

HOSPITALITY INDUSTRY NEWSLETTER



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Mandarin Oriental Enters Desaru Coast, Signalling Long-Term Luxury Investment Confidence



Mandarin Oriental has officially opened its first South-east Asian resort at Desaru Coast, marking a strategic brand entry into Malaysia's premium hospitality market. Formerly operated as One&Only Desaru Coast, the 52 hectare rainforest resort was rebranded on Jan 30 and is owned by Destination Resorts and Hotels, a Khazanah Nasional subsidiary. The property comprises 44 large-format suites and a four-bedroom pool villa, positioning it firmly within the ultra-luxury segment.

The rebranding follows a conscious reset after the resort struggled to gain traction during the Covid-19 period. Mandarin Oriental, together with Symphony International, identified Desaru Coast's proximity to Singapore, strong sense of space and natural setting as long-term differentiators, therefore aligning the asset with destination-led growth and emotional brand engagement.

Mandarin Oriental plans phased refurbishments, upgrades to key guest areas and the launch of the region's first Mandarin Oriental branded residences. Improved accessibility, rising tourism activity and sustained state investment further strengthen Desaru Coast's long-term investment appeal, while the partnership supports talent development and reinforces confidence in Malaysia's luxury tourism trajectory.

Strong Year-End Singapore Travel Demand Continues to Favour Malaysia, Visa Data



Singapore residents maintained strong regional travel activity at year end, with Malaysia retaining its position as the most popular destination in December, according to Visa. Face to face card spending by Singapore travellers increased 18 percent year on year during the peak travel period, driven by higher travel related expenditure and signalling resilient cross border demand supportive of tourism and hospitality assets.

Kuala Lumpur and Johor Bahru recorded year on year spending growth of 31 percent and 17 percent respectively, therefore reinforcing their status as leading destinations. The performance reflects sustained interest in urban centres and gateway cities, supported by accessibility, retail offerings and accommodation demand, which remain relevant to corporate investors assessing near term revenue visibility.

Japan ranked second, although spending growth was modest at 5 percent, while Thailand and South Korea followed in third and fourth places. China rose eight positions to fifth, with spending surging nearly 80 percent year on year, led by accommodation and retail purchases. Even so, Malaysia continues to lead regional preferences, underscoring its competitive positioning within Southeast Asia's tourism and hospitality landscape.

MaTiC Positioned as Central Cultural Hub Supporting Visit Malaysia 2026



The Malaysia Tourism Centre serves as a one stop platform under the Visit Malaysia 2026 campaign, consolidating arts, culture and heritage offerings in a single location. Through collaboration with Tourism Malaysia, the initiative brings together key national agencies to enhance destination visibility and strengthen the country's positioning as a cultural tourism hub for both domestic and international visitors.

Programmes at MaTiC feature a broad showcase of national assets, including heritage cuisine presented by the National Heritage Department, handicrafts by Kraftangan Malaysia and artworks curated by the National Art Gallery. In addition, daily cultural performances by the National Department for Culture and Arts, Istana Budaya and the National Academy of Cultural Arts and Heritage highlight traditional music, dance and craftsmanship, complemented by wellness elements such as traditional massage demonstrations.

The initiative supports a more integrated visitor experience aligned with VM2026 objectives, while also creating commercial opportunities through daily sales exhibitions and cultural activities. By concentrating cultural offerings and public access, MaTiC strengthens tourism readiness and reinforces long term value creation across the hospitality and cultural economy.

International Digital Partnerships Accelerate Visit Malaysia 2026 Global Market Reach



Tourism Malaysia is intensifying promotional efforts for Visit Malaysia 2026 through large scale international collaborations aimed at expanding global visibility. The strategy includes partnerships with 210 influencers from key markets such as China, Japan and Russia, collectively reaching more than 800 million followers. This approach reflects a shift toward high impact digital engagement to strengthen destination awareness and travel intent.

The initiative is supported by strategic collaborations with private agencies and major social media platforms including TikTok, Weibo, Xiaohongshu and YouTube. In parallel, Tourism Malaysia is evaluating potential partnerships with streaming and telecommunication companies to develop creative, high quality content that adds value to VM2026 promotions and enhances international reach.

The ministry remains committed to promoting tourism across all states, including Sabah and Sarawak, while encouraging state agencies to introduce new products and travel packages. Efforts are also underway to address safety perceptions through engagement with international industry players and foreign ministries, thereby reinforcing confidence and supporting sustained tourism growth.

KLIA National Gateway Landscape Project Enhances First Impressions Ahead of VM2026



The RM3 million National Gateway Landscape Development Project at Kuala Lumpur International Airport has been completed within six months, demonstrating effective inter agency collaboration and fast track delivery. The initiative involved the Ministry of Housing and Local Government, Malaysia Airports Holdings and the Ministry of Transport, and aims to strengthen the national image through well planned landscape design that reflects local identity.

Implemented as a fast track project, the development delivered time and cost efficiencies while supporting coordinated governance under the Madani framework. It is the first national gateway project undertaken by the ministry under the Harmony in Diversity theme, highlighting cultural heritage, biodiversity and natural resources as part of a cohesive visual narrative for international arrivals.

The project spans four zones covering vertical landscaping, terminal exit routes, a wilderness alignment and the Madani Gateway with solar powered Welcome to Malaysia signage. Aligned with Visit Malaysia Year 2026, the initiative enhances airport appeal, supports tourism growth and reinforces KLIA's role as a strategic economic gateway, while encouraging broader adoption of identity driven landscape improvements nationwide.

Miri Positioned for Chinese Tourism Growth and Medical Education Expansion



Miri is emerging as a strategic beneficiary of rising Chinese visitor arrivals, supported by plans to develop student focused and experiential tourism alongside new medical education and research facilities. These prospects were highlighted during discussions with a Fudan Group delegation, reflecting growing interest in positioning the city as a destination that combines tourism, education and healthcare related activities.

Plans include the establishment of the Fudan University Institute of Integrative Medicine Research Development Centre and an AI Medical Research Hub at the former Miri City Council building. Subsequent phases would see the development of the Fudan School of Medicine Miri Campus and a full university campus, which together are expected to strengthen healthcare capacity, research excellence and long stay academic visitation.

Chinese visitor arrivals recorded strong growth, reaching 3.7 million in 2024, up 130 percent year on year, while January to November arrivals rose 25.9 percent. This trend supports opportunities to attract younger travellers through community based and cultural tourism under Visit Malaysia 2026, reinforcing Miri's long term economic and tourism potential.

Nanjing-Tawau Charter Boosts China Connectivity and Sabah Tourism Prospects



The launch of Firefly Airlines' inaugural charter flight from Nanjing to Tawau on Feb 3 marks a meaningful step in strengthening air connectivity between China and Malaysia, in support of Visit Malaysia 2026. Tourism Malaysia said the new service underscores the strategic importance of expanding direct international access to key regional destinations to sustain tourism growth.

The charter operates twice weekly with a capacity of 176 passengers per flight and will run until the end of February 2026. Improved access from a major Chinese city enhances travel convenience, supports rising demand and positions Tawau more strongly as a gateway to Sabah's east coast, which is known for marine tourism, eco adventure and cultural assets.

The initiative reflects close collaboration between Tourism Malaysia, Firefly Airlines, Malaysia Airports Holdings and Shanghai Eagle Aviation Service. China remains a critical source market, with 4.6 million visitor arrivals recorded in 2025. Total international arrivals reached 42.2 million, highlighting continued recovery and a positive outlook for tourism linked investments.