

ISSUE
366

Hospitality Industry Newsletter

Weekly Insights

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Langkawi Hotel Occupancy Surges Past 90% Amid Year-End Holiday Rush

Hotel occupancy on Langkawi island has surged past 90 percent for the first time this year, marking a significant milestone ahead of school holidays and Christmas celebrations. The sharp increase is driven by thousands of tourists choosing Langkawi as an alternative holiday destination following severe flooding in Hat Yai, Thailand. Pantai Cenang, Pantai Tengah, and Kuah town hotels are experiencing exceptional booking levels.

Langkawi Development Authority projects 400,000 tourist arrivals in December, a realistic target given peak holiday season dynamics. The 'Langkawi Special Deals' campaign offering discounts up to 70 percent has amplified visitor interest. Major events like the Langkawi International Half Marathon 2025 contributed significantly, bringing 20,000 participants and family members to the island.

As of November 30, Langkawi recorded 2.75 million tourist arrivals, positioning the island strongly toward its annual target of 3.5 million visitors. This momentum reflects sustained tourism recovery and growing market confidence.



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Novotel Johor Bahru Launches Modern Hospitality Hub Near City Centre

Novotel Johor Bahru City Centre has opened in Malaysia's southern gateway, offering 304 rooms and suites with contemporary comfort and Smart TV amenities. The property features floor-to-ceiling windows, Deep Nature amenities, and family-friendly room configurations. Suites include espresso machines for added convenience. The hotel's central location provides easy access to business and cultural attractions.

Dining options include Food Exchange serving local and international menus, Gourmet Bar for grab-and-go options, and Pool Bar beside the infinity pool. The Grand Chamber, a 520-square-metre pillarless ballroom with three LED screens, accommodates 300 guests. Six additional meeting rooms support conferences and weddings, strengthening the property's versatility.

The launch aligns perfectly with Visit Malaysia 2026 and Visit Johor 2026 campaigns, positioning the hotel as a key hub. Sustainability features include filtered water taps in rooms and plant-forward menus. Introductory rates start from MYR 345++ per night until March 6, 2026.



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FBG Secures RM206 Million Contract for Johor Bahru Tower Construction

FBG Holdings has secured a RM206.2 million contract to construct a hotel apartment block (Tower 2) for Johor Bahru City Square as part of its redevelopment by owner Allgreen Properties. This win lifts FBG's outstanding order book to RM1.03 billion, providing positive earnings visibility through 2028. The contract covers main building works, mechanical and electrical installations, and testing and commissioning.

Allgreen's multi-phase redevelopment aims to transform the mall into a modern lifestyle hub and add hotel apartments to capture demand from the upcoming Johor Bahru-Singapore RTS Link. The project will enhance regional connectivity while supporting growing cross-border business and leisure travel.

The project is scheduled to start December 15, 2025 and complete by July 14, 2028. Executive Chairman Tan Sri Datuk Seri Chan Kong Choy stated this milestone reflects partners' confidence in FBG's technical capabilities and consistent quality delivery.



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Island Hospital Penang Named First Flagship Medical Tourism Hospital

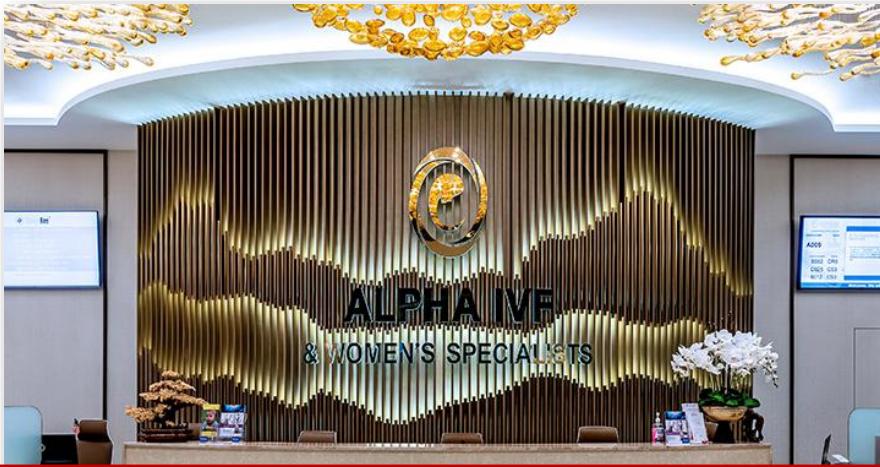
Malaysia Healthcare Travel Council has designated Island Hospital in Penang as the first Flagship Medical Tourism Hospital 2025, marking a historic milestone ahead of Malaysia Year of Medical Tourism 2026. The award recognizes excellence in clinical quality, service delivery, and international branding. Finalists included Institut Jantung Negara, Mahkota Medical Centre, and Subang Jaya Medical Centre.

From 2021 to 2025, the Flagship Medical Tourism Hospital Programme included twice-yearly reviews, expert guidance, and independent evaluations by Joint Commission International and IQVIA. Island Hospital also won awards for healthcare tourism revenue growth and digital patient services. Overall, the programme helped strengthen Malaysia's global healthcare competitiveness.

Malaysia recorded 1.6 million healthcare travellers in 2024, generating RM2.72 billion in revenue. Health Minister Datuk Seri Dr Dzulkefly Ahmad emphasized medical tourism's vital role in economic resilience and global reputation, supporting growth across pharmaceuticals, hospitality, and technology sectors.



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Alpha IVF Group Launches First Centre in East Malaysia Expansion

Alpha IVF Group has launched its first full-fledged IVF centre in East Malaysia, marking strategic expansion into Sabah. Located in Penampang within Greater Kota Kinabalu, the RM8 million facility has capacity for up to 750 oocyte pick-ups annually and features advanced embryology laboratories. The centre offers in-house minimally invasive gynaecological procedures and antenatal care.

The facility is strategically positioned to serve patients from Sabah, Brunei, Miri, Labuan, Kalimantan, and other regional markets, tapping domestic and inbound medical tourism demand. Led by fertility specialists Dr Ana Vetriana and Dr Cecilia Loh, the centre is supported by a multidisciplinary clinical team.

Group Managing Director Dato' Dr Colin Lee Soon Soo emphasized Alpha IVF's commitment to innovation and excellence in helping couples achieve parenthood. With this opening, Alpha IVF Group now operates six IVF centres across Malaysia, Singapore, and the Philippines, reinforcing its regional presence.



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Visit Malaysia Year 2026 to Drive Stock Market Growth

Visit Malaysia Year 2026 will be a key driver for Malaysia's economy and selected stocks, according to MBSB Research. The campaign targets 47 million foreign tourists generating RM329 billion in receipts, supported by RM500 million in government promotions, incentives, and tax breaks for tour operators. Tourism receipts contribute over 15 percent to GDP.

An influx of international tourists will lift airlines' load factors, increase mall footfalls and hotel occupancy rates, and raise consumer and discretionary spending. Hospitals catering to medical tourists will also benefit significantly. Tourism remains a structural driver for consumer demand, with momentum set to accelerate further.

MBSB Research projects FBM KLCI to hit 1,750 points in 2026 as brighter skies emerge. Listed companies' earnings may grow 7.4 percent, supported by broad-based sectoral improvements and recovering external trade. Top picks include Capital A, Tenaga Nasional, and Gamuda, with projected returns ranging from 11 to 71 percent.



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Langkawi Air Passenger Traffic Surpasses Annual Record in Eleven Months

Langkawi recorded more than 2.6 million air passengers in the first 11 months of 2025, a 13.8 percent increase from the same period last year. This figure exceeded the island's total air passenger volume for the entire 2024 year. Langkawi International Airport handled 2,623,049 passengers from January through November, up from 2,305,218 passengers previously.

The airport currently handles about 210 flight movements weekly, comprising 188 domestic and 22 international flights. LADA deputy chief executive Wan Kamarul Faisal stated the figure reflects strong and sustained demand for air travel, noting LTAL is a key driver of Langkawi's tourism economy. The airport expects 90,000 to 100,000 air passengers over the next two weeks.

Batik Air's inaugural flight from Tashkent, Uzbekistan was welcomed with traditional performances. Malaysian ambassador to Uzbekistan Ilham Tuah Illias stated the route will boost Visit Malaysia 2026, citing Malaysia's diverse tourism offerings as a strong draw for Uzbek travellers.



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Khazanah Transforms Historic Seri Negara into Cultural Heritage Gallery

Khazanah Nasional has completed a 10-month conservation project of Seri Negara, which will now operate as Galeri Seri Negara. Located in Bukit Carcosa, Kuala Lumpur, the gallery celebrates Malaysia's independence journey and educates the public about significant periods from 1913 to present. Managing Director Datuk Amirul Feisal emphasized this investment aligns with Khazanah's strategy to boost Kuala Lumpur as a dynamic economic and cultural hub.

The project is part of RM600 million allocated by Khazanah to restore selected historical buildings in Kuala Lumpur. Other buildings include Carcosa, six buildings within Sultan Abdul Samad Buildings Complex, and a pedestrian bridge linking Seri Negara and Carcosa to Perdana Botanical Gardens.

Prime Minister Datuk Seri Anwar Ibrahim stated the space must be inclusive for schoolchildren, young people, and ordinary citizens, reflecting the Madani nation's principle of inclusivity. The conservation project is part of Warisan KL initiative, a culture-based urban rejuvenation effort.



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Upin and Ipin Theme Park Represents Milestone for Malaysian Entertainment

The Upin & Ipin Theme Park announcement marks a significant milestone for Malaysia's entertainment and property landscape. The joint development by King's Park Management with Les' Copaque Production represents a rare commitment and major step forward for homegrown intellectual property. The journey began nearly a decade ago as teams sought the right collaborator.

The first phase will span more than 50 acres within King's Park's master plan in Genting Highlands, eventually sitting among other major brands in a vibrant entertainment ecosystem. Chartered surveyor Affiq Hakim Kamisan stated this will bring together diverse attractions in one location.

Managing partner Ahmad Ziadi Zaidon of Asiah & Hisam Advocates emphasized this collaboration underscores maturity and commercial strength of Malaysian intellectual property. When a single local IP like Upin & Ipin can anchor projects of this scale, it reflects increasing confidence in homegrown brands and encourages SMEs to recognize IP's strategic importance.



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Negeri Sembilan Receives RM10.4 Million for Tourism Development Initiatives

The Ministry of Tourism, Arts and Culture has channelled RM10.44 million to Negeri Sembilan from January to October 2025 for various tourism programmes supporting Visit Malaysia 2026 and Visit Negeri Sembilan Year 2026. State Tourism Committee chairman Nicole Tan stated this allocation is the highest compared to other states.

The funding will implement initiatives including international-level events, comprehensive tourist-friendly tourism packages, and improved service quality among domestic industry players. State-level initiatives include promotions via exhibitions, sales missions, digital platform use, travel agent collaboration, and wide introduction of tourism products and destinations.

The Negeri Sembilan Tourism Board has forged strategic collaboration with Tourism Malaysia, using influencers to showcase the state's culture, heritage, and tourism products through digital campaigns, creative content production, and social media promotions. These efforts position Negeri Sembilan strongly for upcoming national tourism campaigns.



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Johor Launches Visit Johor 2026 Targeting Twelve Million Visitors

Johor officially launched Visit Johor 2026 campaign with the theme "Majestic Johor: The Jewel of the South," targeting 12 million visitors and generating over RM42 billion in revenue. The year-long tourism push features mascots Cuping and Jucy, representing the state's cultural richness. The dazzling launch marks the start of coordinated efforts to showcase Johor's diverse attractions.

Large-scale promotions will target visitors through key entry points including airports and land borders. The campaign emphasizes Johor's position as Malaysia's southern gateway, with enhanced infrastructure and digital entry systems already in place. Tourism Johor director Mohammad Nazrul Abd Rahim confirmed 90 percent readiness for the campaign.

The initiative aligns perfectly with Visit Malaysia 2026, positioning Johor as a premier destination for business and leisure travellers. The projected revenue represents significant economic impact, supporting employment across hospitality, retail, and service sectors. Strong infrastructure upgrades ensure Johor can accommodate increased visitor volumes.



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Sarawak Intensifies Tourism Marketing Ahead of Visit Malaysia Campaign

Sarawak's tourism sector is set for significant growth in 2026 as Tourism Malaysia Sarawak rolls out stronger domestic marketing, bigger digital visibility, and themed promotions highlighting the state's rich culture and nature. Regional director Rubiah TulAdwiyah emphasized the coming year will be crucial as Malaysia heads toward Visit Malaysia 2026.

The state offers extraordinary biodiversity in rainforests, warmth of various ethnic communities, and exceptional food that leaves visitors amazed. Tourism Malaysia has successfully rolled out campaigns, roadshows, trade programmes, digital promotions, media collaborations, and familiarisation trips throughout the year. The industry's contribution helped expand Sarawak's presence in ASEAN.

Sarawak continues to shine as one of Malaysia's most unique destinations, with attractions ranging from orangutans and ancient cultures to distinctive pepper and world-class laksa. The Tourism Malaysia Appreciation Night 2025 in Kuching celebrated industry players and media members as the backbone of Malaysia's tourism success.



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Sabah Allocates RM174.45 Million for Tourism Development and Infrastructure

Sabah will intensify tourism growth strategies with high-impact programmes and infrastructure upgrades as the state positions itself for Visit Malaysia Year 2026 and proposed Visit Sabah Year 2027. State Finance Minister Datuk Seri Masidi Manjun confirmed the international tourism industry is expected to maintain positive momentum driven by strong travel demand and improved flight connectivity.

The State Government has allocated RM174.45 million to Tourism, Culture and Environment Ministry (KePKAS) and its agencies. High-impact initiatives include large-scale festivals of culture and nature, community-based tourism promotion, and strengthened digital marketing campaigns to attract international visitors. The ceiling approved for KePKAS under 13th Malaysia Plan is RM493.02 million covering 53 development projects.

Key projects include Sabah Museum development study, Kota Kinabalu Performing Arts Centre establishment, Arte Museum construction, marine gallery development at Taman Tun Mustapha Kudat, and Bohey Dulang Island facility upgrades.



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Berjaya Air to Begin Five Regional Routes in February 2026

Berjaya Air, part of Berjaya Land, will begin commercial flights on February 14, 2026, with five new regional routes to Thailand, Vietnam, and Indonesia. New routes include Koh Samui in Thailand, Phu Quoc in Vietnam, and Medan, Pekanbaru, and Batam in Indonesia. The airline will review route demand and may purchase more turboprops to boost growth.

The airline ordered two ATR 72-600 planes in 2023, costing approximately US\$28 million each. The first ATR 72-600 aircraft will be showcased at Singapore Airshow in January before starting operations, with the second aircraft arriving in October 2026. Berjaya Air currently operates ATR 42-500 and ATR 72-500 aircraft.

Group CEO Syed Ali Shahul Hameed stated Berjaya Air, formerly focused on resort routes like Redang, is expanding its network strategically. For the current year, revenue fell to RM3.46 million from RM4.96 million, but cost controls reduced operating loss to RM1.01 million.



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Malaysia Aviation Group Targets Global Top Ten Ranking by 2030

Malaysia Aviation Group has unveiled Long-Term Business Plan 3.0, targeting to rank Malaysia Airlines among Skytrax's Top 10 Global Airlines by 2030. The five-year strategy plan from 2026 to 2030 signals a shift from stabilisation to disciplined expansion following completion of one of the airline industry's most significant financial turnarounds.

MAG recorded three consecutive years of operating profit and two years of positive net income, the strongest performance in over a decade. Customer Satisfaction Index reached 84 percent year-to-date, up from 80 percent in 2024. The group welcomed 22 next-generation aircraft and strengthened regional connectivity through new Asean routes.

The plan aims to double group revenue to more than RM24 billion and achieve over 60 percent growth in third-party revenue. Capacity expansion exceeds 50 percent at 8.5 percent average annual growth rate. Fleet investments include 40 A330neos, 43 Boeing 737-8s, and 12 Boeing 737-10s, targeting a modern mainline fleet of 116 aircraft by 2035.



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Batik Air Expands Subang Operations with New International Routes

Batik Air has launched multiple new routes, including four operating from Sultan Abdul Aziz Shah Airport, Subang. New services include Singapore and Jakarta, followed by Johor Bahru and Langkawi starting this month. CEO Datuk Chandran Rama Muthy stated this strategic expansion strengthens Subang's role as a modern, convenient city gateway for Klang Valley travellers.

Services to Singapore and Jakarta started December 8, Johor Bahru route began December 11, and Langkawi commenced December 12. The expansion supports the government's Subang Airport Regeneration Plan, positioning the airport as a vibrant gateway that strengthens tourism growth and stimulates economic activity ahead of Visit Malaysia 2026.

Batik Air currently operates flights from Subang to Penang, Kota Bharu, Kota Kinabalu, Kuching, and Bangkok. Tourism Selangor CEO Chua Yee Ling welcomed the new routes, especially direct flights to Indonesia, the state's strongest medical tourism market. With 6.4 million tourist arrivals recorded this year, additional connections will further boost Selangor's tourism sector.



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