

**POLICY PAPER:
THE FUTURE OF TOURISM POST-COVID-19**

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Preface

The Covid-19 pandemic has brought the world to a standstill. Many estimates have been thrown around about the potential impact of Covid-19 pandemic on global and national economies, most views tend to agree that it will be very bad at this stage and tourism is clearly the worst hit of all major economic sectors. The severity largely depends on how long the pandemic will last, the level of social distancing restrictions on business, and the magnitude and effectiveness of government stimulus packages.

Amid lockdown across the globe, almost every country has imposed travel restrictions thus literally stopping at in-bound and out-bound international travels. As it is, the impact of Covid-19 pandemic and its reactionary measures by governments and health agencies is expected to hit the industry harder than the financial crisis of 2008-2009 or any other event in recent history.

It is estimated that the international tourist arrivals will decline as much as 30% in 2020. A decline of around 400 million tourist arrivals is anticipated across the globe. This tourism has sustained over 5% growth post financial meltdown of 2008 and 2009. However, the Covid-19 pandemic which hit hard since March has brought unprecedented damage to global tourism in recent times, it prompts the rethinking of tourism and anticipation for the emergence of 'new normal' in tourism trend post-Covid-19.

Globally, tourism sector accounts for approximately 10% of the global GDP. World Tourism Organization (UNWTO) anticipates that the loss in decline of tourist arrivals is amounted to 300-400 billion USD in international tourism receipts (exports from tourism), almost one third of the 1.5 trillion USD generated globally.

It is expected that tourism industry will witness more than 50 million job losses globally in one of the most labour-intensive sectors of the economy due to the Covid-19 pandemic. Worse, it is also anticipated that the tourism industry will take at least a year to recover post-Covid-19.¹

The Covid-19 pandemic has caused a 22% fall in international tourist arrivals during the first quarter of 2020, the latest data from the UNWTO shows. According to the United Nations specialized agency, the crisis could lead to an annual decline of between 60% and 80% when compared with 2019 figures.

Arrivals in March dropped sharply by 57% following the start of a lockdown in many countries, as well as the widespread introduction of travel restrictions and the closure of airports and national borders. This translates into a loss of 67 million international arrivals and about US\$80 billion in receipts (exports from tourism).²

¹ <https://www.globenewswire.com/news-release/2020/05/15/2034300/0/en/Coronavirus-COVID-19-Outbreak-Impact-Assessment-on-Tourism-Industry-VynZ-Research.html>

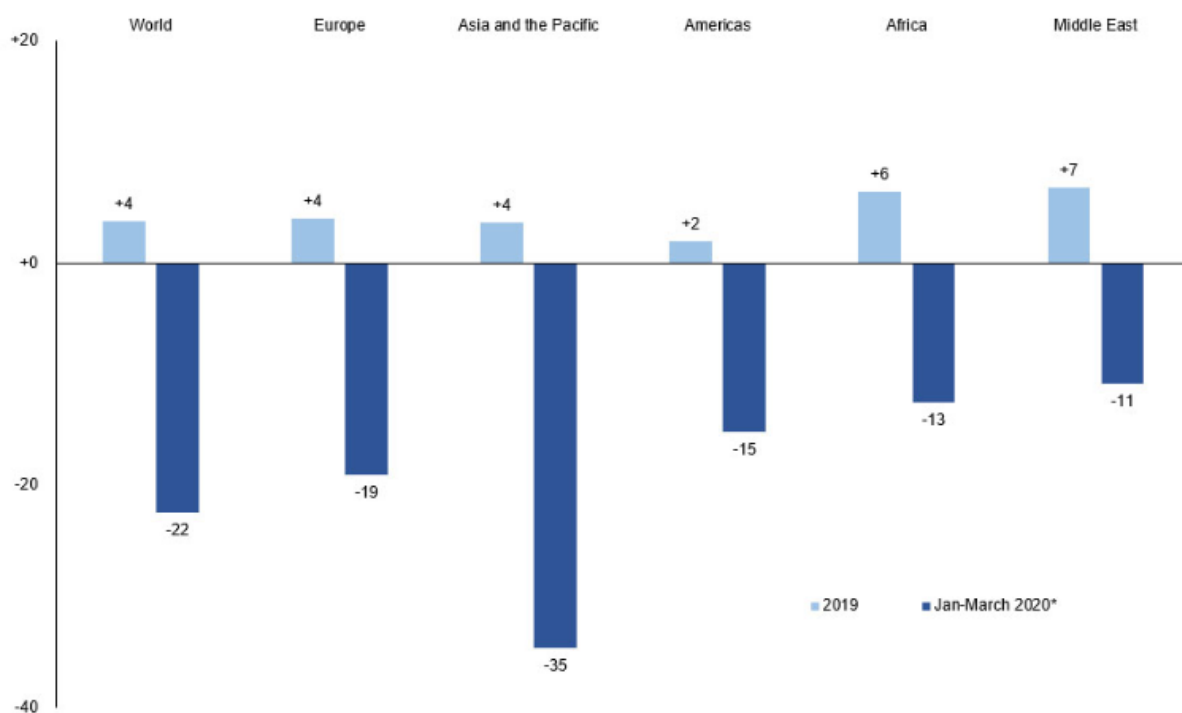
² <https://www.theedgemarkets.com/article/cover-story-tourism-tatters>

Europe which represents 50% of the global tourism is among the worst hit across the globe with decline of 22 million arrivals. While Asia and Pacific show the highest impact in relative with decline of 33 million arrivals.³

Malaysia tourism sector is certainly not spared from the all-encompassing impact from the Covid-19 pandemic. The Visit Malaysia 2020 (VM 2020) was supposed to take off this year which aimed to attract about 30 million tourists to Malaysia with an expected revenue of RM100 billion.⁴ The government allocated RM1 billion in the Tourism Infrastructure Fund until the end of 2020 to provide financial assistance to companies in tourism sector and tourism-related activities and services.⁵

Unfortunately, the Covid-19 pandemic has unravelled the VM2020 and seriously jeopardizing more than 3.5 million Malaysians who work in the tourism sector. On March 24, the Tourism, Arts, and Culture Ministry estimated the losses faced by the country's main tourism industry players for the January to March 2020 period to be RM9 billion. The players in question include the accommodation, transport, shopping, food and beverage sectors as well as the organizers of business events.⁶

International tourist arrivals, 2019 and Q1 2020 (% change)



<https://www.unwto.org/news/covid-19-international-tourist-numbers-could-fall-60-80-in-2020>

Importance of tourism sector to Malaysia

Traditionally, Malaysia has always been a popular travel destination for tourists from Singapore, Indonesia, China and also Europe. However, the Covid-19 pandemic had forced many countries

³ <https://www.unwto.org/news/covid-19-international-tourist-numbers-could-fall-60-80-in-2020>

⁴ <https://www.nst.com.my/business/2019/03/466912/visit-malaysia-2020-targets-bring-rm100b-tourist-receipts>

⁵ <https://www1.treasury.gov.my/index.php/en/gallery-activities/news/item/5297-borneo-post-bpmp-launches-rm1-bln-tourism-infrastructure-fund-aimed-at-boosting-tourism.html>

⁶ <https://mypf.my/2020/05/14/tourism-industry-malaysia-covid/>

including Malaysia to impose entry bans and close borders. What was once a promising year for Malaysia's tourism calendar has now turned into a complete disaster for the tourism and tourism-related which many worry it may take at least a year to recover from the impact of Covid-19 pandemic.

Tourism is important for Malaysia's economy as it is a driver of services exports, current account and foreign currency reserves. Malaysia welcomed a whopping 13.35 million international tourists and recorded a 6.8% growth in tourist receipts, thus contributing RM41.69 billion to the country's revenue during the first half of 2019.

Tourism performance saw growth in terms of per capita expenditure, rising by 1.9% to RM3,121.6 while the Average Length of Stay (ALOS) climbed by 0.4 nights to 6.2 nights. Top ten international tourist arrivals for the first half of 2019 were from Singapore (5,381,566), Indonesia (1,857,864), China (1,558,782), Thailand (990,565), Brunei (627,112), India (354,486), South Korea (323,952), Philippines (210,974), Vietnam (200,314) and Japan (196,561). While Top five countries with highest receipts were Singapore (RM11.56 billion), China (RM7.09 billion), Indonesia (RM5.71 billion), Thailand (RM1.70 billion) and Brunei (RM1.52 billion).⁷

According to World Travel & Tourism Council (WTTC) contribution from travel and tourism will be critical to Asia Pacific's economic recovery post-Covid1-19. Travel and tourism support jobs in most Asia Pacific countries, Malaysia recorded 6.6% growth of total employment in travel and tourism sector, with 49% visitor spend from domestic travellers and 51% of spend from international. Malaysia attributing 86% of visitor spend to leisure.⁸

It is believed that vital travel and tourism will power the recovery of the region's economy including Malaysia, generating new jobs and driving visitors back to the country. Travel and tourism post-Covid-19 will have a positive economic domino effect on companies in various industries and multitude of business throughout the country. Potential job losses in tourism sector could be as high as 10,000 to 15,000, given how severely air travel and hotel industry have been impacted, it highlights how critically the sector requires support from the government.⁹

As part of the economic recovery strategy, the government must also prioritise measures to protect the tourism sector given its significant contribution to the country's economy, where most tourism sector players are also a part of small and medium enterprises (SMEs), and they are fighting for survival now suffering from Covid-19 pandemic impacts.

Domestic tourism is expected to play a crucial role in ensuring the road of recovery for Malaysia's tourism industry. The Covid-19 pandemic with the anticipated 'new normal' is compelling Malaysia to rely more on domestic tourism to fill up the void left by absent foreign tourists as we chart our recovery path post-Covid-19.

Tourism receipts are the third highest contributor to Malaysia's forex earnings after manufacturing and commodities. Malaysia recorded RM84.1 billion in international tourism receipts, while domestic tourism expenditure was estimated at RM92.5 billion, it is estimated that domestic value would need to double its

⁷ <https://www.tourism.gov.my/media/view/tourism-contributes-rm41-69-billion-to-malaysia-economy-with-13-35-million-tourists-in-the-first-half-of-2019>

⁸ <http://www.meetings-conventions-asia.com/News/Industry-Reports/Travel-and-tourism-will-be-critical-to-Asia-Pacific-economic-recovery/>

⁹ <https://www.theedgemarkets.com/article/cover-story-tourism-tatters>

value to plug the shortfalls in tourism receipts from both domestic and international tourists, which is not attainable in the short run.

However, the situation can be eased with the fact that fewer Malaysians will be travelling abroad due to travel bans globally, strict quarantine protocols and lack of confidence in air travel for the time being. According to the Department of Statistics, outbound tourism expenditure spending by Malaysia's residents while abroad — stood at RM41.3 billion in 2018.¹⁰



https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=111&bul_id=Wk1KWlpxZTRDWnVhVWNMV21ZVVY3Zz09&menu_id=TE5CRUZCb1h4ZTZMODZlbnk2aWRRQT09

Covid-19 hit hard on Malaysia tourism

The year 2020 was supposed to be a big year for the country's tourism sector with VM2020. Hotels and airlines industries were expecting around 30 million tourists, but it was completely shattered by Covid-19 pandemic, the worst crisis that hit the country's tourism sector.

¹⁰ <https://www.theedgemarkets.com/article/cover-story-tourism-tatters>

Maybank Kim Eng senior economist Dr Chua Hak Bin was reportedly said tourism accounts for 6.1% of GDP. The collapse in tourism by as much as 50% this year could subtract 3 percentage points from GDP. Meanwhile, Azrul Azwar Ahmad Tajudin who is chief economist at Johor Corp estimated that Malaysia's tourism sector could lose, on average, 60% to 70% of business this year, with a severe drop or even zero income for many players in various segments. He pointed out that this could shave between 2.5% and 3.5% off Malaysia's overall GDP.

Since the entry ban was introduced by the Perikatan Nasional government, CEO of the Malaysian Hotel Association (MAH) Yap Lip Seng was quoted saying that Malaysia would lose at least 60% of its tourism business by 2020. Consequently, wage cuts, unpaid holidays were common across the sector as it is the only chance to save jobs. But more often, hotels on smaller budgets cannot survive the downtime, thousands of workers in tourism sector expected to face retrenchment.

Some hotels were used by the government as quarantine centres for Malaysians returning from abroad required to undergo the mandatory 14-day quarantine. The government promised to subsidise RM150 a day regardless of star-rating.¹¹ It was intended to support the struggling hotel industry during the Covid-19 pandemic and more particularly the Movement Control Order (MCO) as there was almost no income for hotels during the period. It was also mentioned that 35% of hotels in Malaysia had to close temporarily while 15% indicated that they will not survive the downtime and have to close completely.

According to Yap, hotels face extended losses from March this year onwards and, depending on when the MCO ends, there is a possibility of a "recovery" six months after the order ends. However, the term "recovery" indicates a return of tourists to Malaysia and not a profit recovery for hotel operators.¹² Hotels are not expected to record any profit below a 50% occupancy, given such grim projections, 30% of hotels would be closing down either temporarily or permanently with many up for sale.

Malaysia's hotel occupancy comparison 1st half 2020 vs 2019
 Estimated losses due to extension of MCO until April 28, 2020

MONTH	2019		2020	ESTIMATED LOSS OF ROOMS REVENUE (RM) BASED ON 200,000 STAR RATED HOTEL ROOMS ONLY
	OCCUPANCY (%)	AVERAGE DAILY RATE (RM)	OCC (%)	
January	58.50	227.89	55	(49,452,130)
February	67.72	238.07	44	(327,527,183)
March	64.99	223.64	22	(596,085,583)
April	64.68	219.55	6	(1,126,568,133)
May	52.91	206.70	11	(537,093,414)
June	64.10	228.75	16	(660,172,500)
			Total	(3,296,898,943)

*Note: Based on survey of 94,000 rooms inventory, using 2019 average room rates
 Not inclusive of F&B and events/functions losses*

This table is based on a survey conducted by MAH, published on The Edge Markets.

<https://www.freemalaysiatoday.com/category/leisure/2020/05/24/malysias-tourism-industry-decimated-by-the-shutdown/>

¹¹ <https://www.nst.com.my/news/nation/2020/04/582460/quarantine-hotels-rm150-day-regardless-star-rating-nsttv>

¹² <https://www.theedgemarkets.com/article/hotels-face-rm33-bil-loss-first-half-possibly-permanent-closure-some>

Government assistance to tourism industry

To date, three economic stimulus packages totalling RM280 billion have been announced by the government to improve the economy from the Covid-19 pandemic. The first one which was announced on February 27, 2020 sought to help the tourism sector. Incentives introduced for tourism industry players including double tax deduction on expenditure incurred on training courses for employees, six-month deferral on the payment of monthly income tax instalments, hospitality industry was exempted from service tax on the provision of accommodation and related services for six months beginning March.¹³

As the Covid-19 pandemic worsened, the MCO was implemented effectively from March 18. All businesses and premises other than those involved in essential services must be closed. This further impacted the broader economy, especially the already struggling tourism industry. As such, the second economic stimulus package was launched on March 27 and a third on April 6. Among the initiatives that help tourism industry such as Wage Subsidy Program (WSP) was introduced by the government under the second stimulus package to prevent large-scale retrenchment by funding a portion of the employees' wages. An automatic six-month moratorium on loan repayments also granted to small and medium-sized enterprises (SMEs) from April 1.

Commencing April 2020, SMEs and the tourism sector have also been granted an automatic three-month and six-month deferral respectively on the payment of their monthly tax instalments. Similarly, the Royal Malaysian Customs Department has granted an extension of time to May 13, 2020 for the payment of sales tax, service tax on imported taxable services, tourism tax and departure levies which are due in March and April 2020. Other initiatives including rental waivers or reductions, electricity and other discounts.¹⁴

Malaysia's Economic Stimulus Package (RM260 billion/USD64.6 billion)

1. Economic Stimulus Package (27 FEBRUARY 2020)

- The Malaysian Government announced a RM20 billion Economic Stimulus Package to mitigate the impact of COVID-19 outbreak and reinvigorate the growth of the Malaysian economy.

2. PRIHATIN Economic Stimulus Package (ESP) (27 MARCH 2020)

- The Government announced the PRIHATIN Economic Stimulus Package, injecting an additional RM230 billion into the economy.

3. PRIHATIN SME Economic Stimulus Package (PRIHATIN SME+) (6 APRIL 2020)

- The Government announced an additional allocation of RM10 billion to further support businesses, particularly the SMEs.

Source: MOF

<https://www.mida.gov.my/home/malaysia:-mitigation-measures-for-covid-19/posts/>

¹³ <https://www.thestar.com.my/lifestyle/travel/2020/03/03/the-2020-economic-stimulus-package-is-a-boost-for-malaysian-tourism>

¹⁴ <https://news.bloombergtax.com/daily-tax-report-international/insight-malysias-economic-stimulus-package-2020-tax-measures>

Rethinking tourism

Coronavirus is continuing its spread across the world, with more than 5.5 million confirmed cases in 188 countries. More than 350,000 people have lost their lives.¹⁵ With empty airports, airline fleets grounded, borders closed, travel bans imposed, public and sports events postponed or banned, travellers are literally in fear. Many airlines, tour agencies and operators, hospitality and F&B companies are facing insolvency, while stock values crashing. In just two months, Covid-19 has devastated the tourism sector in a scale that was unprecedented to most of us.

Pre-planning by the government is needed to deal with the Covid-19 pandemic. The state of unpreparedness and hesitance would make the effects even more serious and lingering. Many in the tourism industry agreed that the initiatives by the government are not just necessary but also critical in ensuring the survival of the tourism industry post-Covid-19.

As Malaysia is slowly re-emerging from the difficult time, the downtime may also provide an opportunity for us to pause, reflect and reset the way forward for post-Covid-19 tourism recovery.¹⁶ According to Travel Daily News, the real lessons can be learned from the Covid-19 pandemic influences on consumer behaviour, social distancing has altered the lifestyle balance and the way people interact on a daily basis. The focus on personal health and wellness would create new behavioural drivers for the tourism market, such as dining, spa and health tourism. Staying at home and not travelling by choice also greatly reduce the pool of potential tourists globally and the spending trend.

Live streaming and virtual travel have seen a massive rise in China.¹⁷ The government may need to tap on these trends as part of a larger digital transformation post-Covid-19. Some countries have revised visa restrictions and even introduced blanket bans, whether these would be lifted immediately or in phases. E-payments may also replace germ-stained banknotes and coins while traveling. Questions also hover around whether tourists would book holidays and business trips on a shorter period or timeline or less winter travel in future. These are the 'new normal' or emerging new tourism trend that the government may need to consider post-Covid-19.

It is widely believed that Covid-19 pandemic may occur again in future. It is very important that government, tourism boards, airport authorities, travel agencies, tour operators, hotels et al must overcome the current health emergency, and then take this time to ponder and plan for the future. The best lesson that Covid-19 has taught us is that tourism can be more vulnerable than we thought previously and we must be prepared even at good times.

The new travel normal

The raging Covid-19 engulfing more than 200 countries is forcing tourism to a standstill. With lockdowns imposed globally including Malaysia, airlines and business are screaming for government help. While hotels in Malaysia are estimated to have incurred total revenue loss of more than RM1.5 billion since MCO was imposed in March, 30-50% of travel companies have closed down while other more established ones are struggling.

However, it is expected that in-bound tourism might start to recover beginning in October. Due to lingering concerns over safety, most potential tourists are likely to choose domestic travel and nearby destinations once the MCO is lifted.

¹⁵ <https://www.bbc.com/news/world-51235105?>

¹⁶ <https://www.traveldailynews.asia/rethinking-tourism-for-a-post-covid-19-recovery>

¹⁷ <https://www.ft.com/virtualtravel>

It is expected that many Malaysians will want to travel once the travel restrictions are lifted with preferences to travel within the country hence their spending will mostly help local businesses in tourism industry. It is high time that tourism industry players think of new ways to regain and improve their financial positions post-Covid-19.

MAH CEO Yap Lip Seng opined that tourism will never be the same again, particularly in hotel operations. The very essence of hospitality industry which revolves around human interaction and various sections of the hotel will need to evolve and change to accommodate disease prevention, especially food and beverage.¹⁸

We will see a shift in preference and behaviour among tourists and travellers, public health conditions of destinations and hygiene standards of transportations, hotels and other tourism facilities will become a top priority.

On April 24, the Hong Kong Tourism Board (HKTb) organised a world tourism web conference participated by 1,500 representatives from travel agencies, tourist sites, hotels, airlines, retail and dining industries, as well as meetings, incentives, conventions and exhibitions and cruise sectors.¹⁹ Speakers shared their views that people will prefer short-haul breaks and shorter itineraries; wellness-themed trips will become a new trend. Domestic travel is expected to be the major preference shortly after Covid-19 pandemic and outbound travel will resume soon after. Regional competition is expected to be fiercer than ever.²⁰

The potential of Muslim travel market in South-East Asia as China is also increasing importance to the Muslim market to widen its reach in the region. It was also shared in the conference that young and middle-aged groups in Japan, South Korea and Taiwan would be the most eager to travel. While green tourism and the outdoors will be favoured also, apart from short-haul travel as mentioned earlier.

Tourists and travellers post-Covid-19 will become more price-conscious as they will seek value-for-money holidays. Health and nature will be given greater emphasis when tourists choose destinations for future trips.

Although tourism is expected to improve from the third quarter of this year, recovery may be slow. As many potential tourists and travellers will reduce their travel plans in the next 12 months. Moreover, it was generally agreed that on the future of tourism post-Covid-19, 'travelling will become a luxury again.' The Covid-19 pandemic will make travelling more expensive, where cheap flights and cut-rate prices or promotions will soon be a thing of the past.²¹

Tourism industry expected to shrink by 50% in 2020, which means a significant job losses and revenue cuts, as a result, flight ticket and hotels will cost more, and travelling will become more expensive. In order to reduce infection of the pandemic, it is also reducing available space, and keeping a distance between people is expensive in tourism industry, thus travelling will become luxury again. For instance, airplanes and trains will have to introduce empty rows of seats to prevent infection as part of 'new normal' in tourism.²²

¹⁸ <https://www.theedgemarkets.com/article/hotels-face-rm33-bil-loss-first-half-possibly-permanent-closure-some>

¹⁹ <https://www.eturbonews.com/571469/worlds-first-tourism-recovery-plan-announced/>

²⁰ <http://www.meetings-conventions-asia.com/News/Destinations/Hong-Kong-Tourism-Board-outlines-recovery-plan/>

²¹ <https://www.thestar.com.my/business/business-news/2020/05/02/new-tourism-trend-to-emerge-post-covid-19>

²² <https://www.cnn.com/2020/05/10/heres-how-travel-will-change-after-the-covid-19-pandemic-recedes.html>

On this note, it is an ideal time for us to review and rethink Malaysia's tourism position and market as we poise for recovery post-Covid-19 and it is very much depends on how successful we are in adapting to the 'new normal' in the emerging new tourism trend post-Covid-19.

New tourism trends and suggestions

The Covid-19 pandemic will have a long-lasting impact on the global tourism. We expect tourism to witness a radical shift after the Covid-19 pandemic in ushering a new wave of slow and smart tourism and an increased emphasis for health and wellness. Growing popularity of free and independent travel, luxury trips and health and wellness tourism. However, group tours will not end completely now but additional measures should be in place. Relevant policies and regulations should be enacted to promote safety, such as avoiding group dining and activities.²³

Domestic and rural tourism encouraged

Global tourism is expected to take a hit due to drop in outbound tourists, but it is also indicating a boost to domestic tourism as the health emergency situation improves within the country. The trend may continue in other countries of which governments around the world have started to plan ahead as an important step for tourism recovery in respective countries.

Tourists will be cautious when going overseas, but they can enjoy luxury trips domestically. It is also possible that tourists would favour domestic high-class medical facilities and wellness centres in a new tourism trend post-Covid-19. However, the government may have to accept the fact that, inbound tourism to Malaysia may need more time to recover due to global mood, restrictions, cost and inconvenience.

Slow and smart tourism

It is understood that traveling the post-Covid-19 era will not be in the form of mass tourism and instead more independent and deliberate short holiday experiences termed as 'slow tourism'. It focuses on local populations, longer lengths of stays and more fulfilling tourist experiences, tourists can prioritize travel quality over quantity.

In order to avoid overtourism, tourist hotspots should take measures to regulate flows as is already done in places like Barcelona, Cinque Terre, Venice, Dubrovnik, Iceland, etc.

Creative and more inclusive tourism should be developed to avoid a concentration of activity on the hotspots and to involve residents in the activity. Visitors can participate in cultural and creative experiences that reflect the identity of the area and create something jointly between residents and tourists.

The trend for staycations and slow tourism should be encouraged. Travellers see local tourism as a good way to maximise holiday time by reducing travel time which also benefits the environment and saves money.²⁴

While 'smart tourism' could enhance travel experience such as visitation data, time spent at attractions could be used to facilitate crowd management, which is essential in maintaining social distancing in a post-Covid-19 world. This also gives rise of E-tourism, which has been developing since the 2000s. The

²³ <https://news.cgtn.com/news/2020-04-22/Post-COVID-19-tourism-could-be-slow-but-smart--PTrv29BYaY/index.html>

²⁴ <https://www.hospitalitynet.org/opinion/4098500.html>

Covid-19 pandemic could revolutionize practices and help to accelerate the transformation of the tourism industry that is still very conservative.

Focus on health and wellness

Health and wellness will receive greater emphasis in global tourism with heightened awareness of health and wellness and also the requirement for social distancing, hygiene and sanitation. The aspect in post-Covid-19 tourism will grow in Asia Pacific countries with notable signs in China, Thailand as well as India and Middle East. As such, Malaysia government need to improve hygiene and sanitation standards with cooperation from tourism industry players. More efforts needed to encourage hotels, restaurants and tour operators to upgrade their hygiene and sanitation facilities in near future as part of the 'new normal' in tourism trend post-Covid-19.²⁵

Back to nature

Nature tourism will receive greater preference and it is not surprising in a post-Covid-19 world. This form of tourism will allow people to put together social distancing and discovery and contact with nature. tourism. Nature tourism in particular is the second largest contributor to Malaysia's economy. It brings visitors from around the world to witness the beauty and the diversity of Malaysia's species, habitats and landscapes.²⁶

Travel privacy will be more important from now on. Nature tourism will alleviate the fear of proximity between people and the need to avoid crowded spaces. The government could launch more nature tourism campaigns by encouraging Malaysians to travel locally to explore the natural wonders of the country, road trips and even micro-holidays domestically.

RECOMMENDATIONS

Tourism Malaysia was reportedly capitalising on Health director-general Datuk Dr Noor Hisham Abdullah's global recognition to promote Malaysia as a safe destination in anticipation of the tourism sector rebounding post-Covid-19. Tourism industry players were urged to promote how safe Malaysia is.

The focus should be on domestic tourism and collaboration with neighbouring countries to promote local and regional tourism packages. Tourists and travellers need assurance from government that stringent measures are put in place to assure health and safety. Industry players must cooperate with government and authorities to embrace the 'new normal' in tourism and adjust to emerging new trends.²⁷

It was timely and necessary for the government to restructure the 12th Malaysia Plan (12MP) by taking into account the impacts of Covid-19 pandemic which has caused economic slowdown in the country and the fact that tourism sector being the worst hit.²⁸

Income from tourism industry is also affected and we are bound to be more dependent on domestic tourism in near future post-Covid-19.

²⁵ <https://vulcanpost.com/699618/travel-trends-post-covid-19-singapore/>

²⁶ <https://www.nst.com.my/opinion/columnists/2020/05/588872/pandemic-badly-affecting-nature-tourism-industry>

²⁷ <https://www.thestar.com.my/news/nation/2020/05/19/tourism-players-prepare-for-new-normal-anticipate-rebound-post-covid-19>

²⁸ <https://www.nst.com.my/news/government-public-policy/2020/04/587892/12th-malaysia-plan-be-reviewed-restructured-wake-covid>

As the government charts our recovery post-Covid-19, rapid and extensive consultation across the sector should be conducted with major industry players. Firstly, the government and tourism industry players need to understand the timelines needed for business to get up and running again, we need consensus on this to help the industry phase the withdrawal from MCO or lockdowns as the government plans ahead. This would allow businesses and tourism players or operators to assess their ability to reopen under clear criteria so that they can prepare. Recognition also must be given by the government to the industry players to enable faster recovery with longer term financial support identified and allocated.

Secondly, the government should consider what policies needed to best protect jobs, retain skills and keep potential tourists and travellers safe when restrictions in MCO is lifted. This would help staffs back to work and keep the visitors safe. The government should consider an additional stimulus package specifically dedicated to tourism sector as suggested by Malaysian Association of Tour and Travel Agents (MATTA)²⁹.

The government may also identify what pressures or issues can be lifted or solve to aid the recover of business and help tourism industry players to adapt to new trends in travelling. Relaxation of planning restrictions that limit the opening for some businesses, cost of doing business, even lowering tax obligations of companies or visitors. The government should also pursue international collaboration to build global consensus on tourism recovery.

For long term future, the government should prepare the tourism sector for a new era of travel post-Covid-19 through adaptation of new norms and trends in travelling. Authorities should help industry players to understand and embrace new practices and requirements through data and information sharing, product development, training and cost reduction across the industry. Government must be committed to support tourism and provide funding for building of a tourism data hub that will support the recovery, especially for SMEs in the country.

The Covid-19 pandemic could be an opportunity to drive innovation and improve productivity and boost Malaysia's profile as a tourism destination post-Covid-19. Regulation changes and relaxation such as visa extension or waiver program could be considered. AS we are facing the rest in tourist behaviour forced by the pandemic and lockdown; it would be advisable that government and tourism industry players think about questions of sustainability and adaptation to longer term tourist behaviour and new trends in tourism post-Covid-19.

In recent weeks, many hotels ceased operations and several major hotels were also put up for sale. While this may not augur well for the industry and employment numbers, it also presents an opportunity for greater consolidation of the hotel industry and perhaps the development of strong local brands to drive the hospitality industry. Tourism will recover as some travel agents have already receive enquiries from overseas on when Malaysia would reopen its borders.

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²⁹ <https://www.theedgemarkets.com/article/matta-much-more-can-be-done-help-malysias-tourism-industry>