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Tourism Recovery Plan:
An Opportunity for Change Post COVID-19

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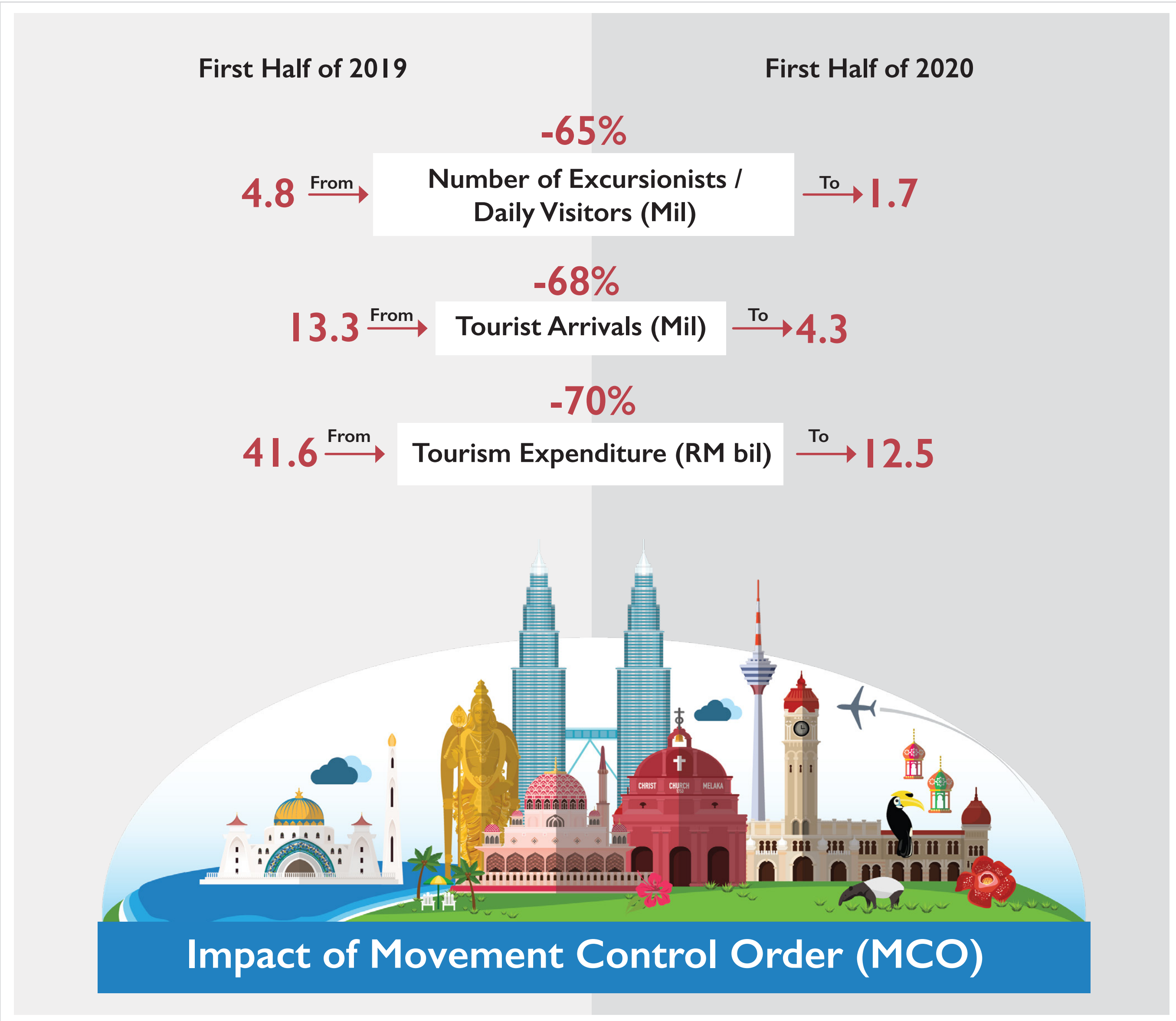
Introduction

COVID-19 has significantly impacted the Malaysian economy. The imposition of a nationwide Movement Control Order (MCO) to curb the pandemic forced economic activities across sectors to a halt, with some economic sectors faring far worse than the rest. The tourism sector is currently one of Malaysia's hardest-hit sectors. The absence of travel and tourists led to a near-collapse of Malaysia's tourism sector as tourism activities are highly dependent on the movement of people from one destination to another. **The Ministry of Tourism, Arts, and Culture (MOTAC) reported estimated losses for the tourism sector in the first half of this year to be around RM45 billion due to the impact of MCO (Figure 1).**

Figure 1: Impact of MCO on the tourism sector



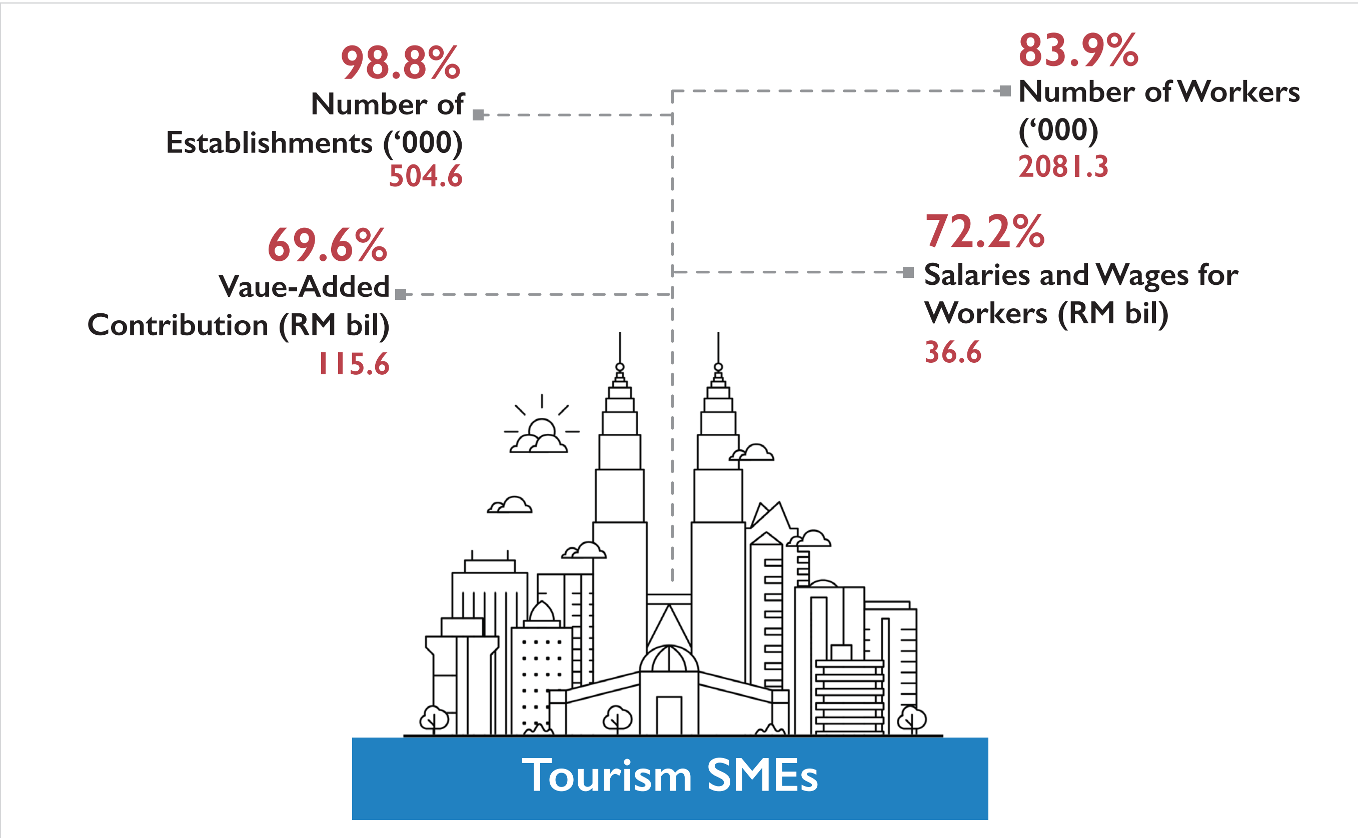
Source: Tourism Malaysia with the cooperation of Immigration Department

Subsequently, the government rolled out Pelan Jana Semula Ekonomi Negara (PENJANA), Malaysia's short-term economic recovery plan on June 5, 2020, to mitigate the impacts of MCO on the economy. PENJANA provided direct support to the tourism sector through financing for SMEs (PENJANA Tourism Financing) and various tax incentives besides indirect support via the wage subsidy programme (Appendix 1).

Although PENJANA is pivotal for our short-term economic recovery, a comprehensive long-term recovery plan is essential for a more sustainable recovery post COVID-19. Therefore, this paper seeks to identify the structural challenges faced by the tourism sector and propose policy recommendations to address them. For this paper, we engaged with various stakeholders from the travel agencies and other reservation services subsector. We chose this subsector as it consists of customer-facing industry players heavily reliant on the interdependence and cooperation with other subsectors such as accommodation services and air transport services, to carry out their businesses and operations successfully. This subsector is one of the most affected both by Covid-19 and the underlying structural challenges explored in this paper.

Tourism SMEs are the key drivers of Malaysia's tourism sector (Figure 2). According to the Tourism Statistics from the Economic Census 2016, the travel agencies and other reservation services subsector had the second-highest percentage (99.93 per cent) of SMEs in terms of the total establishments within the subsector. It was, for this reason also, we chose this subsector (Appendix 2). Thus, we must understand the structural challenges faced by tourism SMEs and help them overcome these challenges if we aspire for the recovery of the tourism sector in the long run. Through our stakeholder engagement, we were able to identify three main challenges faced by SMEs, namely the lack of innovation, fear of competition, and lack of social protection.

Figure 2: SMEs in the Tourism Sector



Source: Tourism Statistics from the Economic Census 2016, Department of Statistics Malaysia

Emerging Market Trends

The international tourism sector in Malaysia has been growing more slowly than regional peers. The trends in Malaysia's international tourist arrivals and tourism expenditure clearly illustrate the shifts in travel patterns (Figure 3). Whereas international tourist arrivals and tourist expenditure has grown significantly in Thailand, Singapore, the Philippines, and Singapore between 2010 and 2018, the growth for Malaysia has been relatively sluggish. While the average growth of international tourist arrivals and tourism receipts across the five nations between 2010 and 2018 was 65 per cent and 93 per cent respectively, Malaysia only recorded a growth of 5 per cent and 8 per cent (Appendix 3).

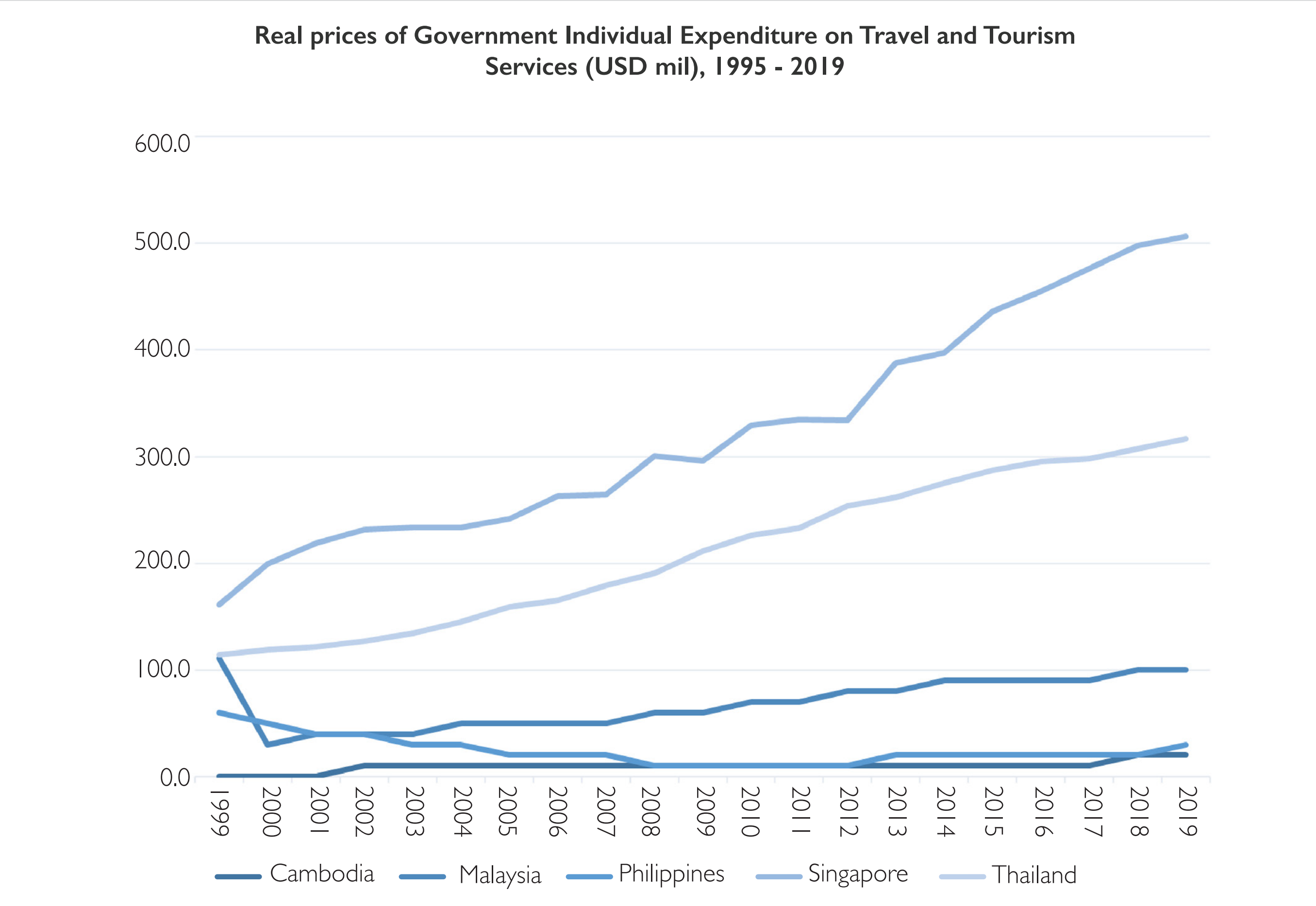
Figure 3: International Tourist Arrivals and Tourism Receipts across selected ASEAN nations

Source: International Tourism Highlights (2019 Edition) and World Tourism Barometer (Volume 18, Issue 4, July 2020 Update), World Tourism Organization (UNWTO)

All ASEAN nations except for Malaysia, Myanmar, Laos, and Brunei, have at least one of their destinations featured under the Top 25 Popular Destinations category in Travellers Choice Best of the Best Awards. The failure of Myanmar, Laos, and Brunei to not be featured on this ranking is not surprising as these nations collectively have captured the smallest share of the ASEAN tourism market. However, Malaysia's inability to join its neighbours the list raises concern despite its significantly larger share of the tourism market.

Star attractions in Malaysia may have lost their appeal to modern travellers. Stakeholders have raised concerns over the current role of existing major attractions in attracting tourists to Malaysia. They believe that most of these attractions are unable to compete with the more recent developments over the past decade in Singapore. According to Google Review Rankings, Petronas Twin Towers was placed fourth on the list of 10 most visited travel attractions. In contrast, Singapore dominated the list with 5 of its major tourist attractions featured in the list while also occupying the top 3 spots in the list.

Figure 4: Government Individual Expenditure across Selected ASEAN Countries

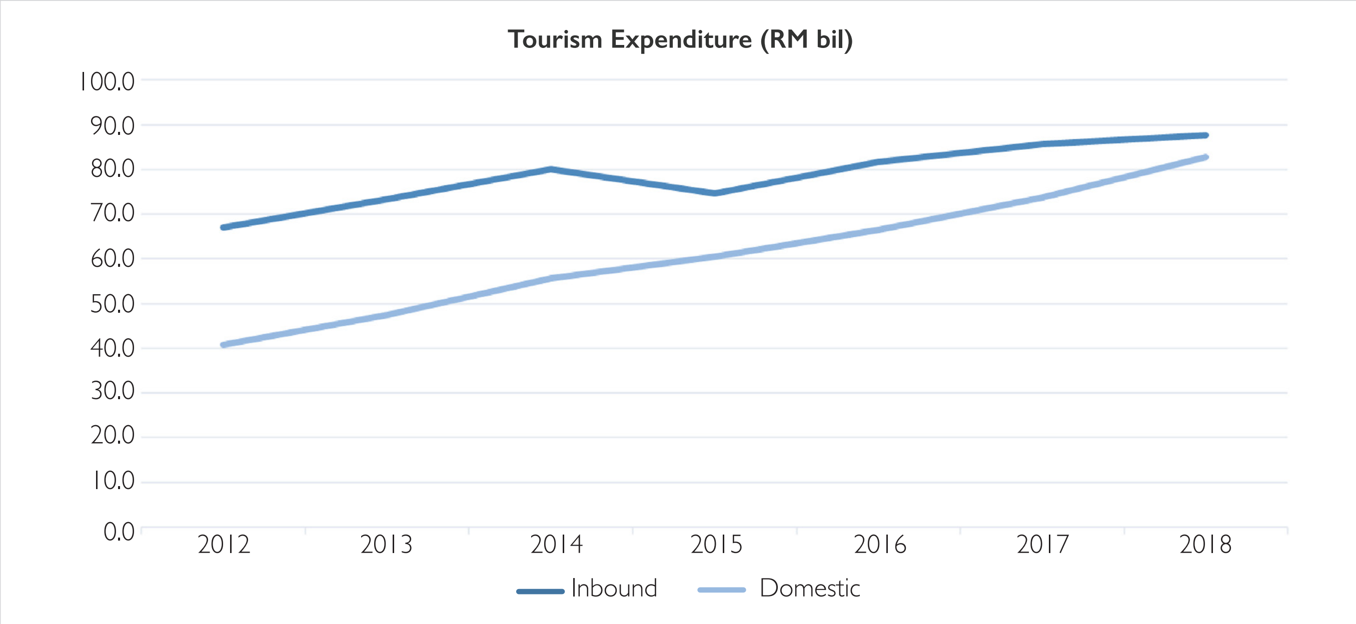


Source: World Travel & Tourism Council

Tourism-related expenditure by the government is also sluggish relative to regional peers. Spending by the Malaysian government on travel and tourism services directly linked to visitors, such as cultural and recreational services, has been relatively constant and significantly lower compared to Singapore and Thailand in the past two decades (Figure 4). This trend may help to explain the reason behind both inbound and tourism spending on the culture, sports, and recreational services being one of the lowest in comparison to other products over the past decade (Appendix 4).

Domestic tourism has been growing faster than international tourism in Malaysia. In recent years, tourism expenditure by domestic tourists has seen faster growth than tourism expenditure by international tourists (Figure 5). On current trends, domestic tourism expenditure is highly likely to converge with the inbound tourism expenditure, if it has not already done so. This trend reflects the growing affluence of Malaysia's domestic market and changing preferences. According to the Survey on Domestic Travel in Malaysia after MCO, almost 75 per cent of respondents prefer to travel domestically than overseas, and over 50 per cent of respondents also believed that travelling within Malaysia is safe. The growth in the domestic tourism market represents a significant positive development, relative to the weaker performance for international tourism in comparison to regional peers. However, stakeholders highlighted inadequate infrastructure as a barrier to capitalising on Malaysia's domestic tourist market.

Figure 5: Domestic and Inbound Tourism Expenditure

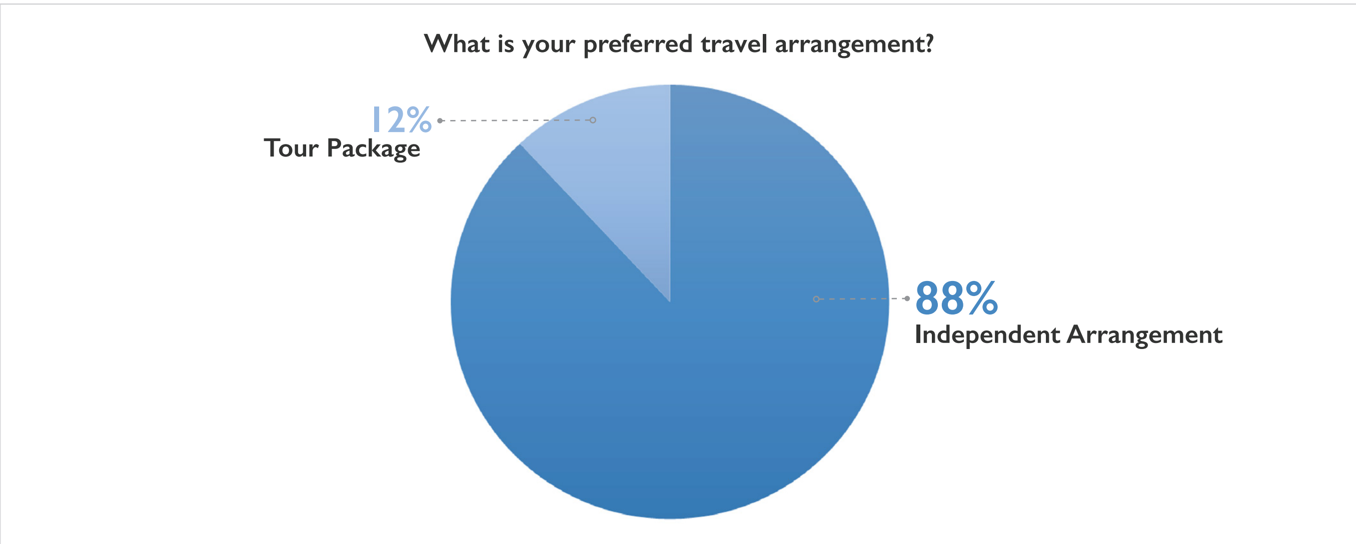


Source: Source: Tourism Satellite Account 2018 and Tourism Statistics from the Economic Census 2016, Department of Statistics Malaysia

Lack of Innovation

Malaysian tourism consumer preferences are changing, but the industry is proving slow to adapt. According to MOTAC, there are currently 5,054 registered travel agencies. However, almost 90 per cent of respondents prefer arranging their travels by themselves (Figure 6). Consumption of products offered by the travel agencies and other reservation services subsector has also recorded the lowest growth in recent years, with a Compound Annual Growth Rate (CAGR) of only 0.2 per cent from 2015 to 2018 (Appendix 5 and 6). Moreover, this subsector also records one of the highest surplus (1.8 per cent) when we compare the CAGR of both the consumption and supply of tourism products. (Appendix 6). The presence of this surplus may suggest that the industry is being slow to adapt to changing consumer behaviour.

Figure 6: Travel Arrangements Preference of Domestic Travelers



Source: Survey on Domestic Travel in Malaysia, Department of Statistics Malaysia

Technology is having a transformative impact on the tourism industry. With the advent of the smartphone alongside its wide range of apps, information is widespread and easily accessible for most contemporary travellers. It is easier for prospective tourists to gain information on travel destinations, products, and offerings. Mobile apps such as Trivago and Booking.com can offer their users with comparison on a wide range of travel deals. Consumers are hence, given an opportunity to decide deals that are the best value for the money. The rise of super apps within the tourism industry region is also noteworthy. A super app essentially serves as an umbrella portal to a host of products and services. AirAsia founder and CEO Tony Fernandez and his team are reportedly developing the next super app, which could rival the likes of Grab, Gojek, and WeChat. They aim to consolidate their existing products including, airlines, hotels, insurance, mobile, and e-commerce services in their upcoming super app.

The Covid-19 pandemic is likely to accelerate digitalisation trends within the tourism industry. According to OECD's recent report on Tourism Policy Responses to the coronavirus (COVID-19), there will be shifts in tourist behaviour as tourist prioritise hygienic and healthy living. Such preferences are likely to translate into further demand for digital products, including higher use of cashless and contactless payment methods and uptake of cloud-based property management systems.

Lack of access to a stable and strong internet connection can hinder SMEs from digitalising their businesses and operations. According to the Economic Census 2016 on the usage of ICT by Businesses and e-Commerce, only 62 per cent of business establishments have access to the internet, only 46 per cent have fixed broadband (often of low quality), and just 18 per cent have a web presence of some kind. As noted by the World Bank's report on Malaysia's Digital Economy, the impressive growth in Malaysia's connectivity has not yet translated to the increased web presence for businesses in most sectors of the economy. Firms engaged in e-commerce also tend to be much larger than the average establishment, which contradicts the presumption that the internet allows newer, smaller, more entrepreneurial firms to enter the marketplace and thrive. This trend could partly be due to SMEs lacking the financial resources to acquire the expensive broadband packages.

There are indications that SMEs in tourism – and travel agencies in particular - are struggling more than other sectors to respond to digitalisation. Ensuring internet connectivity at fast speeds and competitive prices will be vital to ensure that SMEs in the tourism sector can adapt to the rapid increase in demand for digital tourism products and services. The number of e-commerce within the tourism sector is also low. Within the Travel agencies and other reservation services subsector, only 3 per cent of SMEs adopted e-commerce in 2015 (Appendix 7). Measures of productivity can be a proxy measure for digitalization and reveal the challenge for travel agencies in particular. The productivity of the Travel Agencies and Other Reservation Services subsector stood only 2 per cent from 2010 to 2015 (Appendix 8), which was lower than the entire tourism sector (5 per cent) and the national average (3 per cent).

The divide in terms of broadband coverage among the Malaysian States is another factor that prevents SMEs from adopting digitalisation, which impacts tourism. According to the MCMC, Network Performance Report, these regional disparities mean that depending on where they are, Malaysians will have a different digital experience, and consequently, varied opportunities to benefit from digital technologies. This trend, in turn, could indicate that some SMEs, especially those based in areas with low broadband coverage and network quality, would not be able to leverage digitalisation optimally. Regional disparities in access to fast, affordable internet could undermine efforts to capitalize on Malaysia's domestic tourism market.

Beyond infrastructure, the Tourism Industry Act of 1992 and related regulations impose some restrictive conditions on the tourism industry that could undermine the scope of innovation. The tourism act includes several restrictions, including the need for tour guides to demonstrate training requirements, travel agencies to comply with various reporting requirements, and excursion vehicles to be licensed by numerous authorities. Such restrictions can reduce the scope for firms to innovate with new business processes. Stakeholders have also expressed their concerns over the bureaucratic burden emerging from these regulations.

Although it is evident that digital adoption remains a challenge for Malaysia's Tourism SMEs, firms need to embrace and respond positively to these trends and change through digitalisation. Firms that are unable to adopt digitalisation will have to face strong digital competitors in the future. However, through our stakeholder engagement, we found that most firms appear to be afraid of competition and believe that the current business landscape promotes unfair competition.

Fear of Competition

Fear of competition is undermining motivation to invest in innovations such as digitalisation among tourism firms. Stakeholders reported that some enterprises are not willing to invest in digitalisation. Several travel agencies are worried about the uncertain outcome of such an investment. They feel that there is a greater risk on returns if they were to trade their tour packages online rather than offline. They are not confident in competing with larger online booking websites such as Expedia and Traveloka. Stakeholders also highlighted significant competition from new platforms such as Airbnb. It is vital to ensure that all players compete on a level playing field with the tourism industry. However, any regulatory framework should foster, rather than restrict innovation, that can have a positive impact on the tourism industry as a whole.

Box 1 - Airbnb Paradox

There have been claims that Airbnb negatively affects the accommodation sub-sector as they take away some of the hotels' market share. Airbnb was also declared illegal by the Sabah state government in 2017. However, a report by Oxford Economics revealed that our tourism sector had benefited from Airbnb guests who had been spending on local communities. According to the report, the cumulative spending by Airbnb guests in Malaysia summed up to 1.1 USD bil while supporting 52,100 jobs through direct, indirect, and impacts in 2019. Airbnb has seen rapid growth in Malaysia too. In 2015, its rentals contributed only 0.3 per cent of GDP and employment. By 2019, this had risen to 2.5 per cent and 2.6 per cent of the totals, respectively. Hence, despite the negative connotation over the presence of Airbnb in Malaysia, it is evident that Airbnb had contributed to our economy by attracting tourists with spending power to our country. It also provides income to local hosts who, through their spending, stimulate further activity.

The presence of GLCs in the tourism sector may signal unfair competition in the tourism sector. Stakeholders identified that GLCs had initially collaborated with other players for knowledge transfer and skill training programmes. However, upon building their expertise, these GLC subsidiaries ended up rivalling directly with other industry players by offering comparable products at competitive prices. GLCs can play a significant role in supporting SMEs in some industries, but with no framework to ensure competitive neutrality, there is a risk that GLCs "crowd out" private sector growth. The government should assess the role of GLCs and their subsidiaries in the tourism market to ensure they do not leverage any of their unfair advantages.

The pandemic has also highlighted weaknesses in the social protection system, which may undermine the ability of the tourism sector to adapt to shocks. Adequate social protection can provide a crucial role in supporting workers during shocks and limiting longer-term damage to the productive capacity of the economy. The significant contraction within the sector as a result of the MCO will lead to an inevitable layoff of workers and business closures in the upcoming months. In the longer term, workers and business owners who are protected better will be more willing to take up risks, such as venturing into new professions and investing in new technologies. The implementation of the PENJANA programme highlights some useful lessons for improving social protection in the tourism sector in the future.

Lack of Social Protection

A clear distinction between SMEs and micro-enterprises is needed when rolling out government assistance programmes. SMEs and micro-enterprises though commonly grouped as a single type of entity can have noticeably different needs, given their different sizes and access to capital. Stakeholders reported confusion with financing initiatives and loans aimed to support micro-enterprises, also included SMEs, during their marketing exercises. Inconsistent information alongside vague terms and conditions can raise substantial confusion among players when applying for loans from the designated direct financial institutions (DFIs). The clear communication of the eligibility criteria for future funds and loans is imperative to ensure targeted stakeholders can fully benefit from these government support programs. Meanwhile, industry players should also be more proactive in seeking information about these programmes to prevent any wastage of their time, energy, and resources.

Unorganised workers are falling through the cracks. Given the lack of access to banking institutions, transport service providers within the tourism sector, such as bus and ferry operators, often have their assets financed by leasing companies. However, these leasing companies are not required to abide by the loan moratorium introduced by the government. With no tourists to transport and dwindling income, stakeholders reported that many operators have fallen into a debt spiral as they take out more loans to finance their compounding debt. As they are also not registered with MOTAC, these independent contractors do not qualify for welfare benefits from bodies such as the Employees Provident Fund (EPF) and the Social Security Organization (SOCSO). Hence, the government should establish a database to consolidate information on these unorganised workers to ensure that they can have access to the government's assistance programs too. Unorganised workers need to cooperate with government agencies by registering themselves with these databases and disclose the necessary information on their operations and businesses.

A targeted approach is vital for a sector that consists of industry players of all sizes, financial and technical capacities. Industry leaders have raised concerns about the lack of focus given to business owners as the rollout of financial aid packages so far was deemed to protect the interests of their employees only. According to them, funds and loans that have been made available to them were often sufficient for overhead expenses only, such as staff salaries and rental payments. Business owners feared that their businesses might not be able to stay afloat as the risk of bankruptcy and the threat of closures in the medium to long run are still present. Ultimately, the government cannot be responsible for maintaining the financial viability of businesses. However, the government can work towards a social safety net that provides a measure of protection for workers and gives small business owners confidence to innovate and adapt to changing business conditions. In unanticipated crises such as the Covid-19 pandemic, there should be room to consider support on exceptional cases to maintain businesses. However, government support should be well-targeted and with a clear exit plan.

Policy Recommendations

There is space for the government to better enhance its long-term recovery plan by addressing the lack of social protection within the tourism sector as a means to address the impact of an expected downsizing within the tourism sector. Once the social safety net is well-established, the government can be in a better position to work with private actors. The government should be able to address the lack of innovation within the sector as we embrace the new normal with accelerated technological disruption and radical shifts in consumer behaviour. Subsequently, the government would have then reduced the fear of competition among industry players and they will resume undertaking new investments as the sector captures the opportunities arising from the shifts in travel patterns and tourism trends.

The table below suggests recommendations to address these issues:

Structural Challenges	Recommendations
Lack of Social Protection	**Adopt non-discriminatory policies** The government should consider developing policies that offer more comprehensive social protection for players within the tourism sector. The prevalence of unorganised and seasonal workers is much higher in the tourism sector. Social protection should help firms and workers adapt to new markets within the new normal. They can help these players adopt alternative business models and employment by offering business loans and reskilling programmes. Hence, robust welfare measures could be put in place to safeguard their livelihoods in times of uncertainty.
Lack of Innovation	**Undertake regulatory and infrastructure overhaul** The government can consider nurturing an ecosystem in which firms compete on a level playing field. For instance, taxation policies and local laws should apply equally to all industry players. However, any regulations should be balanced by taking into account both the growth of firms and creating a level playing field. The government should also revisit its role in the tourism sector. Instead of competing directly with firms, it can help SMEs redevelop their businesses to cater to current and future trends. The government can redirect resources to SMEs for programmes such as the upskilling of the workforce.
Fear of Competition	**Promote fair competition** The government can consider nurturing an ecosystem in which firms compete on a level playing field. For instance, taxation policies and local laws should apply equally to all industry players. However, any regulations should be balanced by taking into account both the growth of firms and creating a level playing field. The government should also revisit its role in the tourism sector. Instead of competing directly with firms, it can help SMEs redevelop their businesses to cater to current and future trends. The government can redirect resources to SMEs for programmes such as the upskilling of the workforce.

Appendix

1) PENJANA Key Initiatives

<table>
<tr><th>Tourism Sector</th><th>All Sector</th></tr>
<tr><td colspan="2">Wage Subsidy Programme

To extend the wage subsidy programme costing RM5.3 billion for 2.7 million workers to the end of September 2020 with a subsidy of RM600 per employee for all eligible employers with the added criteria below:

• Allows employers receiving wage subsidy to implement reduced work week (e.g. 4-day work week with a reduced pay of 20%).

• Allows employers to receive wage subsidy for employees on unpaid leave, subject to employees receiving the subsidy directly (only applicable for tourism sector and businesses which are prohibited from operating during CMCO)</td></tr>
<tr><td>PENJANA Tourism Financing (PTF)

To finance transformation initiatives up to RM1 billion by SMEs in the tourism sector to remain viable and competitive in the new normal with a total allocation of RM1 billion.</td><td>PENJANA Microfinancing

To support micro-enterprises through funding programmes costing RM400 million for SMEs and micro-enterprises at an interest rate of 3.5%, aggregated approved financing capped at RM50,000 per enterprise and RM50 million set aside for women entrepreneurs from June 2020.

PENJANA SME Financing (PSF)

The banking sector to offer an additional RM2 billion of funding to assist SMEs adversely impacted by COVID-19 sustain business operations at a concession rate of 3.5 with an emphasis to finance new SME customers to Banks, will be made available in mid-June 2020 with loans capped at RM500,000 per SME.</td></tr>
<tr><td>Tax Incentives for the Tourism Sector

To support the tourism sector during the COVID-19 period through tax incentives costing RM1.8 billion such as the tourism tax exemption from 1st July 2020 to 30th June 2021, the extension of service tax exemption for hotels to 30th June 2021, the extension of the period for income tax relief of RM1,000 for tourism expenses to 31st December 2021, and extension of the period for deferment of tax instalment payment for the tourism industry to 31st December 2020.</td><td>Tax Incentives for the Property Sector

To stimulate the property market and provide financial relief costing RM1 billion to homebuyers through stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10% discounts provided by the developer. RPGT exemption for disposal of residential houses from 1st June 2020 to 31st December 2021</td></tr>
</table>

Source: Ministry of Finance Malaysia

2) Number of establishments and SMEs within the Tourism Sector, 2015

Subsectors	Number of establishments	Number of SMEs	Percentage
Accommodation services	17,206	16,948	98.5
Food and beverage serving services	167,490	165,059	98.5
Railway passenger transport services	3	0	0.0
Road passenger transport services	2,301	2,292	99.6
Water passenger transport services	276	275	99.6
Air passenger transport services	35	25	71.4
Transport equipment rental services	754	753	99.9
Travel agencies and other reservation services	4,119	4,116	99.9
Cultural services	572	568	99.3
Sports and recreational services	6,130	6,102	99.5
Retail sale of automotive fuel	3,861	3,861	100.0
Retail trade of country-specific tourism characteristic goods (shopping)	287,954	284,610	98.8
Country specific tourism characteristic services	20,173	19,945	98.9

Source: Tourism Statistics from the Economic Census 2016, Department of Statistics Malaysia

3) Average Growth of International Tourism Arrivals ('000) and Tourism Expenditure (USD mil)

Countries	International tourist arrivals ('000)		
	2018	2010	Percentage Change
Cambodia	6201	2508	147%
Malaysia	**25832**	**24577**	**5%**
Philippines	7168	3520	104%
Singapore	14673	9161	60%
Thailand	38178	15936	140%
Total	92052	55702	65%

Countries	International tourism receipts (USD mil)		
	2018	2010	Percentage Change
Cambodia	4352	1519	187%
Malaysia	**19622**	**18115**	**8%**
Philippines	8240	2645	212%
Singapore	20418	14178	44%
Thailand	56366	20104	180%
Total	108998	56561	93%

Source: World Tourism Organization (UNWTO)

4) Tourist Expenditure by Products

Inbound (RM mil)	2012	2013	2014	2015	2016	2017	2018
Accommodation services	18.7	19.8	21.8	17.7	20.1	21.0	21.6
Food and beverage serving services	10.1	8.6	10.8	10.1	10.6	11.4	11.8
Passenger transport services	12.6	17.6	17.9	14.0	15.1	15.5	15.8
Travel agencies and other reservation services	2.5	2.5	2.8	4.2	4.6	4.2	3.9
Cultural, sports and recreational services	**1.9**	**2.1**	**1.7**	**2.2**	**2.4**	**2.6**	**2.4**
Country-specific tourism characteristic goods	19.5	20.8	22.4	23.8	25.9	28.1	29.4
Country-specific tourism characteristic services	1.7	2.0	2.6	2.7	2.8	2.9	2.9

Domestic (RM mil)	2012	2013	2014	2015	2016	2017	2018
Accommodation services	4.0	4.5	5.5	6.1	6.6	7.2	7.9
Food and beverage serving services	4.7	5.7	7.5	9.3	10.3	11.5	12.8
Passenger transport services	3.4	3.4	3.9	4.6	4.9	5.2	5.8
Travel agencies and other reservation services	0.4	0.4	0.7	1.1	1.3	1.3	1.4
Cultural, sports and recreational services	**0.6**	**0.6**	**0.9**	**1.0**	**1.1**	**1.2**	**1.4**
Country-specific tourism characteristic goods	6.8	7.4	9.6	11.5	11.9	12.6	13.7
Country-specific tourism characteristic services	13.2	14.9	15.7	23.2	26.4	30.1	34.8

Source: Tourism Satellite Account 2018 and Tourism Statistics from the Economic Census 2016, Department of Statistics Malaysia

5) Compound Annual Growth Rate (CAGR)

$$\text{CAGR} = \left(\frac{V_{\text{final}}}{V_{\text{begin}}}\right)^{\frac{1}{t}} - 1 \quad \text{where } V_{\text{begin}} = \text{beginning value}$$

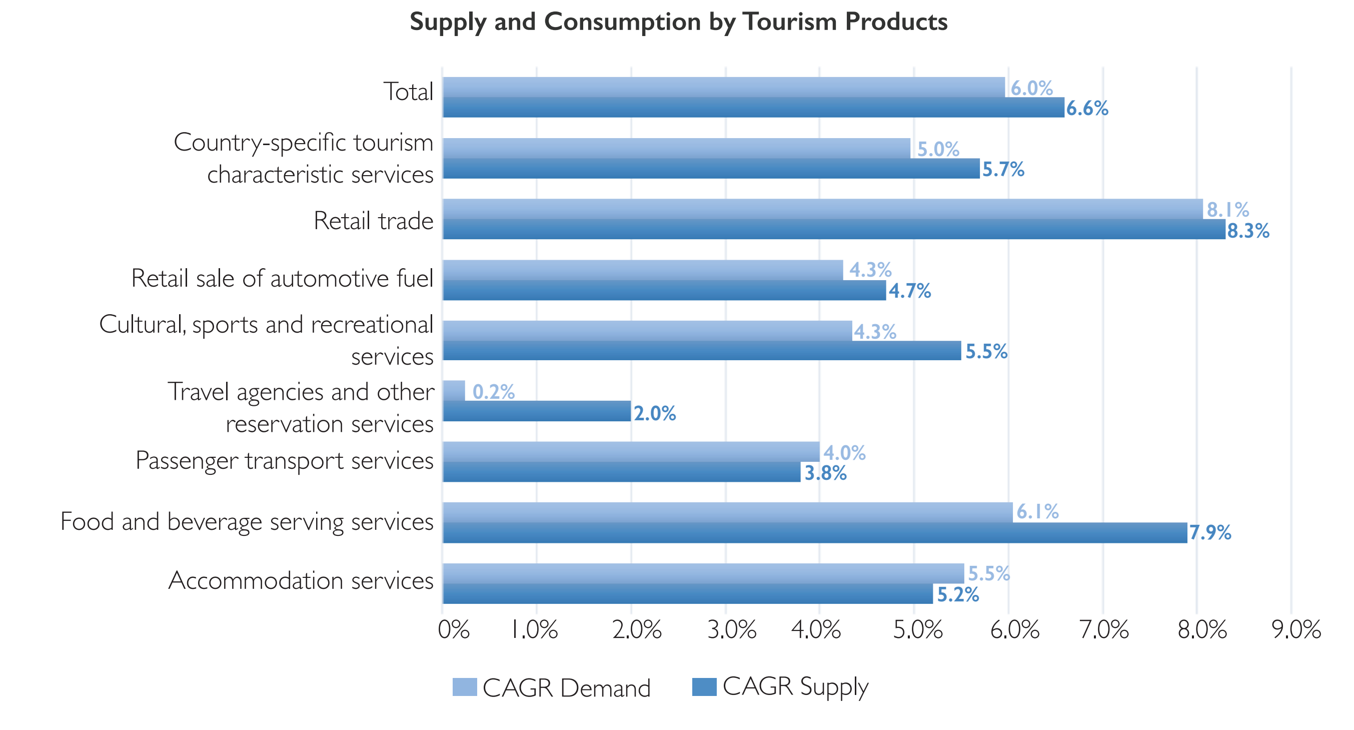
$$V_{\text{final}} = \text{final value}$$

$$t = \text{time in years}$$

6) Total supply and tourism consumption by type of products (RM mil) with respective CAGR

Supply of tourism products in (RM mil)					
Subsectors	Year				CAGR
	2015	2016	2017	2018	
Accommodation services	25.8	28.7	30.8	31.6	5.2%
Food and beverage serving services	63.9	70.7	80.0	86.6	7.9%
Passenger transport services	33.3	35.3	37.5	38.6	3.8%
Travel agencies and other reservation services	**6.4**	**6.8**	**6.9**	**6.9**	**2.0%**
Cultural, sports and recreational services	20.0	21.1	23.1	24.7	5.5%
Retail sale of automotive fuel	36.8	40.2	41.3	44.2	4.7%
Retail trade	106.9	118.9	133.5	147.1	8.3%
Country-specific tourism characteristic services	42.1	45.6	48.6	52.5	5.7%
Total	335.1	367.2	401.7	432.3	6.6%

Consumption of tourism products in (RM mil)					
Subsectors	Year				CAGR
	2015	2016	2017	2018	
Accommodation services	23.8	26.7	28.2	29.5	5.5%
Food and beverage serving services	19.4	20.9	22.9	24.6	6.1%
Passenger transport services	17.9	19.3	20.1	21.0	4.0%
Travel agencies and other reservation services	**5.2**	**5.9**	**5.5**	**5.3**	**0.2%**
Cultural, sports and recreational services	3.2	3.5	3.8	3.8	4.3%
Retail sale of automotive fuel	12.1	12.6	13.2	14.3	4.3%
Country-specific tourism characteristic goods	47.0	52.3	58.3	64.1	8.1%
Country-specific tourism characteristic services	6.5	6.9	7.4	7.9	5.0%
Total	135.2	148.1	159.4	170.4	6.0%



Source: Tourism Satellite Account 2018, Department of Statistics Malaysia

7) E-Commerce Usage among Tourism SMEs, 2015

Subsectors	Total Number of Establishments	Number of E-Commerce establishments	Percentage
Accommodation services	16,948	373	2%
Food and beverage serving services	165,059	145	0%
Road passenger transport services	2,292	20	1%
Water passenger transport services	275	6	2%
Transport equipment rental services	753	11	1%
Travel agencies and other reservation services	**4,116**	**118**	**3%**
Cultural services	568	37	7%
Sports and recreational services	6,102	232	4%
Retail sale of automotive fuel	3,861	79	2%
Retail trade of country-specific tourism characteristic goods (shopping)	284,610	17,180	6%
Country specific tourism characteristic services	19,945	492	2%

Source: Tourism Statistics from the Economic Census 2016, Department of Statistics Malaysia

8) Productivity

Whole Economy

Year	2010	2015
Value added (RM mil)	665.9	983.1
Total employees ('000)	6948.6	8732.2
Productivity	95.8	112.6
CAGR	**3%**	

Tourism Sector

Year	2010	2015
Value added (RM mil)	101.8	166.0
Total employees ('000)	2001.3	2481.0
Productivity	50.9	66.9
CAGR	**5%**	

Travel Agencies and Other Reservation Services

Year	2010	2015
Value added (RM mil)	1.7	2.7
Total employees ('000)	20.9	28.9
Productivity	82.2	92.7
CAGR	**2%**	

Source: Tourism Statistics from the Economic Census 2016, Department of Statistics Malaysia

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