

ISSUE 281

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WEEKLY INSIGHTS

HOSPITALITY INDUSTRY NEWSLETTER



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Motac Launches Comprehensive Study to Enhance Tourism Industry Guidelines

The Ministry of Tourism, Art and Culture (Motac) is conducting a study to strengthen tourism industry standards, with a focus on improving outdated accommodation safety guidelines. This initiative aims to provide greater protection for both tourists and industry players and foster a sustainable tourism sector, a key contributor to the national economy.

As part of the study, the Tourism Licensing and Enforcement Division (BPPP) and relevant departments are conducting an in-depth review of short-term rental accommodation (STRA) guidelines to adapt to evolving tourism trends like glamping, camping, Airbnb, and more.

Motac's secretary-general will engage in discussions with the Ministry of Local Government Development (KPKT) to enforce industry compliance with regulations and requirements. Special tourist accommodation areas and strict guidelines are among the potential solutions.

Addressing public complaints and issues faced by tourists in their accommodations, Motac emphasizes the importance of legally registering platforms like Airbnb to prevent conflicts between tourists and residents, particularly regarding differing resting schedules.

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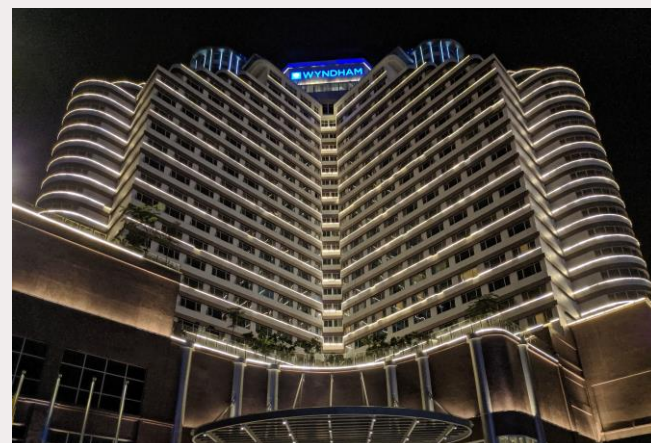
I-Bhd reveals a collaboration with Wyndham Hotels & Resorts

I-Bhd has partnered with Wyndham Hotels & Resorts to rebrand its 50-story property in Kuala Lumpur city center as Wyndham Suites KLCC. Wyndham will also offer marketing and operational support to the property.

The luxury condominium, valued at RM820 million, will benefit from Wyndham's global reach, enhancing I-Bhd's brand reputation. This partnership aims to attract a global audience through the Wyndham Rewards loyalty program, with over 103 million members worldwide.

Wyndham sees this collaboration as an opportunity to strengthen its presence in Malaysia amid the recovery of business and leisure travel in the Asia-Pacific region.

Although details about Wyndham Suites KLCC have not been provided, the partnership aims to boost the growth of Wyndham's flagship brand in Malaysia, in addition to I-Bhd's other developments, such as the RM10 billion GDV i-City project in Shah Alam and the 50-story 8 Kia Peng luxury development in Kuala Lumpur city center, with a GDV of RM820 million. [READ MORE](#)



YTL is actively searching for appropriate locations to expand its AC Hotel brand

YTL Hotels plans to expand its AC Hotel by Marriott brand in Malaysia and globally, actively seeking attractive locations for growth. The brand debuted in Malaysia in 2020 with three properties in Kuala Lumpur, Penang, and Pahang.

YTL Hotels, which has exclusive rights for the AC brand in Malaysia, signed a master development agreement with Marriott International in 2019 to convert these properties to AC Hotels.

These hotels are part of YTL Hospitality Reit, which will increase rental rates for the AC hotels by 11% and undertake refurbishments to enhance their value. The refurbishment is expected to raise the hotels' market value and strengthen YTL Reit's portfolio.

Maybank Investment Bank is positive about this rental adjustment, and YTL Reit remains an attractive investment due to its stable earnings and growth prospects. [READ MORE](#)



YTL Reit has approved changes to rental rates and a RM39 million refurbishment plan for AC Hotels

YTL Hospitality REIT (YTL REIT) has recently completed three supplementary lease agreements that involve rental adjustments and proposed refurbishment plans for its AC Hotels in Kuala Lumpur, Penang, and Kuantan.

Under these agreements, the lessees have consented to a collective annual rental increase of RM2.7 million for these hotels. YTL REIT will assume the estimated refurbishment cost of RM38.5 million, funded through borrowing. This strategic move is anticipated to elevate the hotels' market values and growth potential, ultimately contributing to increased distributable income and distribution per unit (DPU) for YTL REIT.

The refurbishment work will be executed by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (SYTL). Currently, YTL REIT possesses ten hotel properties in Malaysia.

Following this development, YTL REIT's shares closed 0.99% higher at RM1.02, with a market capitalization of RM1.74 billion. [READ MORE](#)



Malaysia's Domestic Tourism Soars 20% in Q2 2023 with 54.5 Million Visitors

In the second quarter of 2023, domestic tourism in Malaysia witnessed a remarkable 20% growth compared to the same period in the previous year, with a total of 54.5 million visitors, according to a report by the Department of Statistics Malaysia (DoSM).

Chief Statistician Datuk Seri Mohd Uzir Mahidin stated that when comparing the second quarter to the first quarter of 2023, domestic visitors increased by 12.2%. The report also revealed that domestic tourism expenditure for the second quarter of 2023 reached RM21.9 billion, marking a 23.9% year-on-year increase and a 13.9% rise from the previous quarter.

Selangor led in terms of both volume and total receipts in 2022, with domestic tourism receipts of RM8.73 billion, followed by the Federal Territory of Kuala Lumpur and Sarawak, which received RM7.73 billion and RM5.43 billion, respectively. Visiting relatives and friends emerged as the primary purpose of domestic overnight trips for most states, except for Penang and the Federal Territory of Labuan. [READ MORE](#)

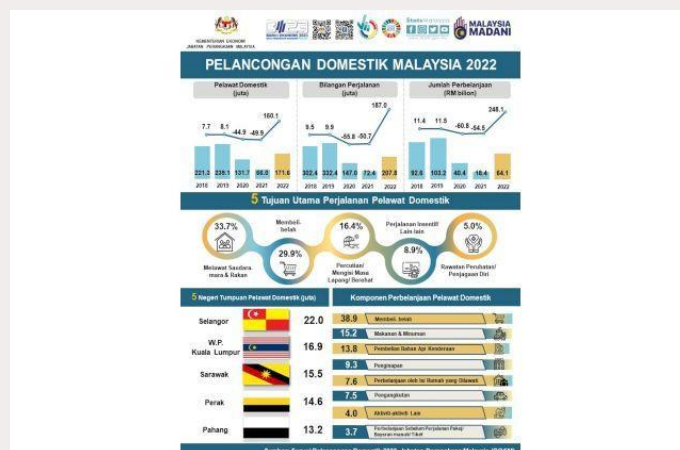


Domestic tourism expenditure surges to RM59.2 billion in 2022

In 2022, domestic tourism in Malaysia experienced a significant boost, with total expenditure reaching RM59.2 billion, compared to RM17.5 billion in 2021, as reported by the Department of Statistics Malaysia (DOSM). This data is based on the Tourism Satellite Account (TSA), a framework for measuring the growth of the tourism industry and its contribution to the GDP.

Chief Statistician Datuk Seri Dr. Mohd Uzir Mahidin highlighted substantial increases in three key drivers that include increased spending on shopping (42.1%), food and beverages (16.4%), and vehicle fuel (14.9%). This positive performance is attributed to the reopening of Malaysia's borders to international tourists on April 1, 2022, as well as the elimination of COVID-19 quarantine and screening requirements for arrivals starting from August 2022.

In terms of employment, the tourism industry contributed to 23.4% of the total workforce in 2022, employing 3.61 million people, compared to 3.52 million in 2021. The tourism sector's contribution to the GDP grew by 26.7%, reaching 14.0% or RM251.5 billion in 2022, up from 12.8% or RM198.5 billion the previous year. The Tourism Direct GDP in 2022 was RM47.9 billion, compared to RM11.6 billion in the previous year. [READ MORE](#)



Malaysia Welcomes 12.17 Million Tourists by Third Week of August, Minister Reports

Tourism Minister Datuk Seri Tiong King Sing has reported that Malaysia welcomed 12.17 million tourists by the third week of August this year.

The government aimed for 16.1 million tourist arrivals in 2023, factoring in limited flights and the reopening of the China border in March 2023. Minister Tiong expressed hope that with the remaining months, tourist arrivals could surpass the 16.1 million target.

To facilitate foreign tourist entry, various initiatives, including visa-on-arrival, multiple-entry visas, E-Visas, and transit visas, have been implemented.

Additionally, the Cabinet has approved the transfer of the Malaysia My Second Home (MM2H) programme's One-Stop Centre from the Home Ministry to Motac, with operations expected to begin in October 2023. This move aims to revitalize the MM2H programme, which saw a drop in applicants due to stringent requirements. [READ MORE](#)



PBH Boosts Tourism in East Malaysia

The Pan Borneo Highway (PBH) in Malaysia, a massive 2,000km road project dating back to the 1960s, was delayed by the COVID-19 pandemic but is now set to be fully completed and operational by 2030.

The federal and Sabah state governments emphasize the economic benefits, especially for tourism, that the PBH will bring. The improved connectivity will enhance tourism in Sabah, encouraging domestic and international tourists to travel by road, thus boosting the tourism industry and related services.

The PBH is also seen as a backbone for Sabah, stimulating various industries like logistics, tourism, and retail. Additionally, it will promote self-drive tourism and cross-border travel opportunities. Sarawak expects similar benefits from the PBH for its tourism industry, improving accessibility to various tourism products.

Challenges include maintaining the road's quality over time. Overall, the PBH is poised to significantly boost tourism, connectivity, and economic development in the region. [READ MORE](#)



Malaysia Airlines broadens its presence in Indonesia with additional flights to Kertajati

Malaysia Airlines is set to expand its Indonesian network with a new direct flight from Kuala Lumpur (KUL) to Kertajati (KJT), starting October 30.

This route will enhance connectivity to West Java, including Bandung, and mark the airline's seventh direct connection to Indonesia, alongside cities like Jakarta and Denpasar. The move aims to provide greater convenience for travelers, stimulate tourism, and strengthen bilateral ties between the two countries.

To celebrate the launch, Malaysia Airlines is offering introductory fares for bookings made until October 8, with flights commencing from October 30, 2023, to March 29, 2024.

The airline will also provide a complimentary shuttle service between Kertajati International Airport and Bandung city for passenger convenience. [READ MORE](#)

