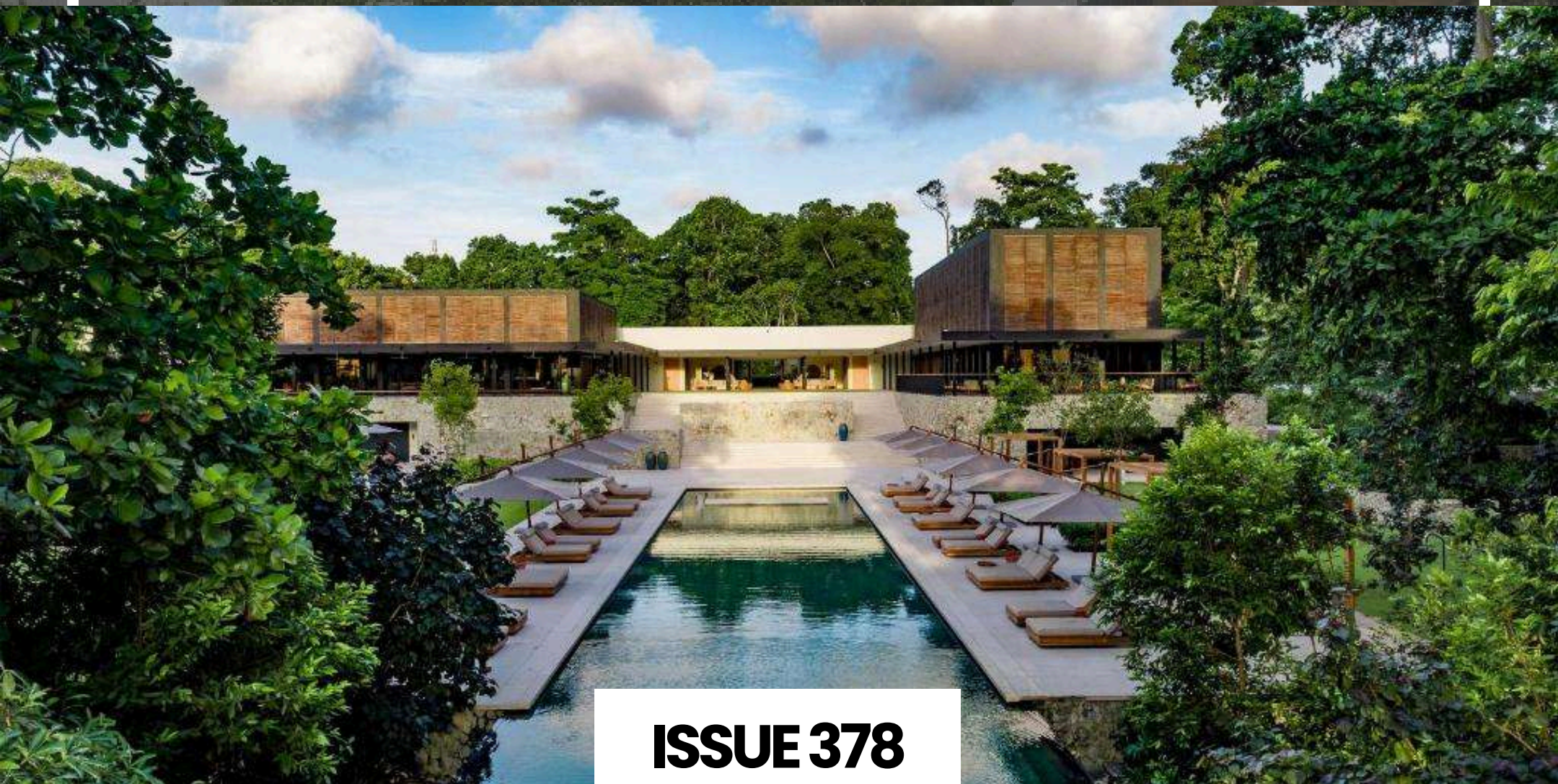


HOSPITALITY INDUSTRY NEWSLETTER



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Westin Puchong By Marriott International Strengthens IOI Rio City Hospitality Appeal



IOI Properties Group Bhd has partnered with Marriott International to develop the 324 rooms Westin Puchong within its 100 acre IOI Rio City masterplan in Bandar Puteri Puchong, Selangor. Scheduled to open by end June 2030, the hotel will occupy the upper levels of one of two office towers in the IOI Mall Rio development. Importantly, it will become Puchong's first internationally branded five star hotel, reinforcing the township's appeal as a premium commercial and lifestyle destination while supporting future tourism and investment growth.

The hotel is designed to capture business travel and the meetings, incentives, conventions and exhibitions market. Facilities will include a 1,500 sq m grand ballroom, six meeting rooms covering 2,030 sq ft and four food and beverage outlets. Moreover, the project represents IOI Properties' tenth hospitality development with Marriott International across Malaysia, Singapore and China. Upon completion, the group's hotel portfolio will expand to 3,982 rooms, while hospitality and leisure continues contributing 20.4% of total group revenue.

Meanwhile, the 100 acre IOI Rio City masterplan will be developed over 12 years, building on earlier launches including 2Rio Residence, Alyvia Residence and The Cube Plus. The integrated township will also feature underground vehicle and pedestrian connectivity to create a more walkable environment and improve urban mobility, supporting the long term value of the mixed use development and enhancing its attractiveness for businesses, residents and visitors alike.

voco Kuching Strengthens Wisma Elica As A Landmark Hospitality Destination



Wisma Elica has officially opened in Kuching, introducing Malaysia's first voco hotel under IHG Hotels and Resorts and East Malaysia's largest senior wellness centre, Care Collective. The redevelopment marks a significant step for Sarawak's tourism and hospitality sector, reflecting growing confidence in sustainable investment, urban regeneration and international partnerships. Moreover, the project transforms a well known landmark into a modern mixed use destination while preserving elements of its architectural heritage for future generations.

At the heart of the development is the 321 rooms voco Kuching, which opened in June and has already hosted major international events, welcoming more than 1,200 delegates from six countries. Positioned to support business events, conferences and leisure travel, the hotel features interiors inspired by Sarawak's cultural heritage alongside contemporary design. The project also includes enhanced pedestrian spaces, a cohesive architectural vision for Care Collective and collaborations with local creative talents, strengthening its appeal as a distinctive hospitality destination.

Meanwhile, Wisma Elica has launched Sarawak's first Tesla Destination Charging hub at a hotel, reinforcing its commitment to sustainable travel and future ready hospitality. Developed through a long term partnership between Elica Equity and IHG Hotels and Resorts, the project highlights a shared commitment to quality, innovation and lasting value, further strengthening Kuching's position as a competitive destination for regional and international visitors.

Formula One Return Boosts Hotel Demand And Tourism Growth Across Klang Valley



Hotels in Sepang and Putrajaya are recording strong bookings ahead of the Formula One Gulf Air Bahrain Grand Prix at Sepang International Circuit from Oct 2 to 4, reflecting the economic value of major international events. Some hotels in Sepang have already reached full occupancy, while demand is also rising in Putrajaya as visitors secure accommodation early. The event marks the return of Formula One racing to Malaysia after the Malaysian Grand Prix ended in 2017, creating positive momentum for the hospitality sector.

Demand is expected to extend beyond Sepang, benefiting hotels across the Klang Valley, including Kuala Lumpur, Cyberjaya and Putrajaya. Industry players noted that hotel performance in the first half of the year remained steady, supported by major tourism events. While bookings in Kuala Lumpur continue to build gradually, higher spending visitors, race teams and international guests are expected to further strengthen occupancy. Hotel booking platforms already show limited room availability across key locations for the race weekend.

Meanwhile, tourism stakeholders believe international sporting and lifestyle events can generate wider economic benefits by supporting hotels, transport operators, restaurants and other local businesses. Such events also encourage domestic travel and diversify tourism offerings beyond conventional leisure activities. In addition, the travel industry is preparing customised visitor packages, while further international sporting events are planned to strengthen Malaysia's tourism appeal.

Pahang Leads Domestic Tourism Growth As Travel Demand Strengthens Nationwide



Pahang emerged as Malaysia's leading destination for overnight domestic tourists in 2025, welcoming 11 million visitors, followed by Selangor, Perak, Kuala Lumpur and Johor. Meanwhile, Penang ranked twelfth with 5.6 million overnight domestic tourists. Overall, Pahang recorded 23.2 million domestic visitors, supported by the strong appeal of destinations such as Cameron Highlands and Genting Highlands. The results reflect resilient domestic travel demand, strengthening tourism activity and continued visitor confidence across the country.

According to the Department of Statistics Malaysia's Domestic Tourism Survey 2025, domestic visitor numbers increased 11.5% to 290.1 million from 260.1 million in 2024. At the same time, domestic tourism expenditure rose 13.6% to RM121.3 billion, while the average length of stay improved from 2.49 nights to 2.56 nights. Growth was supported by festive travel, school holidays, state tourism campaigns, cultural festivals, concerts, exhibitions, sporting events and business related gatherings, contributing to stronger tourism spending nationwide.

Meanwhile, Tourism Malaysia's Paid Accommodation Survey reported that hotel guests nationwide increased 4.2% to 104.35 million in 2025. Kuala Lumpur recorded the highest number of hotel guests at 23.74 million, followed by Pahang, Johor, Selangor, Sarawak and Penang. Penang welcomed 5.29 million domestic and 3.47 million international hotel guests. National hotel occupancy reached 56.8%, while Pahang achieved the highest rate at 76.3%, ahead of Penang at 58.6%, underscoring the sector's healthy recovery and sustained tourism momentum.

Star Travel Carnival Showcases Tourism Deals And Boosts Johor Visitor Appeal



The Star Karnival Cuti Cuti Malaysia roadshow will take place at Paradigm Mall Johor Bahru from July 31 to Aug 2, bringing together nearly 40 exhibitors from the travel and hospitality industry. Carrying the theme Destinasi Indah, Harga Rahmah, the event offers a one stop marketplace featuring affordable travel products, services and destinations. Visitors can access exclusive holiday packages, hotel promotions, staycation deals and weekend getaway offers, alongside event only discounts from participating travel and accommodation providers.

The carnival also features rewards including flight tickets, hotel stay vouchers, attraction passes and lucky draw prizes. In addition, visitors can explore promotions for cruises, island holidays, guided tours, educational trips and Borneo travel experiences. Family friendly attraction offers, cultural products, handcrafted items, souvenirs and travel merchandise further enhance the visitor experience. Strong participation from tourism stakeholders reflects continued confidence in Malaysia's domestic tourism sector while encouraging greater travel demand.

Organised by Tourism Malaysia in collaboration with Star Media Group, the three day carnival supports the Visit Malaysia 2026 campaign by promoting the country's diverse destinations, cultures and attractions. Johor takes centre stage with its heritage landmarks, natural attractions and leisure offerings, while Sabah and Sarawak tourism products are also featured. With free admission, engaging activities and exclusive promotions, the event aims to stimulate domestic and regional travel while supporting sustained growth across Malaysia's tourism and hospitality sectors.

Tawau Cultural Festival Strengthens Heritage Tourism And Regional Visitor Appeal



The 11th Tawau International Cultural Festival continues to strengthen Sabah's position as a cultural tourism destination while preserving the state's diverse heritage. Featuring 32 ethnic groups from Sabah, the festival provides a platform to showcase traditional customs, arts, wedding ceremonies, warrior traditions and local handicrafts. Running from July 25 to Aug 1, the event highlights culture as a valuable long term asset that supports community identity while creating meaningful experiences for both local and international visitors.

The festival also welcomed participants from Indonesia, Kazakhstan, Uzbekistan and Cambodia, reflecting Tawau's growing role as a border town with strong regional cultural connections. Beyond promoting heritage, the event reinforces Sabah's appeal as a destination for cultural tourism and strengthens opportunities for regional engagement. At the same time, the festival encourages younger generations to appreciate and preserve traditional customs, ensuring that cultural heritage remains relevant for the future.

Meanwhile, the event delivers broader economic benefits by supporting local entrepreneurs, homestay operators, artists and small businesses through increased visitor activity. Looking ahead, Sabah will continue expanding high impact tourism programmes in conjunction with Visit Malaysia 2026 and Visit Sabah 2027, including larger cultural and nature tourism events, community based tourism initiatives and stronger digital marketing efforts. These initiatives are expected to further enhance Sabah's tourism competitiveness.

KTMB Expands Southern Shuttle To Strengthen Johor Rail Connectivity And Mobility



Keretapi Tanah Melayu Berhad will extend its Southern Shuttle rail service to the Paloh to JB Sentral route effective Aug 8, introducing a direct connection across central Johor. The expanded service links seven stations comprising Paloh, Kluang, Renggam, Layang Layang, Kulai, Kempas Baru and JB Sentral, with a journey time of approximately 120 minutes. Implemented less than three months after the service's launch on June 16, the extension utilises part of the Gemas Johor Bahru Electrified Double Track Project alignment to improve regional rail connectivity.

The expanded route is expected to benefit around 2.5 million residents across Kluang, Kulai, Pasir Gudang and Johor Bahru by improving access to key employment and economic centres. Since its initial launch, the Southern Shuttle has recorded 3,209 passengers. The upgraded service will operate 10 daily trips, with five services in each direction and capacity for up to 400 passengers per train. Integrated schedules at Kempas Baru also provide seamless transfers to the Pasir Gudang industrial zone.

Meanwhile, KTMB is introducing promotional fares until new electric trains are delivered, reducing the one way fare between Paloh and JB Sentral to RM7.70 from RM15.30. Destination specific fares apply for shorter journeys, while the Southern Shuttle Madani Commuter Card remains valid across the expanded route until Sept 16, 2026. The initiative is expected to encourage greater public transport adoption, strengthen regional mobility and support Johor's growing economic activity.

Riyadh Air Launches Kuala Lumpur Route To Strengthen Regional Air Connectivity



Riyadh Air has launched its inaugural nonstop service between Riyadh and Kuala Lumpur, making Malaysia its first destination in Southeast Asia as the airline expands its international network. Operating three times weekly on Tuesdays, Thursdays and Saturdays, the new route strengthens connectivity between Saudi Arabia and Malaysia while supporting growing demand for business, tourism, education, trade and religious travel. The service also supports Saudi Arabia's Vision 2030 ambition to position Riyadh as a leading global aviation hub.

The new connection is expected to deepen links between Saudi Arabia and the wider ASEAN region by providing more seamless travel opportunities for passengers. For Malaysia, Riyadh Air becomes the ninth Middle Eastern airline serving Kuala Lumpur International Airport, further enhancing KLIA's position as a regional gateway for tourism, trade and investment. The route also expands travel options while reinforcing Malaysia's connectivity with an increasingly important international market.

Developed in collaboration with Saudi Arabia's Air Connectivity Program, the service is expected to support continued growth in religious travel by improving access for Malaysian Umrah and Hajj pilgrims. At the same time, it offers Saudi travellers greater access to Malaysia and the wider Southeast Asian region. Overall, the new route strengthens aviation connectivity, supports tourism and business growth, and reinforces Kuala Lumpur's role as a strategic international aviation hub.