Visit Malaysia will return next year this time with a new brand “Visit Truly Asia Malaysia 2020 (VM2020).” Before the start of the yearlong VM2020, it is worth assessing the progress of the hotel industry in Malaysia. Additionally, it is also imperative to examine the contribution of the hotel industry to the Malaysia Tourism industry for the past four years. The tourism industry has contributed seven percent of Malaysia’s GDP. In 2019, the tourism receipts had surpassed RM40 million mark, grew by more than six percent as compared to the last year’s performance. With the tourist arrivals of 25.8 million in 2018, the hotel industry has played a crucial role in ensuring the stay as a pleasant one. Based on the statistic, the average length of stay in Malaysia is recorded at 6.2 nights, with an average spending per capita of RM3,121.60. However, no published records on the average room rate or revenue per available room for the hotel industry was found from the key statistical sites that make it difficult to assess the contribution of the hotel industry to the national economy.

Before the analysis of the progress of the hotel industry is conducted, it is worth summarizing the historical development of the hotel in Malaysia. There is an informal record that the earlier hotel industry had started back in 1915 in the form of bed and breakfast where it was a small boarding house used by the British catering officers from Penang, Singapore, and Perak who stayed in the room. However, there is a published material that noted Station Hotel (located in Kuala Lumpur) and Eastern and Oriental Hotel (located in Penang) were among the earliest hotels built in Malaya. In the old days, shipping and transportation had revolutionized the nation, the same applied to the hotel industry where the opening of the Suez Canal had paved the way for the hotel industry in Asia particularly Malaysia. Majestic Hotel was the first luxury accommodation built near to the railway station that served as the lodging preference for the colonial master and local elite. After gaining independence in 1957, more hotels were built in Kuala Lumpur to serve business elites.

Another significant milestone in Malaysia was recorded in early 1971 where Genting Highland Resort was opened to the public. This hotel was built on the peak of Gunung Ulu Kali where the development of the hotel took a massive five years for completion. Besides, Genting Outdoor Theme Park was later opened in 1994 that became the game-changer for the tourism industry in Malaysia. The significant progress was evident in 2001 with
the opening of the First World Hotel, the largest hotel in the world with a record of 7,351 rooms. The number of rooms offered by First World Hotel outshined the total number of the rooms provided in the major cities of Malaysia like Kuantan (Pahang), Bandaraya Melaka (Malacca) and Georgetown (Penang).

Genting Highland played a pivotal role in the Pahang tourism industry. Pahang is the most visited state for domestic tourism in Malaysia for four consecutive years (2014 – 2018) with a record of more than eight million domestic hotel guests. Kuala Lumpur came second with more than 7 million domestic hotel guests followed by Johor and Sabah. Apparently, Johor recorded a steady performance due to its proximity to Singapore where many Malaysian took advantage of a day trip to Singapore but staying in Johor Bahru as it is the closest city to the border of Malaysia-Singapore. The five primary markets in Malaysia remained the same for the four-year period where Sarawak made up the list of top five markets in Malaysia for the hotel stay.

On the other hand, Kuala Lumpur recorded the highest number of international hotel guests with a record of more than nine million in 2014 and surpassed the 11 million mark in 2018. It is surprising to note that Sarawak came second, with more than 6 million international hotel guests for four consecutive years. Penang took the third spot with an approximate three million international hotel guests for the 2014 – 2018 period. Johor, Pahang, and Sabah made up the list of top six international hotel guests where they recorded more than two million international hotel guests each year.

In terms of average occupancy rate, Pahang recorded the highest average occupancy rate in Malaysia with an average occupancy of more than 70 percent. Kuala Lumpur came second with an average occupancy of more than 60 percent except in 2017 where Kuala Lumpur had recorded more than 70 percent occupancy. Other federal territories of Labuan and Putrajaya was also in the list with more than 60 percent occupancy together with Selangor to make up the top five hotel location with the highest occupancy rate in Malaysia.

It is worth noted that Genting Highland is the most popular tourist spot for domestic tourists where it received more than 3.5 million domestic hotel guests in the 2015 – 2018 period. Johor Bahru came second with more than 3 million domestic hotel guests followed by Kota Kinabalu, Kuantan, and Bandar Melaka. The list of top five domestic guests by the district was consistent in the period of assessment (2015 – 2018). In contrast, Johor Bahru recorded the highest international hotel guests with more than 2 million international hotel guests stayed in Johor Bahru from 2015 to 2018. Bandaraya Melaka came to the second position with more than 1.6 million international hotel guests, followed by Genting Highland, Kota Kinabalu, and Georgetown.

The trend highlighted above showed the popular location in Malaysia for tourism activities. To ensure the successfulness of VM2020, the federal governing body (Ministry of Tourism, Arts and Culture), state tourism body, government-related agencies (Tourism Malaysia, Malaysia Convention, and Exhibition Bureau), travel and tour operators and private agencies must capitalize on the statistics by offering programs and package to the above-mentioned location. For instance, the contribution of Genting Highland to the tourism industry in Malaysia is often overlooked. Genting Premium Outlet was the latest addition to make up the itinerary of the visit to Genting Highland, not to include the soon to open an outdoor theme park. As a conclusion, Pahang, Kuala Lumpur, Johor, Penang, Sabah, and Sarawak are the major tourism markets in Malaysia and should be promoted aggressively by the stakeholders in the tourism industry. There are numerous domestic events like Colours of Malaysia, Open House of Malaysia, Independence Day celebration, and New Year Countdown should be organized concurrently in those locations due to their popularity among domestic tourists. Furthermore, the availability of the hotel industry in those locations will influence the tourist’s decision to attend the event and extend their stay. Finally, it is recommended for the future researcher to conduct a comprehensive study to examine the role of the hotel in elevating the overall tourist experience.