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Preface

The Business and Management Series continues to be well received and supported by the University, especially the Department of Management and Marketing. The publication of BMS 4 would not have been made possible had it not been for such continuous and generous support.

The theme for BMS 4 is “Sustainable tourism and hospitality”. The issue of sustainability is addressed in the first article, from the perspective of the agreement reached at the United Nations conference on Environment and Development. It is a timely reminder for us on the need to consider the impact of tourism activities on the environment as we seek to increase the economic advantages from the industry.

Readers who are familiar with the tourism industry as well as those who are interested in the tourism industry will find materials which will benefit both groups. An overview of the worldwide tourism industry as well as the performance of the industry from the Malaysian perspective will give readers a fundamental understanding of the industry.

BMS 4 also look at the more specific aspects of the Malaysian tourism industry, such as small and medium enterprises and ‘halal’ hospitality. These are amongst the aspects which preoccupy the policy makers as they grapple with rapid changes being experienced by the tourism industry in the effort to increase the tourism receipts into Malaysia.

The editorial board is confident that the articles will at the very least serve as an important primer for both students as well as policy makers of the tourism industry.

This effort is made through contributions and cooperation of friends and colleagues. I would like to convey my thanks and appreciation to our reviewer Professor Dr. Nik Hashim Nik Mustapha for his comments. Last but not least, I would like to thank my fellow editors for their unstinting effort in ensuring an excellent academic publication.

Mahadzirah Mohamad
Editor-in-Chief
REGULATING SUSTAINABLE TOURISM IN MALAYSIA UNDER AGENDA 21

Wan Izatul Asma Wan Talaat
Mahadzirah Mohamad

Introduction

Tourism has been acknowledged as one of the world’s fastest growing industries and an important source of foreign exchange and employment for many developing countries. However, massive influx of tourists can lead to the increase of consumption of natural resources, consumerism and waste generation, which inadvertently cause adverse environmental impact (Siti-Nabiha et al., 2008). As nations across the globe progress to develop their tourism industries, the economic, social and environmental aspects of sustainable development must be taken into consideration. Tourism growth produces significant impacts on natural resources, consumption patterns, pollution as well as social systems. This was illustrated by Slater (1990: p. 18) in the following words,

“Tourism, wrongly handled, may be very exploitable ... natural resources and the environment become commodities to be exploited by the tourist industry with too little attention given to the needs of local people.”

Sustainable tourism is commonly understood as an effort to minimise impact of tourism to the environment and local culture while promoting tourism growth, which is captured through generation of employments for the locals as well as affluence of the local businesses. As part of the comprehensive agendas under sustainable development, which was clearly defined by the Bruntland Commision (1987) as development that ... “meets the standard of the present needs without compromising the ability of future generations to meet their own needs”, sustainable tourism should be able to equilibrate between economic growth and environmental as well as social stability.

Tourism that is unsustainable could increase solid waste, degrade cultural and heritage sites, reduce biodiversity, destroy wildlife and cause environmental pollution (Siti-Nabiha et al., 2008). Tourism that is sustainable is defined by the World Tourism Organisation (UNWTO, undated) as,

“Tourism which leads to management of all resources in such a way that economic, social and aesthetic needs can be filled while
maintaining cultural integrity, essentials ecological processes, biological diversity and life support systems."

The rapid expansion of the tourism sector has resulted in increasing pressure on the natural, cultural and socio-economic environments of the traditional and emerging tourism destinations (UNWTO, 2001). Uncontrolled growth in tourism, which is mainly aimed at short-term benefits, has often resulted in negative impacts, harming the environment and societies, and eventually destroying the very basis on which tourism is built and thrives. Thus, in order for the tourism industry to survive, there is a need for sustainable or responsible planning and management (Forsyth, 2012). Since tourism involves anthropogenic activities that may inadvertently have adverse impacts on the environment, sustainable tourism is the way out to improve the impacts of all types of tourism whereby ways to build partnerships between tourism companies or managers of resorts and governments must be sought.

According to McKercher (2003), sustainable tourism is built around four pillars of tourism namely economic sustainability, ecological sustainability, cultural sustainability and local sustainability. These pillars must be first addressed in order to achieve sustainable tourism. In addressing economic sustainability, such tourism must be profitable in both the immediate and long term while ecological sustainability warrants for development that is compatible with the maintenance of essential ecological processes, biological diversity and biological resources. At the same time, achieving cultural sustainability entails in the increase of people’s control over their lives while simultaneously being compatible with their culture and values as well as strengthens the community identity. The last pillar, local sustainability, is designed to benefit the affected local communities through generation or retention of income in those communities.

**Sustainable Tourism Under Agenda 21**

Agenda 21, which was an outcome of the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro in 1992, is an action plan of the UN related to sustainable development. It is a comprehensive blueprint of action to be taken at both global and national levels. The principle of sustainable tourism was proposed as early as 1988 by the World Tourism Organization (UNWTO), which is envisaged as leading to management of all resources in such a way that economic, social and
aesthetic needs can be fulfilled while simultaneously cultural integrity, essential ecological processes, biological diversity and life support systems are still maintained.

Although tourism was not originally included in Agenda 21, the recognition of the importance of sustainability in tourism by the key stakeholders, including governments, international organizations, non-governmental organizations and the international tourism industry has resulted in the formulation of Agenda 21 for the Travel and Tourism Industry in 1995 (WTO, 2001). This calls for the implementation of sustainable tourism where five years after Rio, the United Nation General Assembly at its 19th Special Session (1997) indicated the need to give further consideration to the importance of tourism in the context of Agenda 21.

This was followed with the Johannesburg Plan of Implementation in 2002, where the World Summit on Sustainable Development in Johannesburg addressed sustainable tourism in paragraph 43 of Chapter IV. The development of sustainable tourism was promoted to increase the benefits from tourism resources for the population in host communities while maintaining the cultural and environmental integrity of the host communities and enhancing the protection of ecologically sensitive areas and natural heritages (DSD, 2002). Sustainable tourism development was promoted along with capacity-building to strengthen rural and local communities. To realise this, actions at all levels were required to, inter alia, enhance international cooperation, foreign direct investment and partnerships with both private and public sectors at all levels and develop programmes, including education and training programmes, in order to improve the protection of the environment, natural resources and cultural heritage through the following approaches:

1) Encourage people to participate in eco-tourism;
2) Enable indigenous and local communities to develop and benefit from eco-tourism; and
3) Enhance stakeholder cooperation in tourism development and heritage preservation,

Further actions include providing technical assistance to developing countries and countries with economies in transition to support sustainable tourism business development and investment and tourism awareness programmes, to improve domestic tourism, and to stimulate entrepreneurial development. Sustainable tourism will also include assistance to host communities in managing visits to their tourism attractions for their
maximum benefit, while ensuring the least negative impacts on and risks for their traditions, culture and environment, with the support of the UNWTO and other relevant organizations and promotion of the diversification of economic activities, including through the facilitation of access to markets and commercial information, and participation of emerging local enterprises, especially small and medium-sized enterprises.

At the same Summit in Johannesburg, the UNWTO launched the Sustainable Tourism-Eliminating Poverty (ST-EP) initiative to develop sustainable tourism as a force for poverty alleviation. This was in response to the challenge laid down at the United Nations Millennium Summit in 2000, which identified poverty as one of the biggest global challenges and set forth as one of its Millennium Development Goals (MDGs) to eradicate extreme poverty by 2015 (UNWTO, 2005). The potential for tourism to play a significant role in the alleviation of poverty is increasingly recognised by international bodies and national governments through acknowledgement that its geographical expansion and labour intensive nature support a spread of employment. This fact can be particularly relevant in remote and rural areas where many of the poor live.

Regulating Sustainable Tourism in Malaysia

In 2010, Malaysia was ranked ninth in the UNWTO list of ten most visited countries, with 24.6 million international tourist arrivals (The Star, 2012) and in fact, tourism is the second highest contributor to Malaysia's Gross Domestic Product (GDP) after manufacturing (Amran, 2004). As a Contracting State Party to UNCED, Malaysia is obligated under Agenda 21 to develop its framework to regulate sustainable tourism through incorporation into the existing framework on tourism management. Agenda 21 warrants for involvements of the government as well as the tourism industries including resort and hostel operators. Such involvement is important because in order to build sustainable tourism, there is a need for consultation, partnership and consensus building as well as proactive planning to mitigate possible impacts of tourism (Onchwati, 2009).

Although tourism is acknowledged to have positively contributed to both socio-economic development and environmental protection, according the Division of Sustainable Development of the United Nation Department of Economic and Social Affairs (DSD), uncontrolled tourism growth can also cause environmental degradation, destruction of fragile
ecosystems as well as social and cultural conflict, which in the end will undermine the basis of tourism itself. Thus, in 1999 the UN Commission on Sustainable Development decided to adopt an international work programme on sustainable tourism development. This programme, which is targeted especially for developing countries, should be implemented with appropriate means and resources and through collective efforts of both the governments and the tourism industry.

**Obligations of the Government**

The UN Commission on Sustainable Development (1999) urges governments of the State Parties including Malaysia to take twelve measures to implement sustainable tourism in their respective countries. The first step to be adopted is for the countries to advance sustainable tourism development, inter alia, through the development and implementation of policies and national strategies or master plans for sustainable tourism development based on Agenda 21. This step is hoped to encourage their tourism industry, assist in attracting foreign direct investment and appropriate environmentally sound technologies.

Policy development and implementation should take place in cooperation with all interested parties, especially the private sector and the local communities (UNCSD, 1999). Focus and direction for the active participation of major groups or stakeholders, which include national tourism councils, tourism industries as well as indigenous and local communities, must also be provided. Under the principles of sustainable development, it is pertinent for consultation with all these stakeholders or major groups in the tourism development process to be carried out in the formulation of policy with regards to planning and management as well as sharing of benefits. This consultation may be able to harmonise the relationship among the people, the community and the environment.

Apart from that, the government must work in partnership with all the stakeholders or major groups, especially at the local level, to ensure active participation in tourism-related planning and development and to undertake capacity-building work with indigenous and local communities (UNCSD, 1999). This is to facilitate their active participation, at all levels of the tourism development process that may include transparent decision-making and sharing of benefits as well as to create awareness of the social, economic and environmental costs and benefits they are bearing. The government must also maximize the potential of tourism for eradicating poverty through
employment of appropriate strategies in cooperation with all major groups including the indigenous and local communities.

In addition to that, the major groups’ agreement to promote sustainable tourism development through music, art and drama and participation in such educational activities must also be welcomed (UNCSD, 1999). The government must also facilitate destination-specific in-flight educational videos and other materials on sustainable development in relation to tourism and to encourage airline carriers, especially the national airlines, to routinely screen such videos on all international and long-haul domestic routes. Favourable framework for small and medium-sized enterprises, which are the major engines for job creation in the tourism sector, must also be promoted. In recognition of the employment potential of sustainable tourism development, the government must take necessary steps to encourage reduction of administrative burdens, facilitation of access to capital and provisions for training in management and other related skills.

As a State Party, Malaysia must also participate in international and regional processes that address issues relevant to sustainable tourism development. The government must also consider the ratification or adoption as well as promote the implementation and enforcement of standards or guidelines relevant to the travel and tourism industry. This may include issues in the labour and health fields. To ensure early and positive contribution to sustainable tourism development, initiatives, especially through organizations like the International Labour Organization (ILO) and the World Health Organization (WHO), must also be supported. The government must also support appropriate measures to better inform tourists about cultural, ecological and other values and provide accurate information on the safety of tourist destinations, so as to enable consumers to make informed choices.

The most important step to be undertaken by the government is to regulate sustainable tourism by creating the appropriate institutional, legal, economic, social and environmental framework (UNCSD, 1999). This could be undertaken through the development and application of a mix of instruments such as integrated land-use planning and coastal zone management, economic instruments, social and environmental impact assessment for tourist facilities, including gender aspects as well as voluntary initiatives and agreements. This framework must be followed through with the development and enforcement of specific legislation or measures against any kind of illegal, abusive or exploitative tourist activity, which may also include sexual
exploitation, in recognition of the fact that such activities have particularly adverse impacts and pose significant social, health and cultural threats.

The Existing Policies and Laws Relating to Tourism

There are a number of policies providing for tourism in Malaysia in the form of the plans and policy studies. These plans and studies, which are being adopted by the government to develop the tourism industry in Malaysia, are as follows:

(i) The Five Year Economic Plans

Tourism was only formally recognized in the 6th Malaysia Plan (1991 – 1995), which recommended that the tourism industry to increase emphasis on developing a more “distinct Malaysian image and identity” identified as the “Malaysian way of life”. This was later cemented in the 7th Malaysia Plan (1996 – 2000), in which rural tourism and community-based tourism and nature-based tourism were identified as new tourism products. Capitalising on Malaysia’s natural environment, nature-based tourism including eco and agro-based tourism was recommended to be developed and promoted where areas encompassing hot springs, waterfall, lakes, rivers, forest reserves, agricultural parks and fishing villages as well as oil palm and rubber estates were identified.

(ii) National Tourism Policy (1992)

In 1992, the Malaysian government prepared the National Tourism Policy Study (NTPS), which recommended broad policies for the planning, development and marketing of tourism. Since its contents are mostly dated, this study is currently being reviewed. Nonetheless, its policy objectives are still being used as guiding principles. The policy was mainly aimed to achieve the following objectives:

1. generate foreign policies;
2. encourage equitable economic and social development;
3. promote rural enterprises;
4. generate employment;
5. accelerate urban/rural integration and cultural exchange;
6. encourage participation in the tourism sector by all ethnic communities;
7. create an improved image of Malaysia internationally; and
8. forge national unity.

(iii) The Present National Tourism Policy

Under the present Ministry of Tourism, the current national policy of tourism focuses on shifting paradigm and strategic adaptations where the policy statement reads as follows:-

“To turn the tourism industry into a major, sustainable, viable and quality sector which contributes to the socio-economic development of the country.”

The first objective of the policy is to develop sustainable tourism industry in order to generate major source of income to the country, which are to be read together with the National Eco-Tourism Plan.

(iv) National Ecotourism Plan (1996)

The National Ecotourism Plan contains strategies and guidelines for the development and management of ecotourism in Malaysia, based on the principles of sustainability. Section 1 recommends 21 action plans covering aspects such as planning, management and capacity building to make Malaysia an international ecotourism destination. The aims of the action plans are to protect and manage protected areas as well as integrate agency support and self financing of ecotourism projects by involving participation from the local communities, encouraging pilot projects as models for best practices and focusing on joint marketing.

There are in fact a number of policies and plans on tourism in Malaysia with the latest one aiming towards developing sustainable tourism industry. Although efforts are already in place to work towards sustainable tourism, it must be cautioned that these tourism policies and plans were developed by and under the purview of the Ministry of Tourism while environmental and biodiversity management is under the Ministry of Natural Resources and Environment. This notwithstanding the constitutional complications created by Article 74(1) of the Federal Constitution where land and forests fall under the jurisdiction of the respective states. These facts can actually impede the efforts to develop sustainable tourism supposedly to be championed by the Ministry of Tourism if the “overlapping” jurisdictions are not remedied.
Unlike the numerous policies on tourism, there are only three federal legislations that are directly related to tourism namely the Tourism Industry Act 1992, the Malaysia Tourism Promotion Board Act 1992 and the Innkeepers Act 1952 (Revised 1981). The first legislation provides for the licensing and regulation of tourism enterprises while the second legislation provides for the establishment of the Malaysia Tourism Promotion Board that functions to, inter alia, stimulate, promote and market Malaysia as tourist destination. The Innkeepers Act merely provides for the relief of innkeepers or hotel operators where an “inn” is defined under Section 2 as hotel, boarding-house or other place where any person is harboured or lodged. This legislation only limits liability of innkeepers from lost or stolen goods of guests. There are no provisions under these legislations that directly relate to sustainable tourism or sustainable development. This was acknowledged by Siti Nabiha et al. (2008) that it would be fruitless to locate specific legislations on sustainable tourism.

However, there are several legislations on environmental management that may somehow relate to sustainable tourism as follows:-

1. National Forestry Act 1982, which stands as one of the principal legislations in the conservation and management of biodiversity in this country since forests play a major role in regulating the climatic and physical conditions of the country, safeguarding water supplies, ensuring environmental stability as well as minimising damage to agricultural lands. Since forests fall under the jurisdiction of States under the State List under the Second Schedule (Article 74), the National Forestry Act was formulated to uniformise and update the various state forests legislations, which were considered as deficient and weak in areas of forest conservation and management planning and in forest renewal operations, which are vital for sustainable forest management (Department of Forestry, 2008). This Act was enacted under Article 76(1) (b) that is to provide uniformity in the States of Malaysia by providing for the administration, management and conservation of forestry and forestry development throughout Malaysia.

2. National Parks Act 1980 that provides for the establishment and control of National Parks in Malaysia. Although all National Parks in Malaysia are located in the States, this Federal legislation applies throughout Malaysia except in the states of Sabah and Sarawak.

3. Protection of Wild Life Act 1972, which consolidates laws relating to the protection of wildlife and to further make laws for the purpose of protecting wildlife in Peninsular Malaysia.
4. Environmental Quality Act 1974 that mainly relates to the prevention, abatement and control of environmental pollution as well as the advancement of environment. Part IV of the Act deals specifically with prohibition and control of pollution, which include restrictions on pollution of the atmosphere, the soil and inland waters.

5. Fisheries Act 1985, which deals with fisheries including the conservation, management and development of maritime and estuarine fishing and fisheries in Malaysian fisheries waters as well as to turtles and riverine fishing in Malaysia. This Act applies throughout Malaysia since fisheries fall under the Federal List and for Sabah and Sarawak, fisheries fall under the Concurrent List under Article 74(1) of the Federal Constitution. Regulations was enacted under the then Fisheries Act 1963 and Pulau Redang, Terengganu was declared as the first Fisheries Prohibited Area (FPA). When the present Fisheries Act was enacted in 1985 to replace the Fisheries Act 1963, another three islands on the coast of Sarawak were declared as FPA, which are areas 3km off the islands of Pulau Talang-Talang Besar, Pulau Talang-Talang Kecil and Pulau Satang Besar.

6. Marine Parks Order 1994 (Part IX of the Fisheries Act 1985), which Establishes Marine Parks in the country to protect, conserve and manage in perpetuity the significant representatives of marine ecosystems, particularly coral reefs and their associated flora and fauna. Marine parks or marine reserves may be gazetted to provide special protection to the aquatic flora and fauna and to protect, preserve and manage the natural breeding grounds and habitat of aquatic life particularly of the endangered species.

7. Exclusive Economic Zone Act 1984 that regulates the activities in the Malaysian exclusive economic zone and certain parts on the continental shelf. The Malaysian Government has sovereign rights to explore and exploit, conserve and manage the natural resources in the exclusive economic zone. Part IV provides for the protection and preservation of the marine environment by giving Malaysia the right to exploit its natural resources in the exclusive economic zone pursuant to its environmental policies and in accordance with its duties to protect and preserve the marine environment in the zone.

8. The Continental Shelf Act 1966, which regulates the Malaysian continental shelf as well as the exploration and exploitation of its natural resources, which are defined in the Act as the mineral and non-living resources
from the sea bed and subsoil as well as living organisms belonging to
sedentary species, which means organisms which are either immobile
on or under the sea-bed or are unable to move at the harvestable stage.
Mining within the continental shelf is expressly prohibited except under
the Petroleum Mining Act 1966.

9. Waters Act 1920 (Revised 1989) that provides for the control of rivers
and streams in certain States in Peninsular Malaysia and is another
important legislation relating to natural resources. The importance of
water is irrefutable especially when it comes to the issues of biodiversity
conservation and management. This Act expressly prohibits pollution of
rivers in these States by providing that no person is allowed, except under
licence, to discharge into any river any poisonous, noxious or polluting
matter rendering such river as harmful, any matter that makes such river
as potentially dangerous, any matter that makes such water difficult to
treat or oil of any nature.

Conclusion
Superficially, the existing segmented and piecemeal policies and legislations
that collectively provide for environmental and biodiversity management in
Malaysia may be able to also regulate sustainable tourism. Nonetheless, the
absence of a specific policy or legislation catering specifically for sustainable
tourism may hamper the government’s efforts to develop such tourism in the
country. Sustainable tourism is pertinent for countries like Malaysia where
nature-based tourism activities are in great demand. Massive influx of tourists
to our natural tourist attractions will definitely cause adverse environmental
impacts, which will consequentially lead to environmental degradation as
well as future loss of income to the tourist operators and local businesses.

Thus, as the party directly benefitting from the tourism activities, it is also
pertinent for the tourism industry to take active participation in regulating
sustainable tourism. The UNCSD calls upon the tourism industry take seven
steps in order to work along with the government in achieving sustainable
tourism. The first step is for the tourism industry to develop environmentally,
socially and culturally compatible forms of tourism as well as to continue
the development and implementation of voluntary initiatives in support of
sustainable tourism development by bearing in mind that such forms of
tourism and initiatives should at least meet relevant local, national, regional
or international standards. The tourism industry must also commit itself to
the goal of sustainable tourism development by working towards guiding principles and objectives for sustainable tourism development and information for tourists on ecological and cultural values in destination regions.

In the final analysis, there must be concerted efforts to realize sustainable tourism from all the stakeholders: the government, tourism industries and international tourism organizations such as UNWTO as well as the local communities, who are directly or indirectly benefitting from tourism activities. To develop a regulatory framework for sustainable tourism, the government must first consult these stakeholders. This is because in order to achieve tourism that is sustainable to the country, to the businesses as well as to the people, active participations from all the parties involved are indeed imperative.

References


Business and Management Series is a compilation of insightful articles written by the staff of the Management and Marketing Department from the Faculty of Management and Economics, UMT. It covers various aspects of management, marketing, business, tourism and hospitality. In the orientation of empirical studies, case studies, technical or theoretical bases.

The aims of this monographic series are to (i) develop and promote scientific writing activities among the staff members; (ii) provide a forum for departmental staff to disseminate new ideas, thoughts and works which have not yet been published and; (iii) establish channels of communication between staff members and external organizations such as government department and business related units.

As part of the overall plan for the development of research and publication in the department, Business and Management Series plays a central role in the communication of research writings within the department. It is hoped that this monographic series will also play an important role in highlighting our publication efforts to the wider academic community as well as the general publication.