

Whither Tourism?



All photos by Zoh Wong



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Due to Covid-19 pandemic crisis, travel and hotel business is not expected to recover until after 2022. There are reports saying that globally, the tourism industry would only recover in 2023.

Due to MCO of various categories being imposed in Malaysia, most hotel operations were halted almost totally. From Mar – June 2020, the estimated losses for hotels amounted to about RM3.3 bil. Several hotels have closed down for good when the MCO was further extended while many



suspended operations indefinitely.

Staff were either put on no-pay leave, half-pay or even expected to work without pay. Some others were

terminated or retrenched. There are no official numbers but it could be between 3,000 – 4,000 staff affected.

Hotels are facing critical cash flow problem with no or poor returns against high fixed operating costs. With the situation not expected to improve much, it would be difficult for hotels to get back on their feet and continue operating normally as before. Unfortunately, we are seeing more cases of infections and red zones towards the end of the year.

Borders are still closed and no inbound tourists are allowed while domestic tourists are subjected to restricted movement. Hence, the situation is still very bad and as such we have no projections for 2021.

The Ministry of Tourism, Arts & Culture (MOTAC) has reported tourist arrivals during the period Jan – June 2020 down by 75%. The loss of revenue is estimated to be in the region of RM44 bil (RM31 bil international and RM13 bil domestic). **APR**



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Tourism outlook for 2021 is bleak; the vaccine will take some time to take effect as one needs to vaccinate up to 70% of the population. Many countries cannot afford this.