

HOSPITALITY INDUSTRY NEWSLETTER



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Malaysia's Tourism Value Climbs To RM323 Billion In 2025 Overall



Malaysia's tourism industry generated RM323.0 billion in value added for 2025, up 8.6% from the previous year and accelerating from 7.8% growth in 2024, according to the Department of Statistics Malaysia. The sector now contributes 15.9% to gross domestic product, underscoring its expanding weight within the broader economy and its growing importance to national income.

Internal tourism expenditure rose 15.2% to RM236.9 billion, driven by inbound spending that climbed 16.5% to RM124.8 billion and domestic spending that grew 13.8% to RM112.1 billion. Retail trade remained the largest contributor to tourism value added at 50.6%, followed by food and beverage at 16.4%, other services including health and MICE at 13.1%, and accommodation at 9.3%, with cultural and recreational activities adding a further 4.3%.

Tourism related employment reached 3.7 million people, or 22.1% of total employment nationwide, though job growth eased slightly to 3.5% from 4.6% a year earlier. The figures point to a maturing sector where spending intensity, rather than pure visitor volume, is increasingly shaping overall economic contribution for investors and operators alike.

Michelin Guide 2026 Adds Five New Malaysian Hotel Keys Overall



The Michelin Guide's 2026 edition has awarded One Key status to five additional Malaysian properties, namely Park Hyatt Kuala Lumpur, The Datai Langkawi, The Sireya Desaru Coast, Mandarin Oriental Desaru and Cheong Fatt Tze, The Qing Suites in Penang, alongside Soori Penang, expanding the country's presence in the prestigious global ranking system for standout stays.

Four existing Malaysian hotels retained their status from previous editions, including Else Kuala Lumpur, Four Seasons Hotel Kuala Lumpur and The RuMa Hotel and Residences, each holding One Key, while Four Seasons Resort Langkawi kept its Two Key distinction, the highest currently held by any Malaysian property in the guide's rating system.

Globally, the 2026 edition introduced more than 470 new hotels across 79 destinations, bringing the total selection to over 9,400 properties worldwide, of which 2,832 now carry a Michelin Key. The expanded Malaysian presence signals growing international recognition for the country's luxury hospitality offerings, spanning both urban business hotels and coastal resort destinations across several states, reinforcing the sector's steady upward trajectory this year.

The Danna Langkawi Tops Malaysia's Top Beach Resort Ranking List



The Danna Langkawi has claimed the top position in Malaysia's Top Ten People's Choice ranking for highest rated beach resorts in 2026, based on thousands of guest reviews emphasising personalised attention and authentic interactions rather than facilities alone. The resort sits between the Andaman Sea and Telaga Harbour, offering 123 rooms, suites and beachfront pool villas.

As the exclusive representative of Small Luxury Hotels of the World in Langkawi, the property also became the first resort on the island to introduce Jo Loves bath amenities, created by perfumer Jo Malone. Guests can choose among several dining venues, including Planter's for breakfast, Straits & Co, which transforms into a Peranakan restaurant at sunset, and Terrace, an Italian outlet overlooking the three level infinity pool between the sea and harbour.

General manager Remco Rademaker said the recognition carries particular meaning since it comes directly from guests, adding that the resort's experience is built through many meaningful moments rather than a single grand gesture, reflecting a service philosophy centred on private beach access and consistent comfort.

Wolo Hotel And Residences Earns Two Gold Honours In Shanghai



Wolo Hotel & Residences, a 60 storey hospitality led development in Mont Kiara, Kuala Lumpur, developed by Magma Kiara Sdn Bhd, has won two Gold awards at the 12th CREDAWARD in Shanghai, China, held in September 2026 and drawing 935 entries from 271 organisations worldwide. The project became the only Malaysian entry shortlisted this year and the first Malaysian project to receive a Gold recognition under the award's published records.

The development, carrying a gross development value of about RM850 million on a 2.26 acre site along Persiaran Dutamas, is targeted for completion in the fourth quarter of 2030. It comprises 378 private branded residences, 98 serviced suites and a 63 room boutique hotel, together with wellness and lifestyle facilities and multiple dining outlets once fully operational.

One Gold award recognised the architectural concept, designed by Bangkok based Openbox Architects, for the Residential Project Under Construction category, while the other celebrated the interior design of the Wolo Experience Lounge by Singapore based 932 Design Group. A separate Industry Contribution Award went to Magma Property Sdn Bhd.

Cititel Penang Hotel Hits Market With RM163 Million Asking Price



Cititel Penang, a 19 storey four star hotel on Penang Road in George Town, has been placed on the market through an Expression of Interest exercise with a deadline of September 30. Built in 1997, the 451 room property sits on three freehold parcels totalling nearly one acre and offers sea views across the North and South Channels along with sightlines toward Penang Bridge.

The hotel is owned by Cahaya Utama Sdn Bhd, whose major shareholders are Wah Seong (Malaya) Trading Co Sdn Bhd with 50% and Kota Johore Realty Sdn Bhd with 30%. It is managed by Cititel Hotel Management Sdn Bhd, the hospitality arm of IGB Bhd, giving the asset an established operational track record ahead of any change in ownership.

According to the appointed selling agent, buyers seeking an established asset with location scarcity, freehold tenure and scale should find the offering compelling. Penang's hotel pipeline remains active, with 13 new hotels adding over 2,300 rooms since 2023, while about 10 more are under construction and 11 approved, pointing to sustained investor appetite.

Penang Hoteliers Push For Tighter Rules On Unlicensed Homestays Now



Licensed hoteliers in Penang are calling for stronger enforcement against unlicensed Airbnb style homestays, arguing the unregulated segment draws guests away from the state's roughly 894 registered hotels offering about 22,500 rooms. Members of the Malaysia Association of Hotels currently average around 60% occupancy, a level industry representatives say falls short given rising tourist arrivals to the island.

The Private Homestay By Law 2026, effective August 1, made Penang the first state in Malaysia to regulate short term rentals formally. It sets an RM50 application fee, annual licence fees from RM1,000 for up to three rooms plus RM200 per extra room, and a separate RM1,800 yearly tourism fee per unit, with non compliance risking fines up to RM2,000 or a year in jail.

Association vice president Datuk Khoo Boo Lim said homestays should meet the same safety and fire permit standards as hotels. Complaints have already climbed, with Penang Island City Council logging 364 cases and Seberang Perai recording 24 between 2020 and March this year, reinforcing the case for stronger enforcement.

Penang Pushes For Federal Support On Tourism Priorities In 2027



Penang is seeking federal consideration under the 2027 Budget to strengthen its tourism agenda, covering air connectivity, international events and heritage preservation. State Tourism and Creative Economy Committee chairman Wong Hon Wai said the agenda matters for lifting the sector's value while ensuring growth benefits the local economy.

Among the priorities is an air connectivity fund, including matching grants, to attract direct flights from markets such as Japan, South Korea, Australia and the Middle East. With Penang International Airport's upgrade set to double capacity to 12 million passengers a year by June 2028, Wong said the focus is ensuring capacity gets used through new routes and higher flight frequencies. He also sought a larger matching fund to bid for international conferences and festivals, noting business events generated about RM1.91 billion in economic impact last year.

Wong proposed a UNESCO George Town Conservation Fund, with allocations for heritage buildings, public spaces and traditional businesses, keeping culture and communities thriving alongside new activity. He called for continuing the full tourism tax allocation to states, as Penang shifts focus toward high value tourism.

Malaysian Travellers To Uzbekistan Double In Early 2026 Period Overall



Malaysian visitors to Uzbekistan doubled to 10,500 in the first eight months of 2026, up from 5,300 over the same period last year, according to the Uzbekistan Embassy in Kuala Lumpur. Traffic in the other direction also grew strongly, with Uzbek arrivals to Malaysia topping 16,000 in the first half of the year, a 62% increase compared with a year earlier.

Uzbekistan's overall inbound tourism climbed 21.1% to 9.1 million visitors between January and August, building on 11.7 million arrivals in 2025 and 10.2 million in 2024. Growth has been supported by new infrastructure, including the Imam al-Bukhari Memorial Complex, which opened in March 2026 with daily capacity expanded to 65,000 from 12,000 previously.

Direct connectivity has also improved, with Uzbekistan Airways and Batik Air both operating Kuala Lumpur to Tashkent routes, alongside a weekly Langkawi to Tashkent service launched in December 2025. A visa free regime of up to 30 days has further encouraged bilateral travel, following a 2025 presidential visit that first set the tourism push in motion.

Malaysia Pairs Convention Centres With Culture For Business Tourism Push



Malaysia is combining its convention infrastructure with local culture and cuisine to strengthen its position in business tourism, building on being named Best Mice Destination at the Global Tourism Forum 2025. As of June 30, the Malaysia Convention & Exhibition Bureau had secured 416 local events scheduled through 2030, projected to generate RM3.98 billion in economic impact for the country.

A new platform, Destination Convention Malaysia, brings together Marriott International, MyCEB, Business Events Sarawak and Sabah Convention Bureau to present a unified offering to regional and international markets. Venues involved span Marriott affiliated properties such as the Renaissance KL Hotel & Convention Centre alongside major facilities including the KL Convention Centre, Sabah International Convention Centre and Borneo Convention Centre Kuching.

MyCEB chief executive Tan Mei Phing said one of Malaysia's greatest strengths lies in its diversity, with the strategy aiming to blend business events with leisure activities across destinations. The approach seeks to draw international organisers seeking both world class facilities and distinctive cultural experiences that stand out from regional rivals.

MIHAS 2026 Set To Draw 50,000 Visitors From 45 Nations



The 22nd Malaysia International Halal Showcase, or MIHAS, will run from September 23 to 26 at the Malaysia International Trade and Exhibition Centre, with organisers expecting 50,000 visitors from 45 countries. The event, jointly organised by the Ministry of Investment, Trade and Industry and Matrade, will host 1,700 participating companies across 2,000 exhibition booths and targets RM5 billion in sales value this year.

A new AI system will debut for registered participants, offering business matching, multilingual assistance, navigation support, meeting coordination and post event engagement tools throughout the four day exhibition. Matrade chief executive Datuk Abu Bakar Yusof said the platform should enhance the overall experience while supporting the sales target set for this edition of the showcase.

The International Sourcing Programme is projected to facilitate 4,000 business meetings, bringing together about 450 international buyers, including 50 premium buyers, with roughly 600 Malaysian exporters across food, cosmetics and other halal certified categories. The scale underscores Mihas's growing role as a platform connecting halal industry players across borders and building further momentum for exporters seeking new markets ahead.

Desaru Coast To Add RM10 Million Karting Circuit By Year End



Desaru Coast, the 4,000 acre beach resort destination in Johor, will add a new RM10 million karting circuit at Riverside within The Sports Arina development, targeted for completion by the end of 2026. The facility will feature a competitive karting circuit with a full timing system alongside an air conditioned indoor circuit designed for children.

The project is being developed by Singapore based Arina International Holding Pte Ltd, which already supports Singapore's F1 circuit and operates the 960 metre KFI Kranji circuit, bringing established racing expertise to the Malaysian side of the border. Three additional pickleball courts are planned next, following three outdoor padel courts that opened in July 2026, steadily broadening the resort's recreational offering.

Desaru Development Holdings chief executive Izrin Hashim said the investment reflects growing opportunities for regional businesses within Desaru Coast's ongoing expansion. Arina International chairman Richard Tan added that karting holds strong potential to draw recreational drivers and enthusiasts from both Malaysia and Singapore, building on the destination's existing waterpark and beach resort appeal for visiting families and tourists alike.

Calls Grow For New International Airport To Serve Kota Kinabalu



Kota Kinabalu International Airport shut down for nine hours on September 17 after runway potholes required urgent repair, disrupting at least 20 flights through delays, cancellations and diversions. The single runway airport was designed for 9 million passengers annually, yet traffic already reached about 9.4 million in 2019, well above capacity even before recent approved upgrades targeting 12 million passengers.

Following the disruption, Kitingan argued that expanding terminal capacity alone would not resolve the airport's underlying vulnerability, since a single runway leaves little room for maintenance without disrupting operations across the wider network. He proposed exploring the Papar to Kimanis area near the state capital as a potential site for an entirely new international airport serving Sabah.

Any decision, he said, should rest on comprehensive technical, environmental, economic and accessibility studies rather than an immediate commitment made under pressure. Building a second runway or introducing interim operational safeguards were also raised as alternative paths to strengthen resilience while a longer term solution for Sabah's busiest gateway is worked out in the months ahead.

Malaysia Airlines Cabin Crew Now Rank Third Best In World



Malaysia Airlines was named Best Airline Staff in Asia at the 2026 Skytrax World Airline Awards, while its cabin crew climbed to third place globally in the World's Best Airline Cabin Crew category, a five position jump from eighth in 2025. The airline also rose to 21st in the World's Best Airline ranking, up six places year on year.

Additional gains included second place in World's Best Airport Services, up from sixth, and 12th in World's Best Economy Class Airlines, up from 16th, alongside a debut 18th place ranking in World's Best Business Class Airlines. The carrier also improved to 11th among the World's Cleanest Airlines.

Malaysia Aviation Group president Captain Nasaruddin A Bakar said the recognition reflects collective effort across the airport, onboard and behind the scenes, crediting warm and consistent service. The airline has already taken delivery of 29 new aircraft as part of a fleet renewal targeting 117 modern planes by 2035, alongside an on time performance averaging 91.38% this year, supporting its ambition of ranking among the world's top 10 airlines by 2030.

Malaysia Deepens Gulf Airline Ties To Boost Middle East Tourism Arrivals



Malaysia is strengthening air connectivity and tourism cooperation with the United Arab Emirates and the wider Gulf Cooperation Council region to lift visitor arrivals from the Middle East. Tourism, Arts and Culture Ministry deputy secretary general Chua Choon Hwa led discussions in Dubai from September 13 to 17 with airlines, travel agencies and industry players, resulting in memorandums of understanding with Emirates and Qatar Airways for joint tourism promotion and marketing.

Tourism Malaysia director general Mohd Amirul Rizal Abdul Rahim also took part in the talks, which further engaged Air Arabia, Gulf Air and Etihad Airways alongside travel partners including Emirates Holidays, Sharaf Travel, Al Rais Travel and Capital Travel, broadening the network supporting inbound demand from the region.

Malaysia welcomed 30,257 visitors from the GCC between January and June 2026, pointing to strong potential across family holidays, luxury travel, Muslim friendly tourism, shopping, wellness and gastronomy experiences. Chua said air connectivity remains fundamental to this effort, noting that Dubai and Abu Dhabi serve as key hubs linking Malaysia to African and European markets under the Visit Malaysia campaign.

Rayani Air Plans 2027 Comeback Focused On Haj And Umrah



Rayani Air is preparing to resume flights in 2027 under new management, shifting entirely toward Shariah compliant haj and umrah charter operations rather than scheduled domestic routes. The carrier will rebrand as Rayani Air 2.0 Halal and continue operating as a fully Bumiputera owned entity, marking a sharply narrower focus than its original business model.

The airline plans to operate an Airbus A330-300 with capacity for 290 passengers, a notable upgrade from the Boeing 737-400 with 160 seats it flew during its brief run in 2015 and 2016. Rayani Air originally launched its maiden flight in December 2015 but ceased operations mid 2016 after its air service licence was revoked over breaches of licence conditions and insufficient financial and management capacity at the time.

Addressing past grievances, the company acknowledged that cancelled flights and pending refunds remain a heavy responsibility, and said leadership is reviewing legacy refund records with legal assistance to determine proper resolution pathways for affected passengers ahead of the planned 2027 relaunch under its new charter focused model.