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How the 12MP can address the needs of the hospitality and tourism industry

The Malaysian Reserve, Malaysia

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With the gov't's help, the industry can tap into the ever changing digitally connected world with greater ease and limitless opportunities

LETTER TO THE EDITOR

THE Malaysian government presented the 12th Malaysia Plan (12MP) on Sept 27, 2021. The plan aims to align with the shared prosperity initiative encompassing three dimensions — economic empowerment, environmental sustainability and social re-engineering.

For this to work, social economic issues with income and wealth disparities would need to be addressed and a high value knowledge-based economy is created — not just for the country's sustainable economic growth but also for the wellbeing of Malaysians.

In this context, the hospitality and tourism industry will most definitely be affected as it is labour intensive and employs Malaysians from all social, cultural and religious backgrounds.

This multi-billion-ringgit industry (RM2.82 billion approved investments in 2020 alone) has three main areas, namely accommodations (hotels, Airbnb, homestays), food and beverage (restaurants, fast food joints, food stalls) and travel in tourism (airlines, trains, buses, cruise).

In the formulation of the 12MP, the government should consider these aspects to revive the industry in the effort to pave the way forward for Malaysia's national development in the next decade to come.

Economic Empowerment

Across the globe, the hospitality industry is known for being a catalyst in economic growth and social economic development through job creation. Within Malaysia, the



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hospitality and tourism industry contribute 6% of Malaysia's GDP and 23% of national employment (3.5 million jobs) and is the third largest component of the service industry.

The hospitality and tourism industry also contributes to other sectors like retail businesses and local transportation services.

The impact of Covid-19 pandemic is an unprecedented challenge for the industry and the sector needs the government's strong planning and direction for a quick recovery in the new normal including adapting to the latest tourist and travel behaviour post-pandemic.

The industry hopes the government can generate new sources of growth through IR4.0, digitalisation of the economy, integrating the regional home development, supporting the aviation industry and promoting other enablers like sustainable energy sources and infrastructures for the same.

Environmental Sustainability

Malaysia is a country blessed with beautiful natural resources — lake, land, forest and etc.

This precious "commodity" plays an integral role in Malaysia's economic and social growth. Thus, effective management of these resources are important to ensure the biodiversity ecosystem in Malaysia is not used or destroyed irresponsibly.

Furthermore, consumer behaviour is changing. Locals and international tourists are more environmentally aware of their carbon footprints as well as of those from businesses.

Understanding this, the hospitality and tourism sector is also following suit to encourage more sustainable and environmentally cautious practices in their day-to-day business. It is hoped that the 12MP provides incentives to the hospitality and tourism industry players to implement these changes without adding to their financial burden in the new normal.

Social Re-engineering

The hospitality and tourism industry are deeply focused in providing an equal and respectful working environment to staff

from all cultures and religions working in the industry. As the society evolves, surely the industry will evolve because it has its roots in social life.

To this, industry players are committed to providing their employees with training beyond operational skills. The goal is to understand the needs of consumers — be it local or international consumers. It is hoped that the 12MP will also discuss social re-engineering in detail so that all members of Malaysian society are pushed towards a resilient and socially secure value system and improved purchasing power.

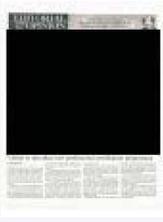
In conclusion, it is felt that the macroeconomic domestic and global growth drivers would be an important determinant of Malaysia's future growth. Growth enablers like human capital development which were traditionally focused towards education and skill training would now going to be comprehensively studied (social, economic and health) in the 12MP.

We hope this would contribute towards social demographic solutions for the Malaysian labour market to enhance Malaysia's growth and influence in the region.

Another major growth enabler for Malaysia would be technology integration in the digital economy and would depend on the government's quick adaptation to the IR4.0. Under the guidance of the Malaysian government, the hospitality and tourism industry can tap into this ever changing digitally connected world with greater ease and limitless opportunities.

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The views expressed are of the writer and do not necessarily reflect the stand of the newspaper's owners and editorial board.



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SUMMARIES

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