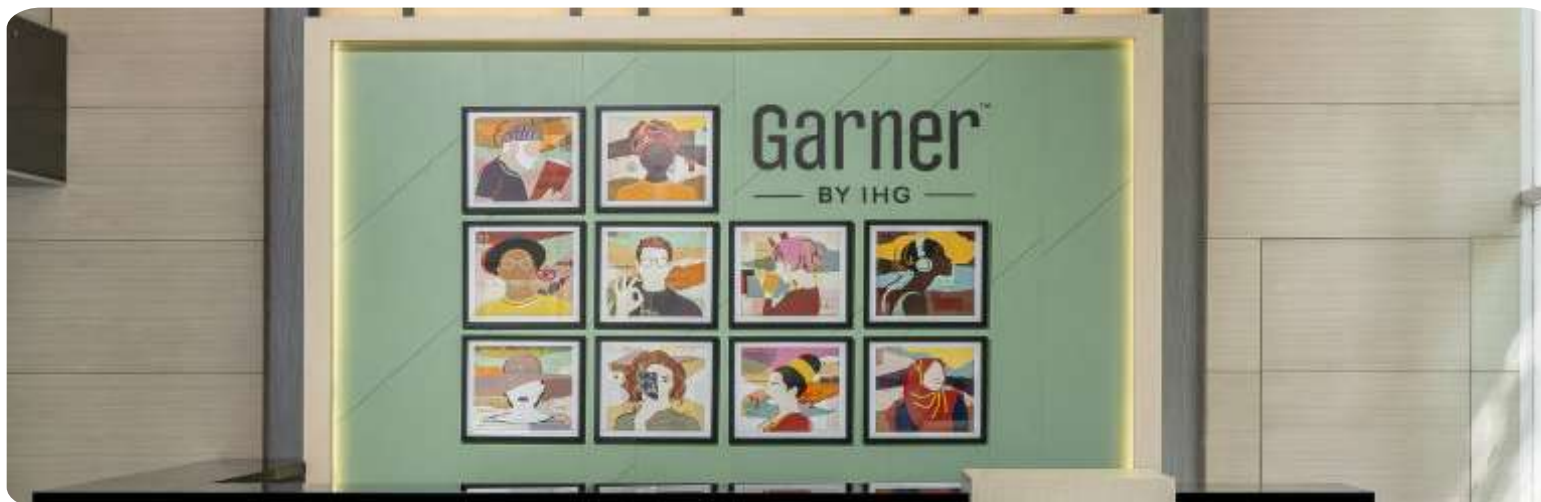


HOSPITALITY INDUSTRY NEWSLETTER



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IHG Brings Garner Brand And Franchising Model To Malaysia Now



IHG Hotels & Resorts has signed a two hotel agreement with King Park Hotel Sdn Bhd, marking both the debut of its Garner brand in Malaysia and the launch of its franchise model here. The agreement covers Garner Hotel Kota Kinabalu, a 202 room property rebranded from King Park Hotel Kota Kinabalu, with 106 rooms opening in 2027 and the remaining 96 rooms following in 2029.

The portfolio also includes Holiday Inn Express Tawau, a 140 room property set to open in 2028 after the refurbishment of King Park Hotel Tawau and marking IHG's first hotel in that east coast town. King Park Hotel is a subsidiary of Hass Enterprise Sdn Bhd, headquartered in Miri, Sarawak, bringing local ownership expertise into the partnership.

Bryan Chan, IHG's South East Asia and Korea vice president of development, said the introduction of franchising marks an important milestone for growth across the region. The deal lifts IHG's Kota Kinabalu presence to five open and pipeline hotels, while its wider Malaysia footprint now spans more than 20 properties across city and resort destinations.

Frasers Hospitality Marks Malaysia Debut With New Terra Property Launch



Frasers Hospitality has completed the soft opening of Fraser Residence Putrajaya at Terra, marking its debut property in Malaysia. The 283 unit serviced apartment offering sits within Terra, an integrated mixed use development on the banks of Putrajaya Lake developed by Putrajaya Holdings Sdn Bhd, a subsidiary of KLCC Holdings, spanning four room categories across nine layouts from studio units to three bedroom lakeview apartments with balconies.

Located about 25km from Kuala Lumpur, the property serves both families and professionals seeking temporary accommodation, supported by on site parking and garden city surroundings. Terra itself covers 11.5 acres in Precinct 8 and also includes a 348 unit residential condominium, a 170,000 sq ft community mall and a 35,000 sq ft event hall with capacity for 700 guests plus four meeting spaces.

Vernon Lee, regional senior vice president for Southeast Asia and Australia at Frasers Hospitality, called the debut an important milestone reflecting Putrajaya's vision driven growth. Further expansion is planned, with the community mall opening ahead and the 1,000 seat Terra Acara convention hall set to launch in 2027.

F1's Return To Sepang Seen Delivering RM1.3 Billion Boost Overall



Formula One's return to the Sepang International Circuit from October 2 to 4, hosting a rescheduled Bahrain Grand Prix, is projected to generate between RM1.1 billion and RM1.3 billion in economic output, according to Hong Leong Investment Bank Research. The one off race marks Malaysia's first F1 event since 2017 and comes as all 11 races held in the first half of 2026 sold out, pointing to strong global demand for the sport.

Attendees are expected to spend an average of RM8,879 each, with F1 audiences typically spending between 1.5 and 3.6 times more than ordinary visitors. Chinese tourists in particular are forecast to spend around RM6,291 per capita, well above the RM3,753 average for other nationalities, adding weight to the anticipated windfall for local businesses.

Malaysia's preparation costs are estimated at RM40 million, considerably lower than the RM285 million to RM326 million in rights fees borne by Bahrain, though ticket revenue flows entirely to the original host. The race also lines up with China's National Day Golden Week and the ongoing Visit Malaysia 2026 campaign, reinforcing its timing advantage.

Malaysia Climbs To 26th In Global Tourism Resilience Rankings Overall



Malaysia has climbed to 26th place globally in the World Economic Forum's Travel & Tourism Development Index 2026, produced together with Zurich Insurance Group, while Japan topped the rankings with a score of 5.27 ahead of the United States and Spain. The index assessed 110 economies across 17 pillars covering enabling environment, policy, infrastructure, resources and sustainability, placing growing emphasis on resilience rather than visitor volume alone.

Junior Cho, chief executive officer of Zurich Malaysia, said the improved ranking reflects progress in strengthening the foundations needed for long term tourism growth. Globally, 92% of economies improved their scores between 2024 and 2026, with average scores rising 2.1%, the fastest pace of improvement recorded since 2019, underscoring a broad based recovery across the sector.

Asia Pacific accounted for seven of the ten most improved economies worldwide, with Southeast Asia recording the fastest subregional growth of all. Tourism contributed US\$11.6 trillion to the global economy in 2025 and supported 366 million jobs, reinforcing its weight as a pillar of long term economic resilience for the wider Asia Pacific region.

Citrawarna Speed Festival Pairs Culture With Motorsport Through October Nationwide



The Citrawarna Speed Festival 2026 runs from September 23 to October 4 across three venues, namely IOI City Mall Putrajaya, Kuala Lumpur International Airport Terminal 1 and Sama Sama Hotel KLIA, blending cultural celebration with automotive excitement. IOI City Mall hosts four themed zones, spanning an interactive simulator competition, tourism booths from Tourism Malaysia, Tourism Selangor and Sepang Municipal Council, traditional arts and crafts stations, and cultural performances alongside virtual reality and mascot appearances.

Visitors can also enjoy dance performances, automotive exhibitions and traditional games such as gasing and congkak throughout the festival period, while guests staying at Sama Sama Hotel receive special edition room key cards marking the occasion. The event's mascots, Wira and Manja, feature across activities designed to draw families and motorsport enthusiasts alike.

The festival builds toward its Colours of Parade headline event on October 3, featuring 1,500 cultural dancers and performers, before closing on October 4 with a Lamborghini activation bringing together around 100 supercars, capping a fortnight that showcases Malaysia's cultural vibrancy alongside its growing motorsport calendar.

Amari Kuala Lumpur Marks World Tourism Day With Cultural Showcase



Amari Kuala Lumpur hosted a World Tourism Day celebration on September 29, organised with the Tourism, Arts and Culture Ministry and the National Academy of Arts, Culture and Heritage, bringing local craft and cultural traditions into the hotel's public spaces. The event opened with a ceremonial cutting of pulut kuning, followed by a performance from the academy's Malaysian Fusion Crew blending traditional and contemporary instruments.

Guests explored batik making activity booths alongside cultural touches woven throughout the property, including a mangosteen sculpture at the entrance, a sampan inspired reception counter, songket designed elevators and a dedicated corner featuring traditional games and displays from local artists. Attendees included representatives from the ministry, the academy and property developer SP Setia, reflecting broad support for the celebration.

Amari general manager Susan Anthony said every guest who walks through the hotel's doors offers an opportunity to share a piece of Malaysia with them. The celebration reflects a broader push by hospitality operators to weave cultural storytelling into everyday guest experiences, adding distinctive local character to otherwise standard hotel stays across the capital.

Sarawak Hoteliers Seek Targeted Cost Relief Ahead Of Budget 2027



Hoteliers in Sarawak are hoping for targeted support when Budget 2027 is tabled on October 9, as rising operating costs squeeze profit margins across the sector. Malaysian Association of Hotels Sarawak chapter chairman John Teo said the cost of operation is the issue he would most like the government to prioritise, pointing to climbing wages, electricity, food supplies and maintenance expenses that are hard to pass on to consumers.

Teo noted that minimum wage increases have added strain to hotel budgets, particularly for smaller properties, while competition from unlicensed Airbnb style rentals continues to draw guests away from licensed operators. The hotel sector remains reliant on human resources across housekeeping, food and beverage, kitchen operations and guest services, making labour cost management central to sustaining operations ahead.

Among the measures sought are incentives for digitalisation and automation, wage support for smaller hotels, greater training subsidies for new employees, and incentives for upskilling staff. Teo also called for support in hiring local workers and developing management talent, saying these would help hoteliers manage costs while sustaining service and jobs.

Tourism Malaysia Seeks Bigger 2027 Budget To Hit 47 Million Arrivals



Tourism Malaysia is seeking a bigger allocation under Budget 2027 to help the country reach its target of 47 million international arrivals under the extended Visit Malaysia campaign. Director general Mohd Amirul Rizal Abdul Rahim said the agency needs an injection not only financially but also through closer collaboration with tourism industry players to stay competitive against regional rivals.

International arrivals reached 21.1 million between January and June 2026, up 2.5% from 20.6 million a year earlier, while domestic visitors climbed 7.2% to 74.7 million in the first quarter, with domestic expenditure rising 15.8% to RM34.0 billion over the same period. The additional funding would support international scale events designed to draw foreign visitors and generate spillover benefits for hotels, restaurants and related services.

Amirul noted that stronger promotional momentum is needed partly to counter the impact of the West Asia conflict that began in March 2026, which has weighed on some source markets. The extended campaign and proposed funding increase reflect continued confidence in tourism's role as a driver of broader economic activity heading into 2027.

Malaysia Airlines Reports Strong China Demand Ahead Of Golden Week



Malaysia Airlines carried more than 600,000 passengers on its China services in the first half of FY2026, up 27% from the same period a year earlier, while maintaining an average load factor of 84%. The airline expects to carry over 52,000 passengers during the Golden Week travel period from September 26 to October 11, a 21% year on year increase, reflecting sustained momentum in the market.

The carrier now serves nine gateways across China after restoring daily services to Chengdu and adding new daily flights to Shenzhen and Changsha, alongside existing routes to Beijing, Shanghai, Guangzhou, Xiamen, Hong Kong and Taipei. Sister airline Firefly is also planning a daily Kuala Lumpur to Kunming service, subject to regulatory approval, further widening the group's reach into the market.

Malaysia Airlines has signed three memorandums of understanding with Huawei, Weixin Pay and TravelSky Technology to strengthen digital platforms, customer engagement and distribution channels. Malaysia Aviation Group president and chief executive Captain Nasaruddin A Bakar said the expansion reflects the group's confidence in the long term potential of China as a priority growth market.

AirAsia Move Adds Two Major Chinese Airlines To Its Platform



AirAsia MOVE has signed direct partnership agreements with China Eastern Airlines and Shanghai Airlines, expanding its network of airline tie ups to strengthen connectivity between Malaysia, China and the wider region. The platform now carries more than 80 direct airline partnerships worldwide, alongside roughly 700 additional airlines accessible through authorised suppliers, giving travellers a broader range of route options within a single booking channel.

To mark the new tie ups, AirAsia MOVE is offering exclusive flight deals available through September 30, covering travel dates up to November 4, giving users on the platform a limited window to secure the promotional fares. The platform also allows travellers to combine flight bookings with hotels and other travel essentials within the same application, streamlining the overall planning process.

Soumik Choudhury, head of Flybeyond at AirAsia MOVE, said adding China Eastern Airlines and Shanghai Airlines strengthens the bridge between China and Southeast Asia while reflecting the platform's growing reach. Xiang Ming, general manager of China Eastern Airlines Malaysia, welcomed the partnership as a step toward deeper connectivity between the two markets going forward.

Penang Eyes New Direct Flight Links To Northern China Cities



Penang is exploring new direct air routes to northern Chinese cities to broaden connectivity and diversify its China tourism market, with Qingdao currently the only northern China city linked to the state by direct flights. State Tourism and Creative Economy Committee chairman Wong Hon Wai said direct connectivity between Penang and northern China remains relatively limited compared with other regions, prompting the push for wider coverage.

Existing direct routes already connect Penang with Guangzhou, Xiamen, Shanghai, Shenzhen, Chengdu, Qingdao and Hong Kong, giving the state a strong base from which to expand further north. Hainan Airlines is set to launch its inaugural Haikou to Penang route on October 11, adding another link ahead of the wider expansion drive.

Wong led discussions with China based airline representatives during a Mid Autumn Festival gathering in Kuala Lumpur, aimed at assessing passenger demand during China's extended holiday periods and planning further route growth. The engagement reflects continued efforts to strengthen air links as a foundation for sustained visitor growth from the Chinese market.

Sabah Sees Surging Chinese Interest Ahead Of Visit Sabah 2027



Sabah has recorded more than 10 million searches for the state on REDnote, the Chinese social and lifestyle platform also known as Xiaohongshu, as it steps up efforts to attract Chinese visitors ahead of Visit Sabah 2027. Sabah Tourism, Culture and Environment Minister Datuk Jafry Ariffin described the interest as a very encouraging indication, adding that the focus now is turning that online attention into actual visits to the state.

Dodo Kwong, REDnote Global's regional business head for Asia and the Middle East, is working alongside the ministry to strengthen the platform partnership. Chinese users have shown particular interest in Sabah's sunsets, Mount Kinabalu, its islands and clear seas, fresh seafood and diverse wildlife and cultures, offering a clear direction for targeted promotional content ahead of the campaign year.

Beyond digital engagement, Sabah is prioritising stronger air connectivity and deeper industry partnerships through direct engagement in China, while also aiming to reach younger, independent travellers who increasingly favour peer recommendations over traditional tour packages, broadening the state's appeal across a wider range of visitor segments.