visit Malaysia.

Focus Market and Product Appeal

For the short-haul markets, the focus is on Singapore, Thailand, Indonesia, Brunei, Vietnam, and the Philippines. The potential attractions for tourists from these markets include shopping, theme parks, highland, islands & beaches, health & wellness, motorsports, and education tourism.

Market Segmentation

The segments of travellers from the short-haul markets include family, business travellers, millennials, students, and Ibu Arisan (Indonesia).

Action Plans

Optimise the use of the latest information technology

- Organise celebrity Holiday with Fan Club
- Launch over-the-air and website promotion campaign, in collaboration with agoda.com, booking.com, expedia.com, traveloka.com, etc.
- Organise fam trips for bloggers and vloggers
- Organise programmes that involve ASEAN celebrities and bloggers to maximise publicity and exposure:
 - ASEAN Celebrity Explore Quest Malaysia 2018
 - ASEAN Celebrity Explore Quest Reunion Malaysia 2019
 - ASEAN Celebrity Amazing Race Malaysia 2020
 - ASEAN Media Bloggers Nature & Adventure Treasure Hunt 2018
 - ASEAN Media Bloggers Heritage 2019
 - ASEAN Media Bloggers Big Bike Food Hunt 2020

Leverage on upcoming major events

- ASEAN Buskers & Food Festival 2018
- ASEAN Make It Malaysia 2019
- ASEAN Fishing 2019
- VMY 2020 - Seminar/Workshop
- Tilawah AL-Quran Package
- Malaysia IT Fair Package Promotion

Synergise with the development of mega projects

- Joint Campaign with Themed Attraction to promote Desaru Water Park
- Travel by Train (ETS)
- Campaign in conjunction with the opening of 20th Century Fox World, Genting Highlands
- Premium Outlets Shopping - KL Premium Outlets and Mitsui 2nd phase

Kuala Gandah Elephant Conservation Centre, Pahang



Enhance initiatives made under the NKEA

- Package promoting anchor events for Visit Malaysia Year 2020
- Malaysia Mega Sale – to promote Malaysia as a shopping haven

Maximise integrated marketing campaigns

- Upin & Ipin Extravaganza
- Tour Operator Support
- NKEA – Health Tourism
- Sales Missions
- Exhibitions and fairs – Brunei, Jakarta, Medan, Philippines, and Singapore
- Malaysia Week – Food and Culture Week, Fashion Week, Education Week
- ASEAN Tourism Forum (ATF)
- Thailand International Travel Fair (TITF)
- Thai Top Influencer Gateway
- Myanmar International Tourism Exhibition (MITE)
- Myanmar International Travel Mart (MITM)
- Viet Nam International Travel Mart (VITM)
- International Travel Expo (ITE) Ho Chi Minh City
- Regional Networking & Product Update Session 2018 – northern region
- Regional Networking & Product Update Session 2019 – east coast region
- Regional Networking & Product Update Session 2020 – Sabah & Sarawak

Promote Malaysia as a filming destination

- Easy Cooking – TV show in Thailand
- Music videos – Laos, Cambodia, and Vietnam
- Dramas and films in Thailand, Cambodia, Vietnam, and Indonesia
- Travelogue – Laos, Cambodia, and Vietnam
- Reality TV show

Suria KLCC, Kuala Lumpur

**7.2 Medium-haul**

In 2016, the medium-haul markets contributed 15.7% share of Malaysia's total arrivals. Markets that registered positive growth included China (26.7%), Taiwan (6.2%), and South Korea (5.5%).

Selected Market Analysis

In 2016, Malaysia received a total of 3,286,147 East Asian tourists, constituting 12% of its total arrivals. They contributed RM11.81 billion (14%) to the country's revenue.

A total of 2,124,942 Chinese tourists visited Malaysia, signifying a growth of 26.7% compared to 1,677,163 tourists in 2015. Correspondingly, the total receipts

from the market recorded an increase of 38.2% from RM5.73 billion to RM7.93 billion. The ALOS of tourists from this market was 5.0 nights compared to 5.8 nights in 2015.

More senior Chinese tourists (age ≥ 45 years) are visiting Malaysia. Based on DVS survey, a total of 32.4% of Chinese arrivals in 2016 were senior tourists, compared to 27.1% in 2015. Besides that, there was a downtrend of Chinese arrivals via air, from 60.52% in 2015 to 55.32% in 2017. For the same period, arrivals via land increased from 39.27% to 44.19%.

A total of 413,768 Japanese tourists visited Malaysia, registering a drop of 14.4% compared to 483,569

tourists in 2015. Correspondingly, the total receipts from the market recorded a decrease of 14.6% from RM1.57 billion to RM1.34 billion. The ALOS of tourists from this market was 6.2 nights compared to 6.1 nights in 2015.

Tourist arrivals from Japan continue to decrease despite an increase in seats capacity. In contrast, Malaysians outbound to Japan has increased, in line with the increase of seats capacity. At the current rate, the number of Malaysian tourists to Japan is expected to reach 460,373 (AMGR = +17.5%), compared to Japanese to Malaysia 391,456 (AMGR = 8.74%).

In 2016, the number of South Korean tourists to Malaysia increased by 5.5%, from 421,161 in 2015 to 444,439. Koreans between the ages of 31 and 40 contributed the highest segment who travelled abroad in 2016, which was 4.4 million.

Malaysia received a total of 911,496 South Asian tourists in 2016, constituting 3% of its total arrivals. They contributed RM3.5 billion (4%) to the country's revenue.

A total of 638,578 Indian tourists visited Malaysia, registering a drop of 11.6% compared to 722,141 tourists in 2015. Despite the drop in arrivals, the total receipts from the market recorded an increase of 2.7% from RM2.59 billion to RM2.66 billion. The ALOS of tourists from this market was 7.0 nights compared to 6.9 nights in 2015.

Focus Market and Product Appeal

For the medium-haul markets, the focus is on China, India, Japan, Korea, and Taiwan. The potential attractions for tourists from these markets include shopping, theme parks, nature, islands & beaches, food, culture, health & wellness, honeymoon, as well as Muslim-friendly destinations and incentive tours.

Market Segmentation

The segments of travellers from the medium-haul markets include family, business travellers, honeymooners, Muslim millennials, DINK, SINK, and retirees.

Action Plans

Optimise the use of the latest information technology

Focus on digital marketing in all its market by leveraging on:

- Social media (Facebook, Instagram, WeChat, Line, Weibo, YouTube)
- TV home shopping
- Mobile application
- Online training
- Online promotion by tour operators

Leverage on upcoming major events

Some of the major events that Tourism Malaysia will be involved in include:

- PATA Travel Mart 2018
- KOTFA 2018
- Sales Mission VMY 2020
- SATTE
- Dhaka Travel Mart
- OTOAI Convention
- ITB 2019 Partner Country



Royal Belum Rainforest, Perak

12

CONCLUSION

Tourism Malaysia remains positive that the tourism landscape in the country will continue to be blessed with many success stories in the future. Nevertheless, we are also fully aware that the industry will face many challenges and obstacles along the way, as we strive to achieve the Government's target of 36 million tourist arrivals and RM168 billion in tourist receipts by the year 2020.

The promotional strategies and programmes for 2018-2020 are geared towards achieving the Government's goal, hence we will work closely together with local and international partners and stakeholders to ensure the success of all our plans. In addition, we have also designated 2020 as Visit Malaysia Year to further promote Malaysia's extensive tourism offerings and boost our tourist arrivals and receipts.

Generally, Tourism Malaysia will focus on its participation in major international trade shows and leverage on accessibility and connectivity, as well as place higher emphasis on digital marketing and optimise the use of the latest information technology in the promotion of the country's tourism.

In conclusion, this plan is prepared as a guide for users in planning and implementing tourism promotion activities and efforts for 2018-2020. There is still much room for these guiding principles to be applied according to the creativity and innovation of the user, as well as the suitability and needs at a specific time, place, and situation.

Tourism Malaysia is confident that the country's tourism industry has great potential for growth in the coming years, with many new infrastructures, attractions, and policies and incentives being formulated and implemented. We believe that Malaysia's tourism industry will continue to flourish as one of the nation's vital supporting economic pillars.