Major factors which affect the tour demand are willingness, health, budget, and free time. Other factors such as the highly technological society, progress of urbanisation, and desire to escape from the routine works can also affect to form the desire of traveling.

Young adults can be a real pioneer to develop or induce further travel demand. However, their primary problem to be solved is budget. Although this constraint is gradually loosening, it is urgent to create good and convenient circumstances to make a trip. These include, at minimum, the provision of safe, clean, and inexpensive overnight accommodations and a discounted fare system for the young generation.

5.2 Transportation Development

5.2.1 Air Transport

Improvements in the transportation system are needed to realise increases in tourists into the country. Needed improvements and development of air transport can be summarised as follows:

1) Airline Seat Capacity for the major market countries must be increased to accommodate the international tourist demand, particularly in the summer peak season. It is required to allocate more seats for GIT from major market countries to Malaysia. MAS should make more efforts to sell the seats directly to consumers without fully entrusting it to travel agencies.

2) International Air Flights to Peninsular Malaysia should be increased with the accompanied improvement of airports of Kuala Lumpur and Penang. KL Airport needs improvement and expansion of the terminal building to facilitate passenger movement, expansion of hall space and an easy approach to the terminal by land transport. Penang Airport requires new terminal facilities.

3) Senai Airport will become more important in the future for the urban as well as industrial development of Johor Bahru. More flight availability will contribute to facilitate tourists' visit to the South East Coast.

4) Kota Kinabalu Airport needs to be developed as a main entry point to East Malaysia through the introduction of direct international flights to the airport. Introduction of a new air route from Tokyo will contribute to increase Japanese tourist arrivals.

5) Air transport service to major destinations requires further improvment, particularly for the destinations with difficult accessibility by land. This is especially true for the inland destinations in Sabah and Sarawak Tourism Regions. On developing air strips in these destinations, environmental conservation must be taken into consideration.

5.2.2 Land Transport

1) North-South Expressway is expected to improve the land accessibility to tourist destinations along the west coast from international entry points of Kuala Lumpur, Penang and Johor Bahru. It should be equipped with such tourist related facilities as service area, parking lots and information centres, together with landscaping and beautification programmes.

2) Federal Highway Route 2 connecting Kuantan with Kuala Lumpur is now under improvement. Traffic flow on the highway is often disturbed due to the steep undulations as well as sharp curves and slowly travelling trucks. Climbing lanes should be added in mountain areas, passing lanes in congested areas, and service/rest areas at intervals for the safety and comfort of travellers.

3) Federal Highway Route 3 connecting cities and towns along the east coast is now being upgraded to the standard of JKR 05. It is crucial to make the highway free of flood in any season and construct a bypass to the centre of major cities.

4) Improvement of the Causeway is planned by the government as an urgent implementation programme. The programme includes the addition of two traffic lanes (to be dual three lanes), lane separation by vehicle type and an increase in the number of booths for immigration and customs procedures. Early implementation of this programme is highly recommended.

5) New Road Construction in virgin jungle should carefully be investigated from the aspect of environmental conservation. Tropical rain forests in Taman Negara, Endau/Rompin and Mulu National Park are typical examples which should be conserved. Road construction for the purpose of tourism development should be avoided to the maximum extent.

6) Railway Service should be improved for tourism development. Better train formation for accommodating group package tourists, improvement of passenger services in coach, and optional excursion routes from major stations should be studied in connection with the "Orient Express".

5.2.3 Sea Transport

1) Ferry Services to the islands of Langkawi, Pangkor, and Tioman are important for tourism to these islands. Port and jetty facilities need improvement on both the islands and the mainland for providing safe and comfortable transport service to tourists.

2) Boats and Vessels should be improved to make the trip itself a kind of attraction. In view of the growing popularity of cruising, it will be necessary to study the possibility of introducing new routes around the Peninsula and East Malaysia.

3) The Ferry Link between Tg. Belungkor and Changi Point is required for the earliest implementation for the tourism development of South PTR, particularly the South East Coast of the Peninsula.

5.3 Tourism Development Machinery

5.3.1 Tourism Administration

As discussed in Section 2.6.1, MOCAT together with TDC is responsible for overall tourism administration. The most important role of MOCAT is to formulate a consensus on the tourism development policy through the involvement of ministries, agencies, and private sectors. The major problems of MOCAT will arise in the actual implementation stage of coordination and adjustment in line with the decision making by "Ministerial Committee on Tourism Promotion".

Another important role of MOCAT is to plan, supervise, appraise, and monitor the implementation and execution of tourism projects and programmes.

It is proposed to take the following measures for the sake of the fulfillment of roles and responsibilities of MOCAT;

1) a permanent secretariat is needed to fulfill policy decisions made by committees and sub-committees,

2) liaison officers should be stationed at each state government office for the better communication and coordination between federal and state levels, and

3) Technical supporting function for tourism development should be upgraded through the training of present staff and/or introduction of the experienced from outside.

On top of the above, it will be necessary to take following measures for the better planning and execution of tourism administration:

1) A Data Base should be established for the better planning of tourism. The data base should include such information as tourist behaviour, tourism facilities and services, and tourism resources. It is required, however, to put greater emphasis on the information on tourist behaviour.

   Major tourist categories are international inbound travellers, Malaysian outbound travellers, and domestic tourists. Information on immigration, hotel guests, and tourism facilities should be collected on a continuous basis. A behavioural survey on international as well as domestic tourists in the country is needed on a regular periodic basis. Data should be stored as a time series to enable trend analysis.

2) Monitoring System is required to be introduced for evaluating and guiding travel trades as well as operators of accommodation facilities with a view to upgrading the safety and services offered to tourists. Upgrading of services offered by inbound travel agencies are particularly important for ensuring more international tourist arrivals. Upgrading of accommodation services offered by low and medium grades are also important for catering to budget conscious tourist groups.

3) Evaluation System for tourism promotion is required to be introduced for attaining higher efficiency of promotional activities. Tourism promotional activities will produce their effects with some time lag, and their effects will be represented by the international tourist arrivals to the country. The arrivals, however, are not only dependent on promotional activities but also on various factors including economic situations of origin countries. The performance should also be monitored through interviews to travel trades as well as survey on consumers in the origin countries.

4) Joint Promotion with Singapore and Thailand must be further intensified for the purpose of making the Malay Peninsula one of the popular tourist destinatiins. The efforts on joint promotion with Singapore is greatly appreciated, and the similar efforts are invited to the joint promotion with Thailand.

5) Tourist Guide Training is required to be further developed and/or improved, particularly the guides for Japanese tourists. The Japanese tourist market is the most promising market for the country. They, however, have language problems in that most of them are not familiar with foreign languages including English. Quality guides written in Japanese will contribute to their satisfaction which will produce good "word of mouth communication" when they go back to Japan.

5.3.2 Support for Tourism Development

There are two types of public support for tourism development; one is operational guidance and support, and the other is financial and institutional support.

1) Operational Guidance and support

- Immigration and Customs Procedures need to be streamlined at the international entry points to the country. Those at the causeway should be improved as soon as possible in accordance with the proposal by the government. It is also important to introduce more efficient procedures to the planned ferry link between Tg. Belungkor and Changi Point. It is expected that a task force of immigration and customs officials will be necessary for facilitating international tourist arrivals in more remote areas in the future.

- Designation of Land as National State Parks should be expedited so as not to allow destruction of excellent natural environment. It is crucial for tropical rain forest and some marine area.

- Conservation of Cultural Heritage should be crefully considered.

- A License for Operating Tourism Facilities issued by the state government would help MOCAT understand the overall progress of tourism development activities. It is necessary for MOCAT to grasp details of tourism facilities, including the low as well as medium standard accommodations in remote areas. Condition and the number of chalets on Tioman Island is an example of the type of facility that should be fully understood by MOCAT. It is also a good idea to introduce a ranking system of accommodation facilities.

- Transportation Service should be further improved, particularly in terms of convenience and safety. Vehicles used for tour operations are licensed by Ministry of Public Enterprise, and, therefore, it is required with the cooperation of the ministry to introduce an inspection system for ensuring safe operations. As for the sea transport to offshore islands, fishing boats are often used for passenger transportation without any registration. Registration as well as inspection system should be introduced with the cooperation of Marine Department.

2) Financial and Institutional Support

As discussed in Section 2.6.2, financial support for the tourism industry was improved to a great extent through the introduction of the Promotion of Investment Act 1986. This Act, however, intends to provide financial support for the development of such specific facilities as hotels and parks which constitute a part of tourism industry.

Worldwide, tourists are increasingly attracted to large scale complexes comprising various facilities on an extensive plot of land. Facilities of quality standards along with basic infrastructure are developed only with a considerable investment at the initial stage and require a long gestation period. The present system of investment incentives needs to be reviewed in this light.

- The Period for Pioneer Status must be extended for longer than five years. The greater the initial investment on tourism facilities, the longer period is required to achieve the break-even point on a yearly as well as cumulative basis. Tourism sector should be given the same conditions of the pioneer status as those of industry sector, and the status should be provided to the investors after the year 1990.

- Institutions for Financing the Tourism Industry should be upgraded for the purpose of enabling domestic investors to form joint ventures with foreign investors. It is expected that this kind of joint venture will rapidly stimulate tourism.

  A financial assistance scheme is needed to upgrade the existing low standards of accommodation facilities which are usually developed and operated by persons with a limited financial capability. In view of the tourism resources scattering all over the country, improvement of small scale accommodation facilities is another important measure for the development of national tourism.

- Framework for Infrastructure Development must be established in large scale tourism development. The problem of who will pay for the branches connecting a development site with various existing networks must be solved if there is to be investment in tourism related construction. Although it is obviously preferable from the viewpoint of the public sector that the private investor will bear the cost of development, the underdevelopment of infrastructure is one of critical factors that discourage tourism investment by the private sector. It is critical to prepare a general framework for the development of this type of infrastructure.

- Information on Land Tenure Conditions is required to be readily available to possible investors, particularly on Malay as well as Orang Asli reserves. Land is basically a matter of states and conditions for land use change in these reserves differ state by state or reserve by reserve. In view of the expected large scale development, this issue will become more and more important. It is required to compile the information for quick reference.

5.3.3 Manpower Development

Manpower development is one of the most important themes of the Fifth Malaysia Plan, and the National Coordination Committee for Tourism Training was established under the initiative of MOCAT and TDC. The committee has two working groups: one on hotel management under the initiative of MAH and another on training of travel agents and others under the initiative of MATTA.

Some suggestions on manpower development are enumcrated as follows:

- A Hotel and Tourism Course of "Degree" level is proposed to be introduced for higher education on tourism. This will contribute to raise the social cognizance on tourism as well.
- International Cooperation on Tourism Training should be promoted on multilateral as well as bilateral basis.
- Monitoring and Coordination of Manpower Training Programmes should be established by the Government for upgrading the programmes now being executed by public as well as private schools. It is necessary to establish some standard for curricula for this purpose.
- Manpower Training outside Kuala Lumpur is required to cope with the increasing training demand in local areas. It is proposed to make the most of the existing branch campuses of regional offices of NPC for the training of skilled as well as semi-skilled labours, mobile unit of training staff is proposed.

5.3.4 Issues in Privatisation

The Government has been promoting a privatisation scheme that some part of government involvement in self-sustainable projects and programmes should be entrusted to private sector. The main objective of the privatisation scheme is to curtail public expenditures.

The privatisation scheme which has been introduced to the tourism sector includes hotels which are owned and operated by TDC at present as well as the large territory under the administration of KEJORA. In principle, this privatisation is based on the concept that management of the private sector is more innovative than the public sector due to competition in the private sector. It is the often overlooked pre-requisite for privatisation that free competition or the possibility of free competition among rivals must be prevalent.

In view of the fact that the tourism industry of the country is only beginning, competition is not keen, except for the competition among international hotel chains. It is anticipated, as a consequence, that a privatisation scheme in the tourism industry will not be effective, at least for the time being.

Introduction of privatisation to the tourism industry, therefore, requires careful consideration. It will be a pressing need for the government to establish a guideline for the coordination between the privatisation scheme and the tourism development in the light of the national benefit in the long term perspective.

This is especially true in the development in a large plot of land. The private sector will try to develop the land by introducing "a resale system" in which investors develop the land and houses for the purpose of reselling them to consumers. This is less risky and more likely to result in profits with the earliest recovery of capital. In the long term, however, this type of development will not produce increasing income and social benefits to the host region. Thus, the privatisation scheme should be reviewed for ensuring more social benefits, in the long run.

APPENDICIES

Tsble of Contents
List of Figure
List of Table
A. Scope of Work
B. Comparative Analysis of the Six Tourism Regions
C. Demand Forecast
D. Japanese Market
E. Japanese Travel Wholesalers and Tour Packages
F. Member List

TABLE OF CONTENTS OF APPENDIX

		Page
Appendix-A	SCOPE OF WORK	A- 1
Appendix-B	COMPARATIVE ANALYSIS OF THE SIX TOURISM REGIONS	B- 1
B.1	Tourism Resources Tourism Resource Evaluation by Category	B- 1
B.2	Accessibility	B- 7
B.3	Seasonality Data Compilation and Study Flow Evaluation of Meteorological Conditions for Future Tourism Development	B-10
B.4	Tourism Facilities Evaluation of Tourism Facilities	B-14
B.5	Tourism Service Industries Evaluation of Tourism Service Industry	B-18
Appendix-C	DEMAND FORECAST	C- 1
Appendix-D	JAPANESE MARKET	D- 1
D.1	Determination of Core Target of Japanese Tourists to Malaysia	D- 1
D.1.1	Characteristics of Japanese Travelling Abroad	D- 1
D.1.2	Characteristics of Japanese Tourists to Malaysia	D- 2
D.2	How to Make Malaysia More Attractive to Japanese Tourists	D- 6
D.2.1	Reasons for Unpopularity of Malaysia Market	D- 6
D.2.2	How to Make Malaysia More Attractive to Japanese Tourists	D- 7
D.3	How to Attract More Japanese Tourists to Malaysia	D- 9
D.4	Competitive/Supplementary Countries to Peninsular Malaysia	D-12
D.4.1	Supplemental Tourist Countries to Malaysia	D-12
D.4.2	Competitive Tourist Countries with Malaysia	D-13
D.4.3	Singapore Market	D-15

Page

Appendix-E JAPANESE TRAVEL WHOLESALERS AND TOUR PACKAGES.. E-1

E.1 Travel Wholesalers in Japanese Tourist Market E-1

E.2 Marketing and Campaign E-2

E.3 Pricing Structure of Tour Packages E-3

1) General
2) Generalised Price Structure of Package Tours
3) Price of Package Tours
4) Brands of Package Tour

E.4 Japanese Travel Wholesalers' View on Malaysia Tourism.................. E-5

1) General
2) Present Sales and Prospect of Malaysian Package Tours
3) Malaysian Tour Operators
4) Wholesalers View on Promotion of Malaysian Tourism
5) TDC Tokyo Office

Appendix-F MEMBER LIST F-1

LIST OF FIGURES

		Page
Fig. B.1	Study Flow Chart for Evaluation of Tourism Development Potentials	B-1
Fig. B.2	Survey Sheet of Tourism Resources	B-3
Fig. B.3	Potential Tourism Resources by Region	B-5
Fig. B.4	Map of Regional Evaluation of Tourism Resources	B-6
Fig. B.5	Map of Nodes and Links for Accessibility	B-8
Fig. B.6	Map of Regional Evaluation of accessibility for International Tourists	B-9
Fig. B.7	Study Flow Chart of Seasonality for Future Tourism Development	B-10
Fig. B.8	Aerial Score of Advantageous Seasonality for Tourism Development	B-11
Fig. B.9	Map of Regional Evaluation of Tourism Facilities	B-17
Fig. B.10	Map of Regional Evaluation of Tourism Service Industries	B-21
Fig. C.1	The Number of Tourists Arrivals to Malaysia	C-1
Fig. C.2	The Share of Foreign Tourists to Malaysia	C-2
Fig. C.3	Forecast of the Number of Tourists to Malaysia (Singapore)	C-4
Fig. C.4	Forecast of the Number of Tourists to Malaysia (Thailand)	C-5
Fig. C.5	Forecast of the Number of Tourists to Malaysia (Indonesia)	C-6
Fig. C.6	Forecast of the Number of Tourists to Malaysia (Philippine)	C-7
Fig. C.7	Forecast of the Number of Tourists to Malaysia (Australia)	C-8
Fig. C.8	Forecast of the Number of Tourists to Malaysia (United Kingdom)	C-9
Fig. C.9	Forecast of the Number of Tourists to Malaysia (U.S.A.)	C-10
Fig. C.10	Forecast of the Number of Tourists to Malaysia (India)	C-11
Fig. C.11	Forecast of the Number of Tourists to Malaysia (Hong Kong)	C-12
Fig. C.12	Forecast of the Number of Tourists to Malaysia (West Germany)	C-13
Fig. C.13	Forecast of the Number of Tourists to Malaysia (Taiwan)	C-14
Fig. C.14	Forecast of the Number of Tourists to Malaysia (France)	C-15
Fig. C.15	Forecast of the Number of Tourists to Malaysia (Others)	C-16
Fig. C.16	Forecast of the Number of Japanese Overseas Tourists	C-17

Page

Fig. D.1 Matrix of Number of Japanese Traveling Abroad by Age and Sex D-4
Fig. D.2 Concept of Core Target D-6
Fig. D.3 Share of Beach Resort-Oriented People D-8
Fig. D.4 Country of First Choice (Tourists to Malaysia) D-13
Fig. D.5 Country of First Choice (Country Wanted to Visit but not Visited) D-14

LIST OF TABLE

Table B.1 Aerial Tourism Resource Evaluation B-4

Table B.2 Accessibility of Tourism Region B-10

Table B.3 Monthly Number of Tourist Arrivals by Origin of Countries B-12
Table B.4 monthly Mean and Maximum Height of Wind Wave and Swell Wave B-12

Table B.5 Normalized Scores of Meteorological Conditions by Tourism Area and Region B-13
Table B.6 Total Evaluation of Tourism Facilities B-16
Table B.7 Evaluation of All Factors of Tourism Industries B-20

Table D.1 Share of Japanese Traveling Abroad by Age and Sex D-3
Table D.2 Share of Japanese Traveling to Malaysia by Age and Sex D-5
Table D.3 Numbers & Share of the Package Tour to Malaysia D-11

Appendix-A
Scope of Work

SCOPE OF WORK

FOR

THE STUDY ON A COMPREHENSIVE NATIONAL
TOURISM DEVELOPMENT PLAN

IN

MALAYSIA

AGREED UPON BETWEEN

THE ECONOMIC PLANNING UNIT OF

THE PRIME MINISTER'S DEPARTMENT

ON BEHALF OF

THE GOVERNMENT OF MALAYSIA

AND

THE JAPAN INTERNATIONAL COOPERATION AGENCY

KUALA LUMPUR

29 NOVEMBER, 1986

(TAN SRI RADIN SOENARNO AL-HAJ)
DIRECTOR GENERAL
ECONOMIC PLANNING UNIT
PRIME MINISTER'S DEPARTMENT
ON BEHALF OF
THE GOVERNMENT OF MALAYSIA

Kouichi Arai

(MR. KOUICHI ARAI)
LEADER
PRELIMINARY SURVEY TEAM
ON BEHALF OF
THE JAPAN INTERNATIONAL
COOPERATION AGENCY

I. INTRODUCTION

1. In response to the request of the Government of Malaysia, the Government of Japan has decided to conduct a Study on a Comprehensive National Tourism Development Plan in Malaysia (hereinafter referred to as "the Study"), and in accordance with the relevant laws and regulations in force in Japan, the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of the technical cooperation programmes of the Government of Japan, will undertake the Study in close cooperation with the authorities of Malaysia.

2. The present document sets forth the Scope of Work with regard to the Study.

II. OBJECTIVES OF THE STUDY

3. The objectives of the Study are threefold:

(i) Preparation of guidelines for a national tourism development plan;

(ii) Identification of potential areas to be developed; and

(iii) Undertaking feasibility study of the selected area.

III. SCOPE OF THE STUDY

4. In order to achieve the objectives mentioned above, the Study shall be carried out in two Phases, covering the following items.

Phase I: Preparation of guidelines and identification of potential areas.

(a) Preparation of guidelines

The guidelines shall be formulated for planning tourism development at the national level as well as at the individual project level. It shall cover the goals, directions, and methodologies for the development of tourism. Analysis will be placed on the existing and future trend of tourists from selected countries and in particular those from Japan.

The methodological part of the guidelines shall, among others, include the following components:-

(i) To review the policies for tourism and regional development;

(ii) To review the related studies completed in the past;

(iii) To analyse the inadequacies and shortcomings which form the current constraints;

(iv) To lay down criteria upon which existing and potential resources for tourism development will be classified and/or evaluated in the light of the development level of the area concerned;

(v) To develop means for forecasting the current and future demand on the resources;

(vi) To develop means for forecasting the present and future preferences and pattern of Japanese tourists;

(vii) To develop a method by which the priority order will be determined upon for the tourism development of Japanese tourists in Malaysia; and

(viii) To formulate a method to plan an individual action programme/project for development as mentioned in (vii) above.

(b) Identification of potential areas

Based on the guidelines prepared, first, the classification and evaluation of potential areas will be done. This will be followed by determining and establishing priority for development of the selected areas, taking into account the current and future demand.

2a

Phase II: Feasibility study on tourism development in the potential area identified.

As regard to the area identified above, the feasibility study shall be conducted to cover the following areas:-

(i) Review and evaluation of tourism resources and facilities;

(ii) Examination of the existing infrastructure in the light of the development programmes in the regions concerned;

(iii) Analysis of existing constraints hindering desired development, particularly for private sector participation;

(iv) Market research and analysis to forecast the demand;

(v) Formulation of alternative development programmes/projects;

(vi) Evaluation for selecting the most feasible alternative; and

(vii) Recommendations and implementation arrangements.

IV. STUDY SCHEDULE

5. The whole work will be conducted in accordance with the attached tentative schedule.

V. REPORTS

6. JICA shall prepare and submit the following reports in English to the Government of Malaysia.

1. Inception Report

   Thirty (30) copies.

   At the commencement of the study in Malaysia.

2. Progress Report

   Thirty (30) copies

   Within eight (8) months after the commencement of the study.

3. Interim Report 1

   Thirty (30) copies

   Within ten (10) months after commencement of the study.

4. Interim Report 2

   Thirty (30) copies

   Within sixteen (16) months after the commencement of the study.

5. Draft Final Report

   Thirty (30) copies

   Within eighteen (18) months after the commencement of the study.

LCG

The Government of Malaysia will provide JICA with its comments within one (1) month after the receipt of the Draft Final Report.

6. Final Report

One Hundred (100) copies

Within two (2) months after the receipt of the Government of Malaysia's comments on the Draft Final Report.

7. The Study team should ensure that all data, information, maps, materials and findings connected with the Study are kept confidential and not disposed of or revealed to any third party except with the prior written consent of the Government of Malaysia. Such maps and aerial photographs are to be returned to the Government of Malaysia immediately upon completion of the Study. All reports when finalized and submitted to the Government of Malaysia shall remain the property of the Government of Malaysia.

VI. UNDERTAKINGS OF THE GOVERNMENT OF MALAYSIA

8. To facilitate the smooth conduct of the Study, the Government of Malaysia shall take the following necessary measures:-

1. To inform the members of the Study team of any existing risk in the Study area and to take any measures deemed necessary to secure the safety of the Study team;

2. To secure the necessary entry permits for the Study team to conduct field surveys in Malaysia and exempt them from consular fees;

3. To exempt the members of the Study team from taxes and duties, as normally accorded under the provision of Malaysian General Circular No. 1 of 1979, on equipment, machinery and other materials brought into and out of Malaysia for the conduct of the Study;

4. To exempt the members of the Study team from Malaysian income tax on their official emoluments in respect of their period of assignment in Malaysia in connection with the conduct of the Study but the Government of Malaysia shall retain the right to take such emoluments into account for the purpose of assessing the amount to be applied to income from other sources;

CG

5. To provide the necessary facilities to the Study team for remittance as well as utilization of funds introduced into Malaysia from Japan in connection with the conduct of the Study;

6. To secure permission for entry into private properties or restricted areas for the conduct of the Study;

7. To provide the Study team with medical services when needed but the expenses will be chargeable to the members of the Study team;

8. To make arrangements for the Study team to take back to Japan the data, maps and materials connected with the Study, subject to the approval of the Government of Malaysia, in order to prepare the reports;

9. To provide the Study team with available data, maps and information necessary for the execution of the Study;

10. To appoint counterpart personnel to the Study team during the Study period;

CG

11. To provide the Study team with suitable office space with clerical service and necessary office equipment in Kuala Lumpur;

12. To provide the Study team with adequate means of local transport for official travel only;

13. To indemnify any member of the Study team in respect of damages arising from any legal action against him in relation to any act performed or omissions made in undertaking the Study except when the two Governments agree that such a member is guilty of gross negligence or wilful misconduct; and

14. To nominate Tourist Development Corporation to act as counterpart agency for the Study and the Economic Planning Unit as the main coordinating body in relation to other relevant Governmental and non-Governmental organizations.

VII. UNDERTAKINGS OF JICA

9. In order to conduct the Study, JICA shall take the following measures:-

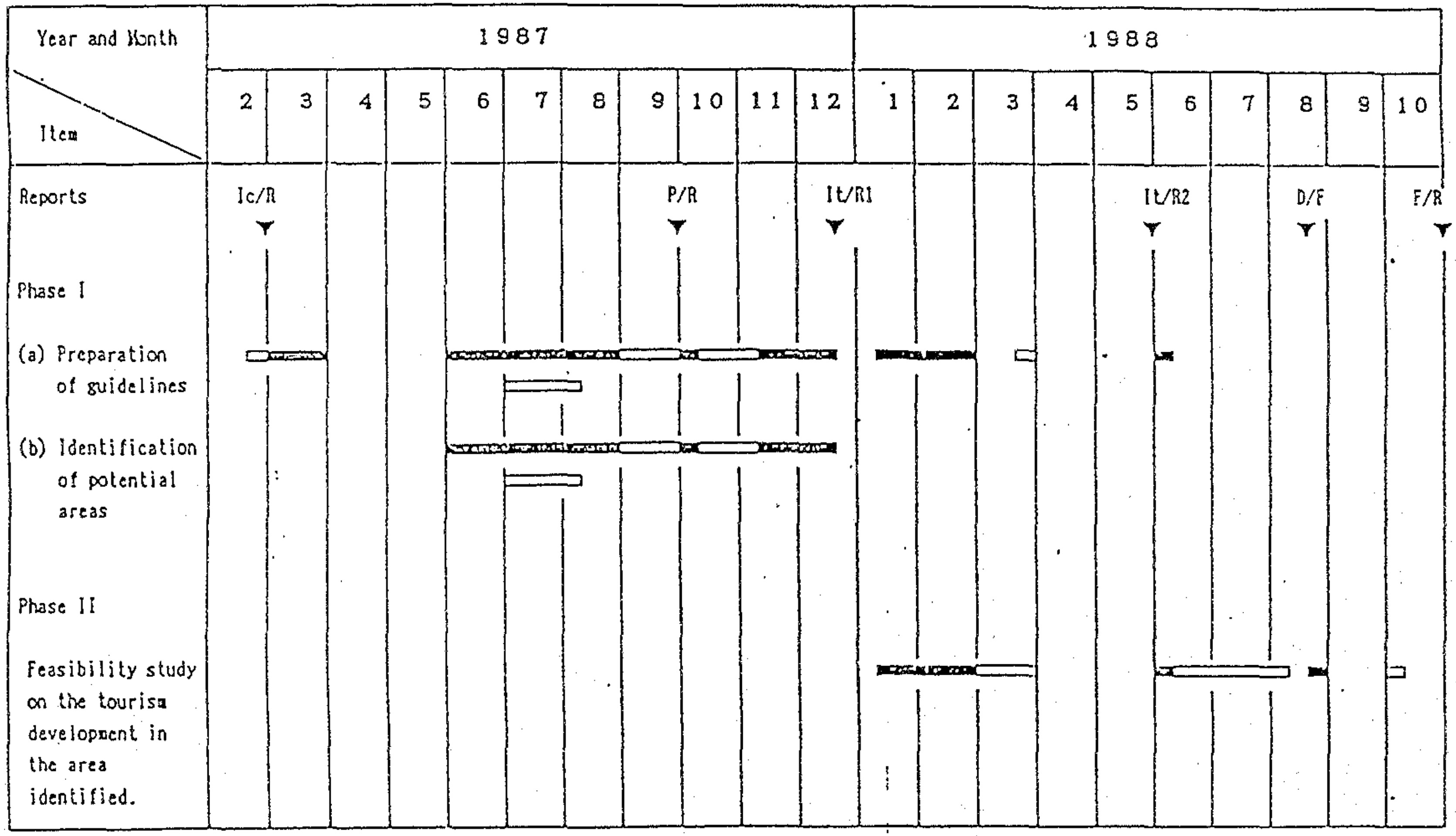
1. To dispatch, at its own expense, the Study team to Malaysia; and
2. To pursue technology transfer to the Malaysian counterpart personnel in the course of the Study.

VIII. CONSULTATION

10. JICA and the Government of Malaysia shall consult each other in respect of any matter that is not agreed upon in this document and which may arise from or in connection with the Study.

APPENDIX

TENTATIVE SCHEDULE OF THE STUDY



in Malaysia   in Japan

Ic/R Inception Report   P/R Progress Report   It/R1 Interim Report 1   It/R2 Interim Report 2

D/F Draft Final Report   F/R Final Report

MINUTES OF MEETING

SCOPE OF WORK

ON

THE STUDY ON A COMPREHENSIVE
NATIONAL TOURISM DEVELOPMENT PLAN

IN

MALAYSIA

AGREED UPON BETWEEN

THE ECONOMIC PLANNING UNIT

OF

THE PRIME MINISTER'S DEPARTMENT

ON BEHALF OF

THE GOVERNMENT OF MALAYSIA

AND

THE JAPAN INTERNATIONAL COOPERATION AGENCY

KUALA LUMPUR

29 NOVEMBER, 1986

Koichi Arai

(MR. KOUICHI ARAI)
Leader,
Preliminary Survey Team,
on behalf of
The Japan International
Cooperation Agency.

(DR. GAN KHUAN POH),
Director, Industry Division,
Economic Planning Unit,
Prime Minister's Department,
on behalf of
The Government of Malaysia.

I. INTRODUCTION

1.1 Following the visit of the Contact Mission for the Study On A Comprehensive National Tourism Development Plan (hereinafter referred to as "the Study") from 21 September to 4 October, 1986, JICA dispatched a Preliminary Survey Team to Malaysia from 26 November to 1 December, 1986.

1.2 In connection with the above, a meeting was held on 27 November, 1986 between the Steering Committee of the Study, led by the Economic Planning Unit (EPU) of the Prime Minister's Department on the Malaysian side, and the JICA Preliminary Survey Team on the Japanese side (Attendance as in Attachment I) to discuss the proposed Scope of Work of the Study drafted by JICA.

II. MATTERS AGREED

2.1 Both the Japanese side and the Malaysian side agreed, in principle, to the scope of study as contained in the Scope of Work document. An agreement reached on the elaboration of a number of items are as follows:

2.2 Scope of the Study

2.2.1 Item Phase I(a) "Preparation of Guidelines"

In the analysis of existing and future trend of tourists from selected countries, while not excluding other countries, the Study should give priority and emphasis to countries in the Asia-Pacific region, namely Hong Kong, Taiwan, New Zealand and Australia.

2.2.2 Item Phase I(b) "Identification of Potential Areas"

In the evaluation of potential areas, the Study Team will take into consideration Malaysia's cultural values and, hence, evaluate the potential of the areas in the context of practical and implementable projects.

2.2.3 Sub-item Phase II(v) "Formulation of Alternative Development programmes/Projects"

In formulating development projects, emphasis should be given to the development of cultural aspects, natural resources and other non-accommodation projects.

2.3 Study Schedule

The JICA Preliminary Survey Team agreed in principle to consider the proposal by the Malaysian side to shorten the Tentative Schedule of the Study period for the Interim Report 2 to the end of March, 1988. This matter will be confirmed during the Inception Report Stage.

2.4 Reports

2.4.1 Sub-item 6 of Para V. "Final Report"

At the request of the Malaysian side, JICA agreed to increase the number of copies of the Final Report from fifty (50) to one hundred (100).

2.5 Undertakings of the Government of Malaysia

2.5.1 Sub-item 9 of Para VI.

The Malaysian side will provide the necessary information/data to the Study Team, these being, though not limited to the following:

(a) Incentives - New Investment Fund and Promotion of Investment Act, 1986;

(b) Statistics on domestic tourists;

(c) Statistics of tourists from selected countries;

(d) Indication of special areas of study; and

(e) Other available information as requested from time to time.

2.5.2 <u>Sub-item 10 of Para VI</u>.

Two local counterpart personnel, one each from the Research and the Marketing Divisions of the TDC will be assigned full-time for the Study. They will be fully involved in all areas of the Study, particularly the development of the Methodologies and analysis. The full involvement and participation of the two personnel, both in Malaysia and Japan, is considered highly necessary in line with the concept of transfer of technology. The JICA Team agreed, in principle, to the concept of joint-study/collaboration between the two parties. The Team appreciated the necessity of counterpart training in Japan and will convey the proposal by the Malaysian side to the relevant authorities in Japan.

2.5.3 Sub-items 11 and 12 of Para VI.

The Study Team will be provided with office space and the necessary office equipment and means of local transport for official travel, the details of which will be further discussed between the Tourist Development Corporation of Malaysia (TDC) and the JICA Preliminary Survey Team.

2.6 OTHERS

2.6.1 Itemizing the Inception Report

The Inception Report should spell out the details relating to the Methodology and items in the Study.

III. The meeting ended at 11.15 a.m.

Ia

Attachment I

ATTENDANCE LIST

JAPANESE SIDE

1. Mr. Kouichi ARAI (Team Leader)	Director, International Cooperation Division, International Transport and Tourism Bureau, Ministry of Transport.
2. Mr. Kenji KURODA	Development Survey Division, Economic Cooperation Bureau, Ministry of Foreign Affairs.
3. Mr. Satoshi SHIBATA	International Affairs Office, Department of Tourism, International Transport and Tourism Bureau, Ministry of Transport.
4. Miss Chisa HARA	First Development Survey Division, Social Development Cooperation Department, JICA.
5. Mr. Yasuhiro OYAMADA	Embassy of Japan, Malaysia.
6. Mr. Hirofumi OHNISHI	Embassy of Japan, Malaysia.
7. Mr. Takao MATSUZAKI	JICA, Malaysia.
8. Mr. Keizo KAGAWA	JICA, Malaysia.

Sa

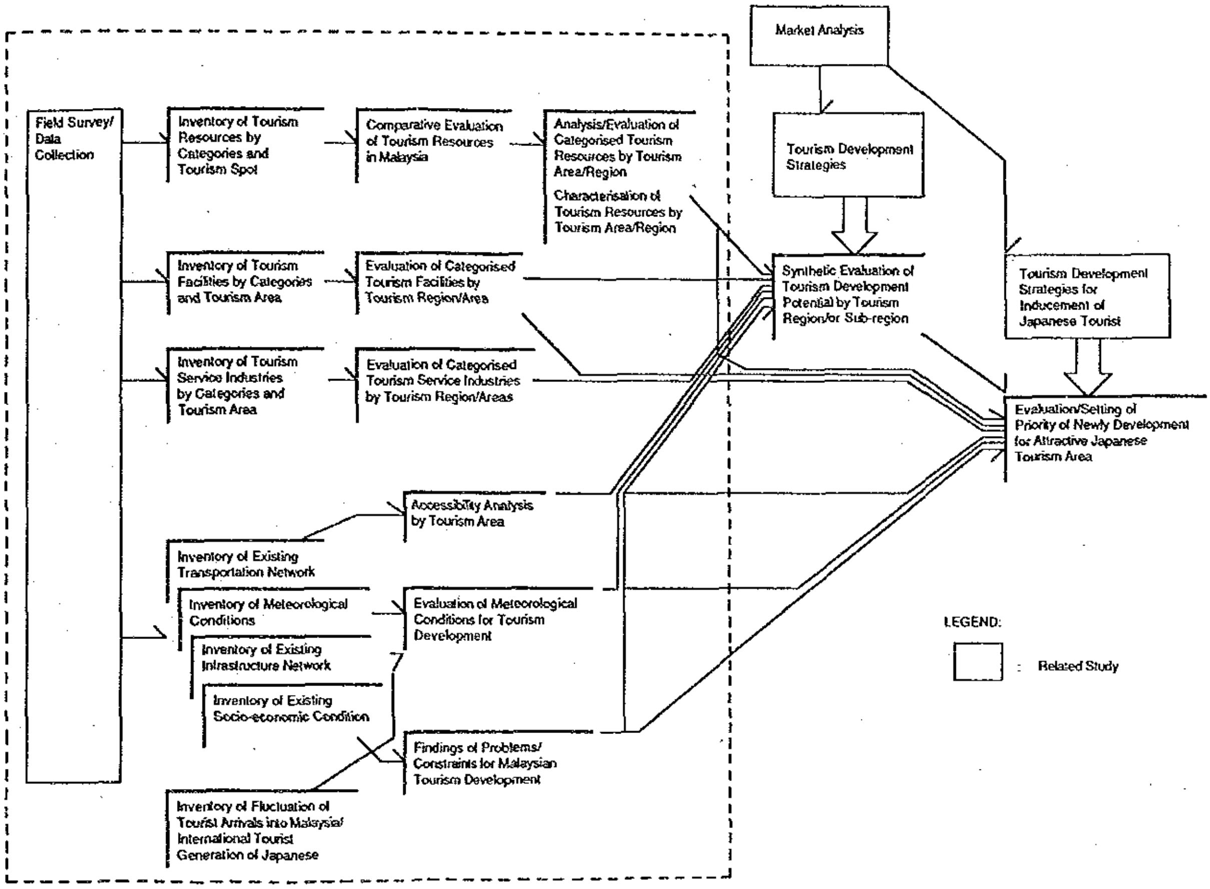
MALAYSIAN SIDE

1. Dr. Gan Khuan Poh (Leader)	Director of Industry Section, Economic Planning Unit, Prime Minister's Department.
2. Miss Boey Siew Leng	Economic Planning Unit, Industry Section.
3. Mr. Mohamed Musaddik Abdul Majid	Economic Planning Unit, External Assistance Section.
4. Mr. Arisfadilah Sariat	Economic Planning Unit, Infrastructure Division.
5. Miss Latifah Khalid	Implementation Coordination Unit, Prime Minister's Department.
6. Mdm. Norlian Abbas	Implementation Coordination Unit, Prime Minister's Department.
7. Mr. Subhas Chandran	Treasury, Budget Division.
8. Mr. Salehan Hj. Suru	Ministry of Culture, Youth and Sports.
9. Mr. Zamhot Hassan	Tourist Development Cooperation of Malaysia.
10. Mr. Abdullah Yusof	Department of Statistics, Prime Minister's Department.
11. Mdm. Robieyah Mat	Department of Statistic, Prime Minister's Department.
12. Mr. Mustapha Kamil Hj. Abdullah	Department of Wildlife and National Park, Ministry of Science, Technology and Environment.
13. Mr. Jamros Md. Nor	Ministry of Trade and Industry.
14. Mr. Ong Yew Chee (Secretary)	Economic Planning Unit (Industry Section).

Appendix-B
Comparative Analysis of the Six Tourism Regions

The analysis of the six tourism regions is based on the five factors described in Section 3.2.1. The conceptional methodology for evaluation of the tourism development potentials is described in Fig. B.1.

Fig. B.1 Study Flow Chart for Evaluation of Tourism Development Potentials



B.1 Tourism Resources

A total of 98 tourism spots were identified using both existing tourism data and suggestions from the related agencies and organisations of state governments. Some tourism spots were analysed on the basis of the available information and findings obtained from interviews.

The following four sub-factors of tourism resources information were collected and compiled.

(a) Scenery/surrounding environment
(b) Natural resources
(c) Applicability for recreational activities
(d) Cultural resources

Each sub-factor was categorized according to (i) variety of elements, (ii) quality, impression, scale, or attractiveness, (iii) possible future use, (iv) possible duration of stay, and (v) constraints to future development. Each site was assessed and the sub-categories were with values of 1-3 or 1-5 as illustrated in the "Survey Sheet of Tourism Resources" as shown in Fig. B.2.

Tourism Resource Evaluation by Category

The normalised Is by sub-factor for each tourism spot are adopted to evaluate the tourism resource by Tourism Area and/or Region.

In evaluating the tourism resource, the numbers of tourism spots are limited to around 20 for each sub-factor by the following reasons.

(a) Highly evaluated top 15 of sub-factors of tourism spots are to be fairly attractive for international tourists.

(b) The evaluated total and/or means of each sub-category of all identified tourism spots in each Tourism Region cannot represent a comparative potential of six Tourism Regions, since some Tourism Regions have many tourism spots being evaluated as lower potential resources, and consequently, those spots will obtain the higher total score despite their lower mean scores. Therefore, evaluated lower potential spots have to be excluded from regional comparative resources analysis, in order to ensure the fair evaluation.

The selection method being applied is by means of selecting the tourism spots which are ranked either national top 15 or regional top 3.

The locations of the selected tourism spots are shown in Fig. B.3 "Potential Tourism Resource by Tourism Region". The results of areal and regional tourism resource evaluation are indicated in Fig. B.4.

The results of the evaluation are shown in the following pages.

Table B.1 Areal Tourism Resource Evaluation

CODE	SENERY	NATURAL	RECACT	CULTU.
Sabah Tourism Resion		(CODE #100)		
110	4.1	0.0	4.0	1.8
120	10.0	10.0	4.0	0.0
130	0.0	0.0	0.0	0.0
140	0.0	0.0	0.0	0.0
150	5.8	9.3	4.1	1.9
160	0.0	0.0	3.8	0.0
170	4.1	8.8	0.0	2.6
180	4.1	0.0	3.4	0.0
Sarawak Tourism Region		(CODE #200)		
210	7.8	7.2	6.9	2.6
220	3.0	3.7	1.5	4.2
South Peninsula Tourism Region		(CODE #300)		
310	4.3	0.0	0.0	2.9
320	0.0	0.0	0.0	2.0
330	4.3	4.7	4.0	0.0
340	0.0	0.0	10.0	0.0
350	4.7	8.2	9.0	2.0
Central Peninsular Tourism Regi		(CODE #400)		
410	4.1	2.6	0.0	5.2
420	3.6	4.3	4.5	0.0
430	0.0	0.0	1.4	0.0
440	3.3	1.7	0.0	10.0
West Peninsula Tourism Region		(CODE #500)		
510	3.8	3.4	2.6	2.7
520	8.0	3.5	3.4	0.0
530	0.0	0.0	0.0	2.8
540	0.0	3.4	4.2	2.0
East Peninsula Tourism Region		(CODE #600)		
610	4.0	3.8	4.6	1.6
620	4.9	9.3	5.2	0.0
630	0.0	0.0	0.0	3.5
640	3.8	4.0	3.3	1.6

Resional Tourism Resource Evaluation

CODE	S.ENV.	NATUR.	RECACT	CULTU.
100	10.0	10.0	8.4	4.1
200	3.8	3.9	3.6	4.5
300	4.7	4.6	10.0	4.5
400	3.9	3.1	2.6	10.0
500	4.1	3.7	4.4	4.9
600	4.5	6.1	5.7	4.4

Fig.B.2 Survey Sheet of Tourism Resources

LOCATION INFORMATION: 1

Region Code	Area Code	Spot Code	State Name	Division Name	District Name	Area or Spot Name

2: SCENERY/SURROUNDING ENVIRONMENT

1. CATEGORY

a. Mountain b. Highland c. Valley/River/Lake d. Jungle e. Rural/Agrarian Land f. Urban 9. Beach/Marine h. Panoramic View

2. QUALITY/IMPRESSION

a. Unity/Beauty 1. 2. 3. 4. 5. (Remarks:)
b. Rarity 1. 2. 3. 4. 5. (Remarks:)
c. Unexpectedness 1. 2. 3. 4. 5. (Remarks:)
d. Forcefulness 1. 2. 3. 4. 5. (Remarks:)
e. Density of Component Elements 1. 2. 3. (Remarks:)
f. Scale of Resources 1. 2. 3. (Remarks:)

3. POSSIBILITY-FUTURE USE

a. Utilization for 1. (international) 2. (regional) 3. (domestic)

c. Land Availability for Future Devt 1. 2. 3. (Remarks:
d. Availability/Possibility of add. Usable Resources 1. 2. 3. (Remarks:
e. Constraints/or Bottlenecks for Future Devt/Use 1. 2. 3. (Remarks:

3: NATURAL RESOURCES (FLORA/FAUNA/OTHER)

1. CATEGORY

a. Aquatic Flora/Fauna/View b. Fauna-1 (animal) C. Fauna-2 (bird) d. Fauna-3 (Others) e. Flora-1 (Tree)
f. Flora-2 (Flower) 9. Flora-3 (Others) h. Cave i. Waterfall j. Hot/Mineral Spring k. Others( )

2. QUALITY/IMPRESSION

a. Rarity 1. 2. 3. 4. 5. (Remarks:)

b. Variety 1. 2. 3. 4. 5. (Remarks:

c. Beauty 1. 2. 3. 4. 5. (Remarks:)
d. Unexpectedness/Forcefulness 1. 2. 3. (Remarks:)
e. Density of Component Elements 1. 2. 3. (Remarks:)
f. Scale of Resources 1. 2. 3. (Remarks:)

3. POSSIBILITY-FUTURE USE

a. Utilization for 1. (international) 2. (regional) 3. (domestic)
C. Availability/Possibility of Add. Usable Resources 1. 2. 3. (Remarks:)
d. Constraints/or Bottlenecks for Future Devp/Use 1. 2. 3. (Remarks:)

4: APPLICABILITY FOR RECREATIONAL ACTIVITIES

1. CATEGORIES

a. Swimming/Beach Activities b. Boating c. Sailing d. Surfing e. Skin/Scuba diving f. Fishing 9. Bathing
h. River Cruise i. Jungle Trekking/Safari j. Mountain/Rock Climbing k. Insect Gathering l. Bird Watching
m. Hunting n. Other-1 ( )

2. POTENTIALITY

a. Applicable Activities	b. Attractiveness	c. Possible Duration of	d. Utilization for	e. Constraints	f. Remarks
	1 2 3	1. more than one day 2. 0.5 - one day 3. 2 - 4 hours 4. less than 2 hours.	Inter Regional Domestic	1 2 3	

5: CULTURAL RESOURCES

1 . CATEGORIES

a. Historic Site/Remnants b. Mosque/Temple/Church c. Palace/Big House d. Museum e. Parks/Gardens f. Other Traditional Facility-1 ( ) g. Other Traditional/Cultural Facility-2 ( ) h. Festival i. Event J. Folk Dance
k. Folk Music l. Folklore m. Handicraft/Production Tech. n. Agricultural Tech. o. Manufacturing method/Tech.
p. Costume q. Other-1 ( ) r. Other-2 ( ) s. Other-3 ( )

2. QUALITY/IMPRESSION

a. Rarity 1. 2. 3. 4. 5. (Remarks:)
b. Variety 1. 2. 3. 4. 5. (Remarks:)
c. Beauty 1. 2. 3. 4. 5. (Remarks:)
d. Unexpectedness 1. 2. 3. 4. 5. (Remarks:)
e. Conditions of Quality 1. 2. 3. (Remarks:)
f. Scale of Element 1. 2. 3. (Remarks:)
g. Density/or Frequency of Component Element 1. 2. 3. (Remarks:)

3. POSSIBILITY-FUTUTE USE

a. Utilization for I. (international) 2. (regional) 3. (domestic)
b. Possible Duration of Stay 1. (more than one day) 2. (0.5 - one day) 3. (2 - 4 hrs) 4. (less than 2 hrs)
c. Availability of Add. Usable Resources 1. 2. 3. (Remarks:)
d. Constraints/or Bottlenecks 1. 2. 3. (Remarks:)

Fig. B.3 Potential Tourism Resources by Tourism Region

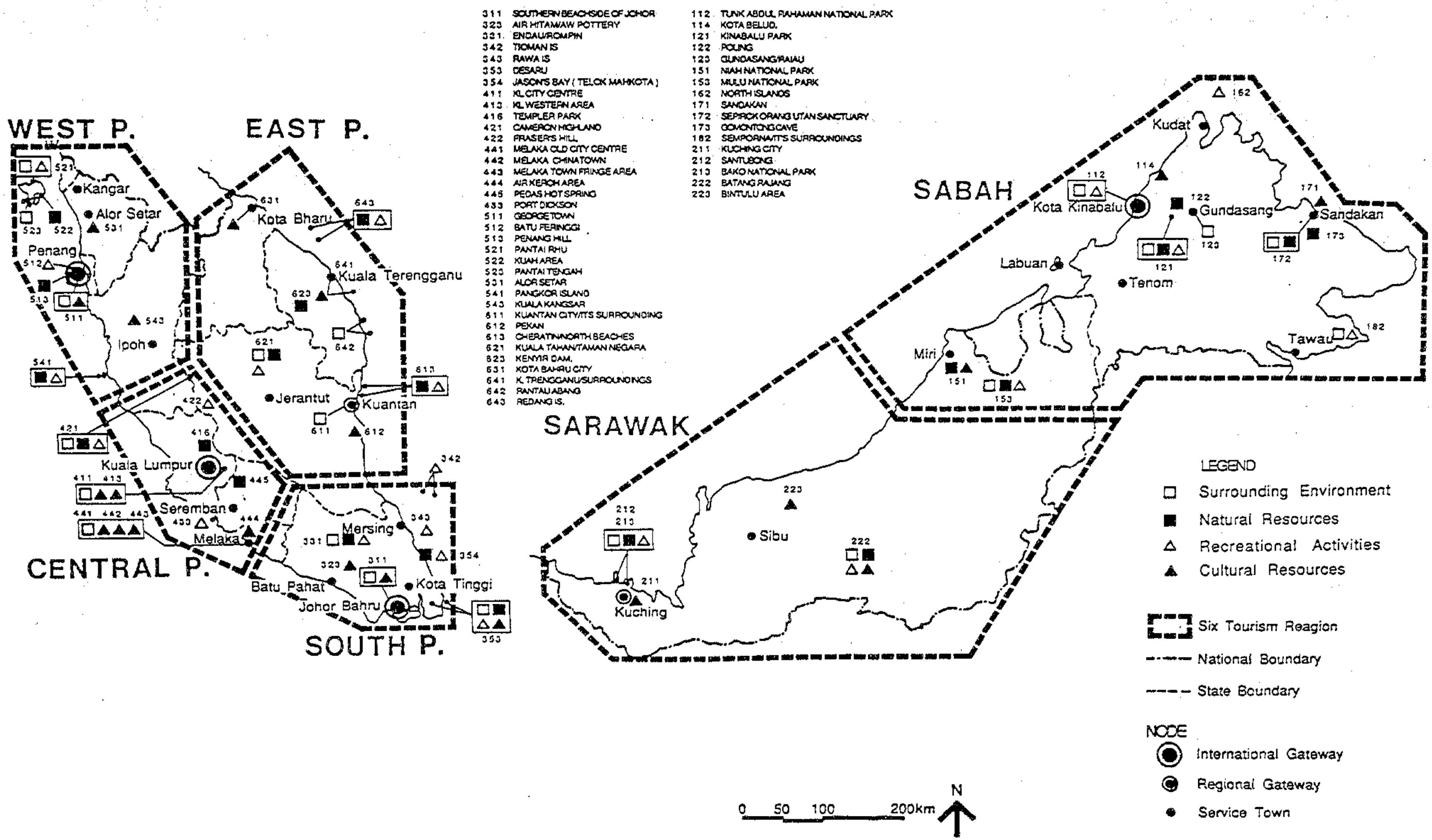
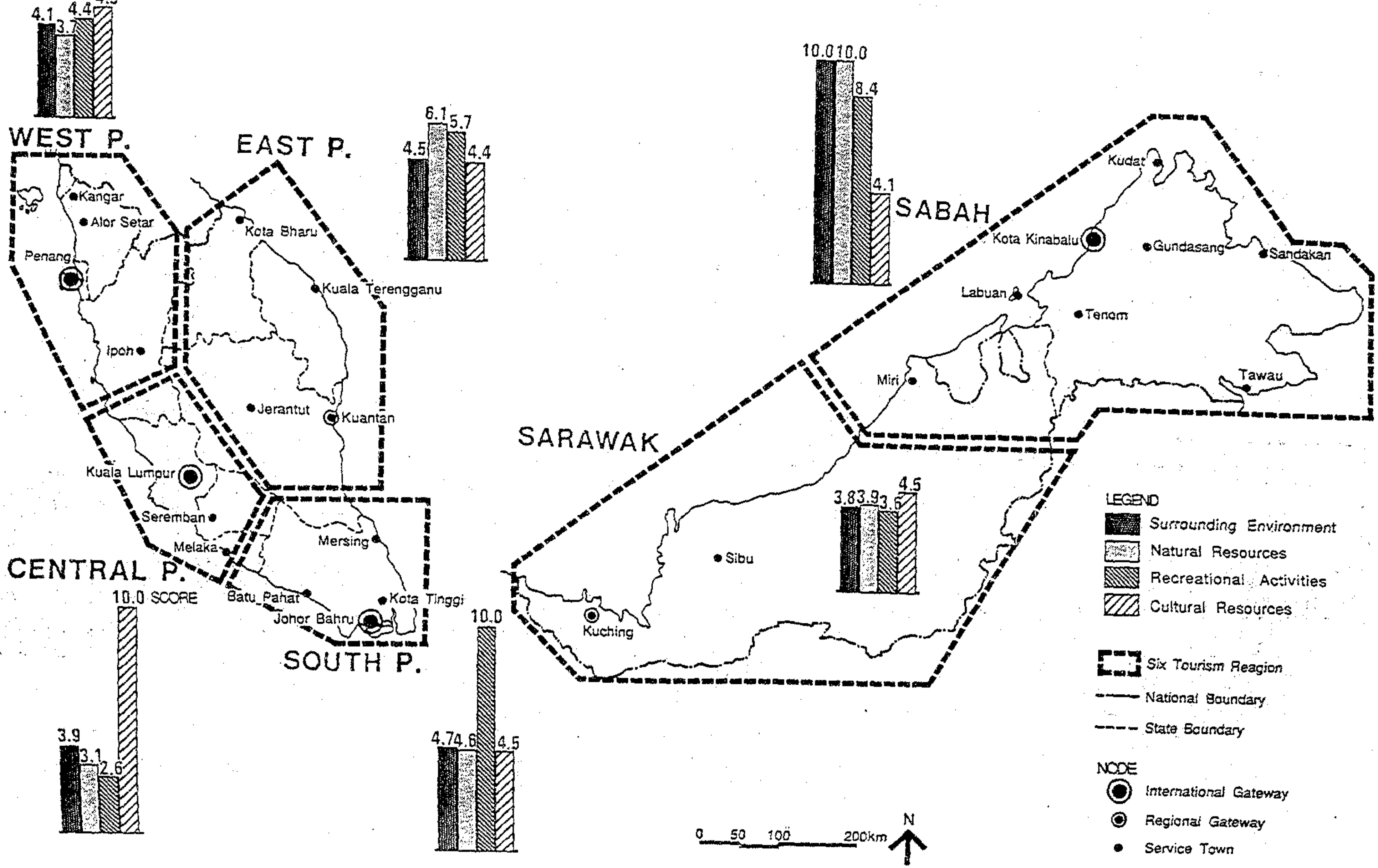


Fig. B.4 Map of Regional Evaluation of Tourism Resources



B.2 Accessibility

This analysis focuses on the identification of the accessibility of international tourists to the Six Tourism Regions and 27 Tourism Areas in Malaysia.

The factors taken into account for accessibility analysis are the time, distance, frequency, capacity, and fares of public transportation services. These three factors are analysed on each link between nodes as set in the above. Based on the link conditions, accessibilities for international tourists from international gateways to each Tourism Region or Area are analysed.

Fig. B.5 Map of Nodes and Links for Accessibility Analysis

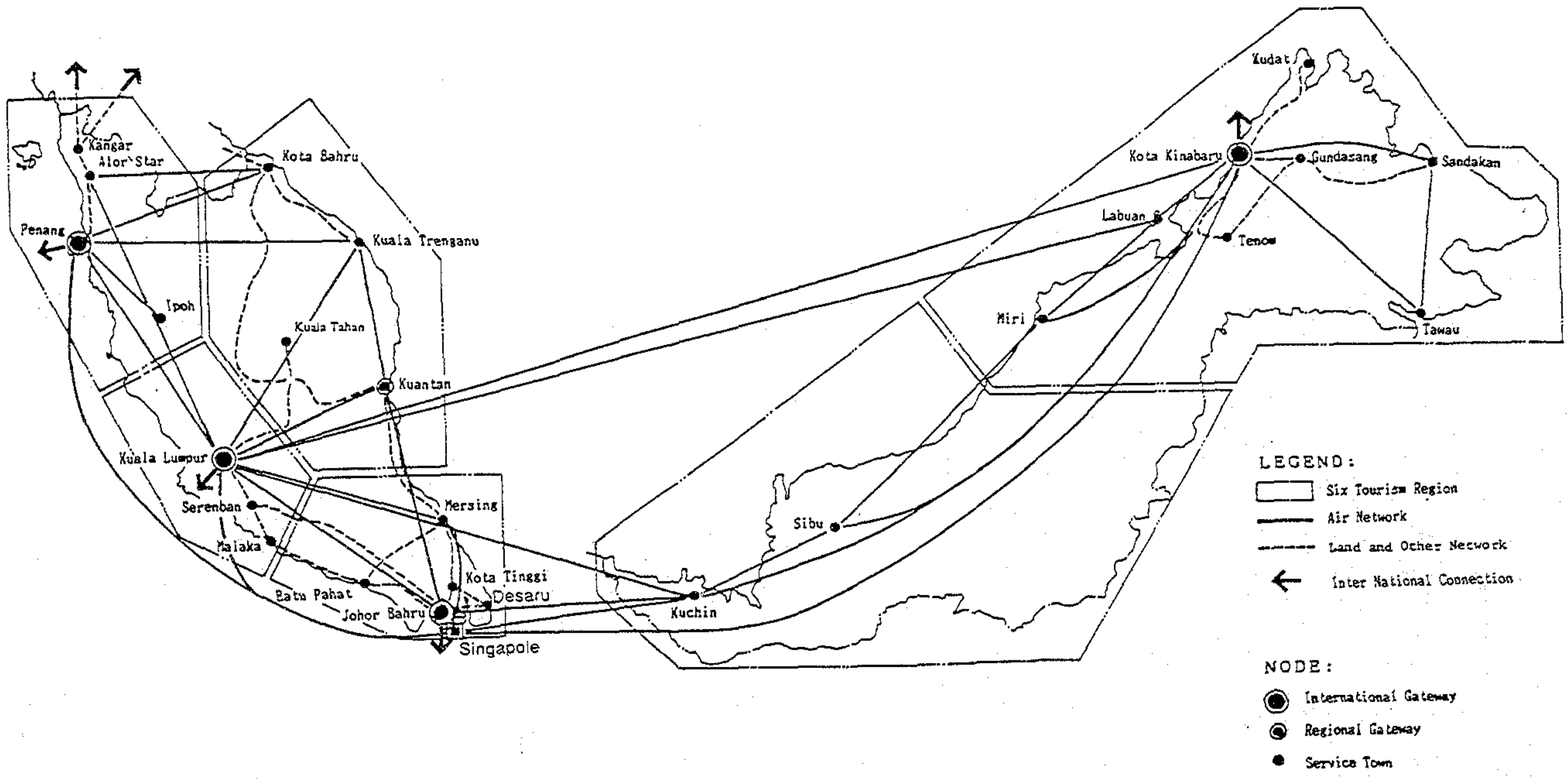
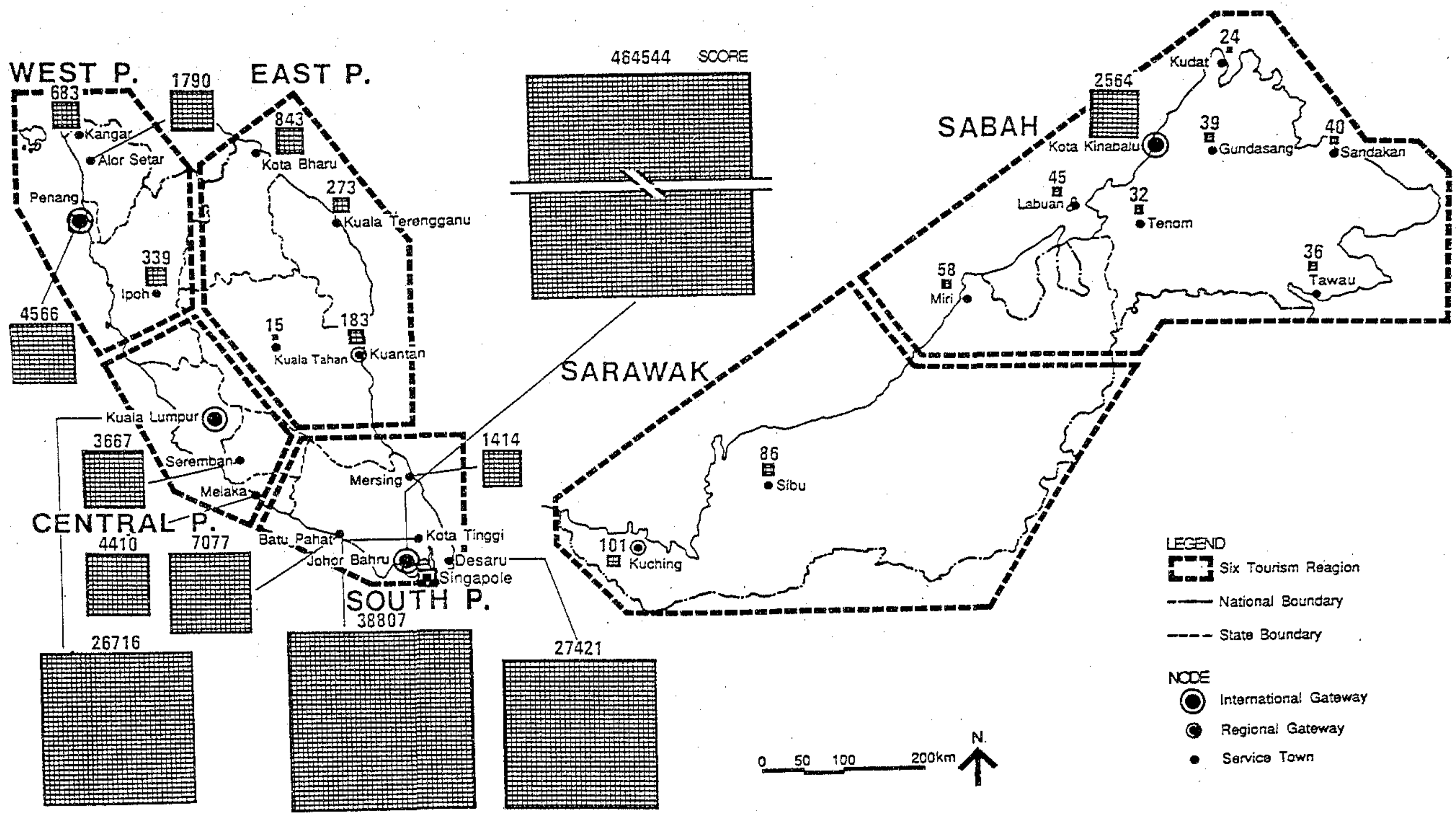


Fig. B.6 Map of Regional Evaluation of Accessibility for International Tourists



The accessibilities of each Tourism Region are as below (Table B.2).

Table B.2 Accessibility of Tourism Region

	Sabah	Sarawak	South P.	Central P.	West P.	East P.
Total	2838	187	511842	34793	7378	1314
Normalised Score (max. 10.0) (I_s)	0.055	0.004	10.00	0.680	0.144	0.026
Ranking	4	6	1	2	3	5

B.3 Seasonality

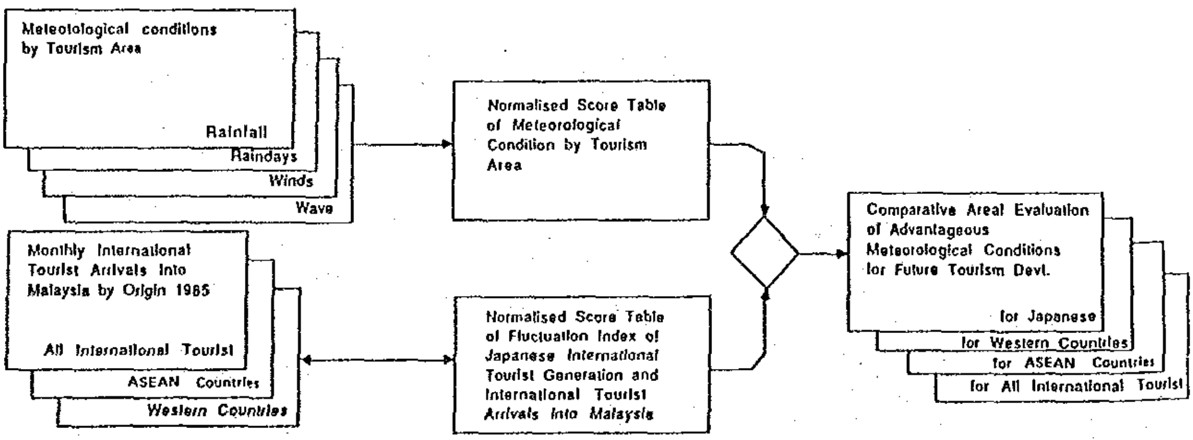
Data Compilation and Study Flow

The objectives of this Study are to compare the meteorological conditions of Malaysia with seasonal variations in the number of tourist arrivals. Factors considered in this analysis are:

(a) Monthly and seasonal fluctuation of international tourist arrivals in Malaysia
(b) Monthly and seasonal fluctuation of meteorological conditions (rainfall, rainy days, sea wave and wind conditions)
(c) Comparative analysis of monthly international tourist generation/arrivals and monthly meteorological conditions.

The findings of this study comprise part of the tourist development potential analysis. Following figure shows the flow of the analysis.

Fig. B.7 Study Flow Chart of Seasonality for Future Tourism Development



The analysis of meteorological conditions is made on the basis of on the following four factors.

(a) Monthly mean of rainfall (1951 - 1985)
(b) Monthly mean of number of rainy days (1951 - 1985)
(c) Average resultant wind velocity (1985, from ship observation)
(d) Average height of swell wave (1985, from ship observation)

The meteorological data include temperature, humidity, maximum winds, wind wave, air temperature, and sea surface temperatures. However, less fluctuation and difference in temperature and humidity among the survey spots could be found, and wind/wave conditions can be obtained by the above (d).

Evaluation of Meteorological Conditions for Future Tourism Development

This is combined analysis of fluctuations of monthly tourist arrivals and meteorological conditions. The objectives of this analysis are to find the place having the most favourable meteorological conditions at the peak seasons of international tourism. This study includes three types of analysis based on the fluctuation of the following categories of international tourists,

(a) ASEAN countries' tourist arrivals in Malaysia
(b) Japan and other international tourist arrivals in Malaysia
(c) All international tourist arrivals in Malaysia

The input data and result of analysis are shown in the following pages.

Fig. B.8 Areal Score of Advantageous Seasonality for Tourism Development

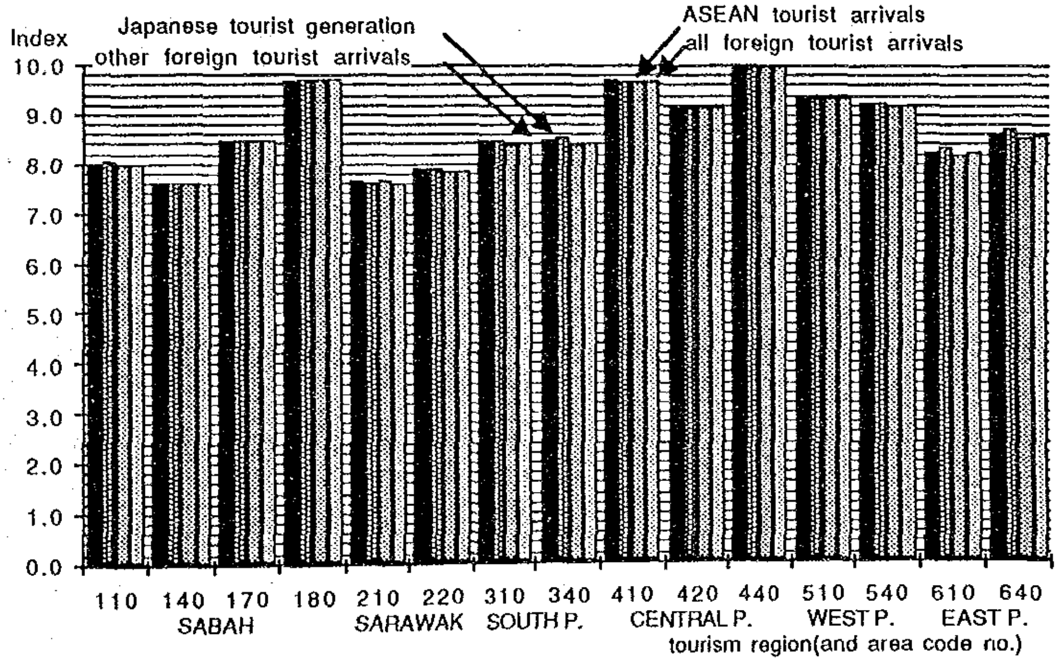


Table B.3 Monthly Number of Tourist Arrivals by Origin of Countries

Origin of Countries	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTALS
JAPAN	9555	9887	11014	8757	8824	8802	13087	13164	8406	7972	9010	8772	117250
	8.1%	8.4%	9.4%	7.5%	7.5%	7.5%	11.2%	11.2%	7.2%	6.8%	7.7%	7.5%	100.0%
AUSTRALIA	9912	4851	5678	5625	6396	5732	9727	6421	6168	6795	5717	5606	78628
	12.6%	6.2%	7.2%	7.2%	8.1%	7.3%	12.4%	8.2%	7.8%	8.6%	7.3%	7.1%	100.0%
U.S.A.	3118	2727	3606	3401	3752	3430	4505	3423	2687	3178	3579	2911	40317
	7.7%	6.8%	8.9%	8.4%	9.3%	8.5%	11.2%	8.5%	6.7%	7.9%	8.9%	7.2%	100.0%
INDIA	3060	3454	6138	2084	3728	4454	3851	1401	1213	1609	1282	2128	34402
	8.9%	10.0%	17.8%	6.1%	10.8%	12.9%	11.2%	4.1%	3.5%	4.7%	3.7%	6.2%	100.0%
U.K.	5748	4695	5494	5556	4473	5157	6066	5854	4601	5504	5400	4572	63120
	9.1%	7.4%	8.7%	8.8%	7.1%	8.2%	9.6%	9.3%	7.3%	8.7%	8.6%	7.2%	100.0%
HONG KONG	1461	4701	1734	1964	1471	1795	2492	3003	1890	1766	1897	2834	27008
	5.4%	17.4%	6.4%	7.3%	5.4%	6.6%	9.2%	11.1%	7.0%	6.5%	7.0%	10.5%	100.0%
TAIWAN	1023	2077	2161	1537	1332	1029	1439	1346	1880	1033	1260	1839	17956
	5.7%	11.6%	12.0%	8.6%	7.4%	5.7%	8.0%	7.5%	10.5%	5.8%	7.0%	10.2%	100.0%
WEST GERMANY	2833	2341	2628	2376	1862	1517	1785	2046	1481	1552	2146	1801	24368
	11.6%	9.6%	10.8%	9.8%	7.6%	6.2%	7.3%	8.4%	6.1%	6.4%	8.8%	7.4%	100.0%
NEW ZEALAND	879	519	671	622	785	617	993	800	675	793	794	637	8785
	10.0%	5.9%	7.6%	7.1%	8.9%	7.0%	11.3%	9.1%	7.7%	9.0%	9.0%	7.3%	100.0%
FRANCE	910	1147	1170	1166	969	721	1440	1803	915	1023	1021	746	13031
	7.0%	8.8%	9.0%	8.9%	7.4%	5.5%	11.1%	13.8%	7.0%	7.9%	7.8%	5.7%	100.0%
OTHERS	16722	15953	16087	15123	13836	15041	16160	17207	12294	13680	14947	11155	178205
	9.4%	9.0%	9.0%	8.5%	7.8%	8.4%	9.1%	9.7%	6.9%	7.7%	8.4%	6.3%	100.0%
SUB-TOTALS	55221	52352	56361	48211	47428	48285	61545	56468	42210	44905	47053	43001	603070
	9.2%	8.7%	9.3%	8.0%	7.9%	8.0%	10.2%	9.4%	7.0%	7.4%	7.8%	7.1%	100.0%
SINGAPORE	127841	178368	152656	165583	158559	248677	164271						1195955
	10.7%	14.9%	12.8%	13.8%	13.3%	20.8%	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
THAILAND	17238	17136	17940	17144	19108	13861	14062						116489
	14.8%	14.7%	15.4%	14.7%	16.4%	11.9%	12.1%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
INDONESIA	2744	2536	2846	2887	2532	4417	4789						22751
	12.1%	11.1%	12.5%	12.7%	11.1%	19.4%	21.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
PHILIPPINES	1007	919	1058	909	1036	1307	1605						7841
	12.8%	11.7%	13.5%	11.6%	13.2%	16.7%	20.5%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
BURUNEI	403	416	630	436	442	594	393						3314
	12.16%	12.55%	19.01%	13.16%	13.34%	17.92%	11.86%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
ASEAN TOTALS	149233	199375	175130	186959	181677	268856	185120	197985	171571	154469	189549	270277	2330201
	6.4%	8.6%	7.5%	8.0%	7.8%	11.5%	7.9%	8.5%	7.4%	6.6%	8.1%	11.6%	100.0%
TOTALS	204454	251727	231511	235170	229105	317151	246665	254453	213781	199374	236602	313278	2933271
	7.0%	8.6%	7.9%	8.0%	7.8%	10.8%	8.4%	8.7%	7.3%	6.8%	8.1%	10.7%	100.0%

Source : Foreign Tourist Statistics,TDC.

Table B.4 Monthly Mean and Maximum Height of Wind Wave and Swell Wave

AREA CODE	CATEGORY	(m)	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	NOV.	DEC.
100 SABAH WEST	WIND WAVE	AV. HEIGHT	1.0	1.0	0.7	0.6	0.5	1.0	0.8	1.0	0.7	1.3	0.8	1.1
		MAX. HEIGHT	2.5	2.0	1.5	1.0	1.0	2.5	3.5	2.0	3.0	3.0	2.0	3.0
	SWELL WAVE	AV. HEIGHT	1.1	1.4	0.5	0.8	0.5	0.7	1.5	1.3	1.6	2.8	1.6	1.2
		MAX. HEIGHT	2.5	2.5	0.5	1.0	0.5	1.0	1.5	2.0	3.0	4.0	3.5	2.0
100 SABAH EAST	WIND WAVE	AV. HEIGHT	0.8	1.1	0.8	0.5	0.8	1.2	-	1.3	-	-	0.9	0.6
		MAX. HEIGHT	1.5	1.5	1.5	0.5	1.0	2.0	-	2.0	-	-	1.0	1.0
	SWELL WAVE	AV. HEIGHT	0.8	3.0	0.5	-	-	1.5	-	1.5	0.5	-	1.0	-
		MAX. HEIGHT	1.5	3.0	0.5	-	-	1.5	-	1.5	0.5	-	1.0	-
210 SARAWAK SOUTH	WIND WAVE	AV. HEIGHT	0.9	1.0	1.0	0.6	0.8	0.7	0.8	0.8	0.6	0.8	0.7	1.0
		MAX. HEIGHT	2.0	2.5	4.0	1.0	2.0	2.0	2.0	2.5	1.5	2.0	1.5	3.5
	SWELL WAVE	AV. HEIGHT	1.4	1.6	0.9	1.3	1.3	0.7	0.9	1.3	1.0	1.5	1.2	1.2
		MAX. HEIGHT	3.0	4.0	2.5	3.5	2.0	1.0	2.0	2.0	2.0	3.0	3.0	4.0
220 SARAWAK NORTH	WIND WAVE	AV. HEIGHT	1.3	1.1	0.9	0.6	0.6	0.8	0.7	0.7	0.6	1.0	0.7	1.0
		MAX. HEIGHT	2.0	2.5	3.0	2.0	1.5	3.0	2.0	2.0	2.0	3.5	2.0	3.0
	SWELL WAVE	AV. HEIGHT	1.4	2.1	-	0.5	1.1	1.6	1.5	1.6	1.1	2.0	1.5	1.6
		MAX. HEIGHT	2.0	3.0	-	0.5	2.5	4.5	3.5	3.0	2.5	5.0	2.5	4.0
300 SOUTH P.	WIND WAVE	AV. HEIGHT	1.1	1.1	0.8	0.6	0.8	0.8	0.6	0.8	0.7	0.7	0.7	1.1
		MAX. HEIGHT	2.5	2.5	2.5	1.5	3.0	2.0	1.5	2.0	2.0	2.0	1.5	2.5
	SWELL WAVE	AV. HEIGHT	1.6	1.6	1.2	0.7	1.0	1.0	0.7	1.2	1.1	1.2	1.1	1.4
		MAX. HEIGHT	3.5	3.0	3.0	1.5	2.5	1.5	1.5	2.5	1.5	2.5	2.0	3.0
400 CENTRAL P.	WIND WAVE	AV. HEIGHT	0.7	0.6	0.6	0.6	0.8	0.6	0.7	0.6	0.7	0.8	0.6	0.6
		MAX. HEIGHT	3.5	1.5	2.0	1.5	2.0	2.5	2.0	1.0	1.5	2.0	2.0	1.5
	SWELL WAVE	AV. HEIGHT	0.7	0.6	0.6	0.9	0.9	1.0	1.0	1.0	0.8	1.4	0.8	0.6
		MAX. HEIGHT	1.5	1.5	1.5	1.5	1.5	1.5	2.5	1.5	1.0	5.0	1.5	2.0
500 WEST P.	WIND WAVE	AV. HEIGHT	0.8	0.7	0.7	0.6	0.7	0.8	0.8	0.5	0.6	0.8	0.6	0.8
		MAX. HEIGHT	4.5	3.0	2.0	1.0	2.0	3.5	3.0	0.5	1.5	2.5	1.0	2.0
	SWELL WAVE	AV. HEIGHT	1.2	1.1	0.7	0.9	1.1	1.2	0.9	1.2	0.9	0.8	0.9	0.8
		MAX. HEIGHT	2.5	1.5	1.5	1.5	2.0	3.0	1.5	2.0	2.5	2.0	2.0	1.5
600 EAST P.	WIND WAVE	AV. HEIGHT	1.0	0.8	0.7	0.5	0.6	0.9	0.8	0.7	0.7	0.8	1.1	1.7
		MAX. HEIGHT	2.0	1.5	1.5	0.5	1.0	2.0	2.0	2.5	3.0	1.5	3.0	3.5
	SWELL WAVE	AV. HEIGHT	2.3	0.9	1.7	1.3	0.6	0.8	0.9	1.0	0.6	1.2	1.0	1.9
		MAX. HEIGHT	3.5	1.5	2.5	2.5	1.5	1.5	1.5	2.0	1.5	4.5	2.5	4.5

Source : PERKHIDMATAN KEJICUACA MALAYSIA 1951-85.

Table B.5 Normalised Scores and Meteorological Conditions by Tourism Area and Region

WIND SCORE	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	TOTAL	INDEX
100 SABAH-West	5.38	3.19	4.97	5.70	7.49	4.24	5.46	2.86	5.62	1.00	6.68	5.14	57.73	5.9
100 SABAH-East	6.43	3.03	8.05	8.78	8.05	6.03	7.97	3.59	10.00	5.95	8.78	8.22	84.89	8.7
200 SARAWAK-Kuchin	6.51	5.62	6.92	9.11	9.19	7.97	8.22	6.84	8.54	7.97	8.78	6.84	92.51	9.5
200 SARAWAK-North	6.43	7.00	6.43	8.22	9.11	7.65	9.27	7.89	8.86	5.86	8.70	8.22	93.65	9.6
300 SOUTH P.	2.46	4.32	6.51	8.54	8.30	6.19	7.41	5.22	7.24	7.08	8.14	3.68	75.08	7.7
400 CENTRAL P.	8.54	8.95	8.62	9.19	7.57	8.30	6.51	8.70	6.76	7.00	8.95	8.54	97.62	10.0
500 WEST P.	6.76	7.81	8.05	6.76	7.89	7.73	5.78	6.68	7.32	6.68	9.19	6.35	87.00	8.9
600 EAST P.	3.84	4.65	6.19	5.70	8.86	8.78	7.00	4.73	8.14	7.08	5.86	2.14	72.97	7.5
TOTAL	46.35	44.57	55.76	62.00	66.46	56.89	57.62	46.51	62.49	48.62	65.08	49.11	661.46	
WAVE SCORE														
100 SABAH-West	6.81	5.94	9.42	8.84	10.00	7.97	6.23	6.23	6.23	1.00	5.94	6.23	80.81	7.9
100 SABAH-East	8.26	1.00	9.13	10.00	8.26	5.06	4.92	4.77	10.00	8.69	7.39	9.42	86.90	8.5
200 SARAWAK-Kuchin	6.23	5.35	7.39	7.39	6.81	8.84	7.97	6.81	8.26	6.23	7.39	6.52	85.16	8.3
200 SARAWAK-North	5.06	3.61	7.68	9.71	7.97	5.94	6.52	6.23	7.97	4.19	6.52	5.35	76.74	7.5
300 SOUTH P.	5.06	5.06	7.10	9.13	7.68	7.68	9.13	7.10	7.68	7.39	7.68	5.65	86.32	8.5
400 CENTRAL P.	8.84	9.42	9.42	8.55	7.97	8.26	7.97	8.26	8.55	6.52	8.84	9.42	102.00	10.0
500 WEST P.	7.10	7.68	8.84	8.55	7.68	7.10	7.97	7.97	8.55	8.26	8.55	8.26	96.48	9.5
600 EAST P.	3.32	7.97	5.94	7.68	9.42	7.97	7.97	7.97	9.13	7.10	6.81	2.45	83.71	8.2
TOTAL	50.68	46.03	64.90	69.84	65.77	58.81	58.66	55.32	66.35	49.37	59.10	53.29	698.13	
FINDAY SCORE														
110	7.00	7.50	9.00	7.50	5.50	5.00	5.00	5.50	3.50	3.50	3.50	5.00	67.50	7.6
140	6.50	7.00	6.00	6.00	5.00	5.00	5.50	6.00	3.50	3.00	2.50	5.00	63.00	7.1
170	3.00	4.00	7.00	8.00	7.50	6.00	6.50	5.50	5.00	4.50	2.50	2.00	61.50	6.9
180	7.00	6.50	9.00	8.00	7.50	7.00	7.00	7.00	7.50	7.50	7.00	7.50	88.50	10.0
210	1.50	1.50	3.50	3.00	4.00	4.50	5.50	5.00	3.00	2.00	1.00	1.00	35.50	4.0
220	3.00	3.50	4.50	4.50	5.50	5.50	5.50	5.00	4.00	3.00	2.50	1.50	48.00	5.4
310	8.00	6.00	6.00	3.50	4.50	5.50	5.00	5.50	4.00	3.50	2.00	4.00	57.50	6.5
340	6.00	6.50	8.00	7.00	6.50	6.00	6.00	5.50	5.00	5.00	2.00	2.00	65.50	7.4
410	7.00	5.50	5.00	3.00	5.50	7.00	7.50	7.00	5.00	3.50	2.00	4.00	62.00	7.0
420	7.00	6.00	5.00	2.50	2.50	5.50	5.50	4.50	2.50	1.00	1.00	3.50	46.50	5.3
440	9.00	7.00	7.00	5.50	6.00	6.50	6.00	5.50	5.00	4.50	3.00	6.00	71.00	8.0
510	10.00	7.50	7.50	4.50	4.50	6.50	6.00	5.50	3.00	2.00	3.50	7.50	68.00	7.7
540	7.50	6.00	6.50	4.00	4.50	7.50	7.00	6.50	4.00	3.00	2.50	5.00	64.00	7.2
610	5.50	6.00	8.00	6.50	6.00	7.00	7.00	6.00	4.50	3.50	2.00	2.50	64.50	7.3
640	5.50	6.50	9.00	8.50	8.00	7.50	8.00	7.00	5.50	4.00	1.50	2.00	73.00	8.2
TOTAL	93.50	87.00	103.00	82.00	83.00	92.00	93.00	87.00	65.00	53.50	38.50	58.50	936.00	
RAINFALL SCORE														
110	9.27	10.00	9.88	9.11	7.74	6.39	6.88	7.20	6.36	6.06	6.61	7.41	92.89	8.8
140	7.45	9.21	8.99	7.75	6.31	6.56	6.59	6.72	5.50	4.87	5.15	6.30	81.41	7.7
170	4.39	6.83	8.39	9.23	8.92	8.05	8.24	7.55	7.43	7.25	5.82	4.13	86.23	8.2
180	8.99	9.51	9.62	9.41	8.97	8.46	8.24	7.94	8.35	8.48	8.79	8.69	105.46	10.0
210	1.00	3.33	5.99	6.75	7.23	8.03	8.02	7.85	6.97	6.18	5.94	4.16	71.45	6.8
220	5.00	6.94	7.12	7.38	7.31	7.04	7.18	6.91	6.39	5.80	4.94	4.28	76.30	7.2
310	8.79	8.65	8.27	7.67	7.60	8.72	8.44	8.55	8.01	8.02	7.21	7.16	97.09	9.2
340	6.29	8.69	8.86	9.17	8.75	8.80	8.45	8.41	8.34	7.90	5.70	1.70	91.05	8.6
410	8.60	8.68	7.68	6.90	8.26	9.18	9.17	8.98	8.40	7.16	7.10	7.68	97.79	9.3
420	9.17	9.30	8.03	6.89	6.95	8.93	8.52	8.41	7.41	6.06	6.48	7.98	94.14	8.9
440	9.61	9.40	8.77	8.23	8.50	8.42	8.29	8.32	7.92	7.77	7.46	8.83	101.52	9.6
510	9.90	9.55	8.87	7.81	7.43	8.44	7.89	7.49	5.95	6.85	7.34	9.36	96.88	9.2
540	8.69	8.85	8.17	7.25	7.59	8.87	8.68	8.71	8.02	6.58	6.74	7.56	95.73	9.1
610	6.40	8.51	8.50	8.46	8.12	8.53	8.55	8.31	7.53	6.94	6.29	2.33	88.47	8.4
640	8.50	9.44	9.23	9.49	9.47	9.34	9.33	8.83	8.26	7.18	1.83	2.51	93.41	8.9
TOTAL	112.03	126.88	126.36	121.50	119.16	123.75	122.47	120.18	110.87	103.09	93.40	90.09	1369.80	
SCORE of METEOROLOGICAL CONDITIONS														
AREACODE NO.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL	
110	28.45	26.62	33.27	31.15	30.73	23.60	23.56	21.79	21.71	11.56	22.72	23.77	298.92	8.0
140	26.13	25.34	31.38	28.29	28.80	23.77	23.78	21.81	20.85	9.87	20.26	22.67	282.95	7.6
170	22.08	14.85	32.57	36.01	32.73	25.14	27.63	21.42	32.43	26.39	24.49	23.77	319.52	8.6
180	30.68	20.03	35.81	36.19	32.79	26.55	28.14	23.31	35.85	30.62	31.96	33.83	365.75	9.8
210	15.24	15.81	23.79	26.25	27.23	29.34	29.70	26.50	26.77	22.38	23.11	18.52	284.63	7.6
220	19.50	21.05	25.73	29.80	29.88	26.13	28.46	26.03	27.23	18.86	22.66	19.35	294.69	7.9
310	24.31	24.04	27.88	28.84	28.07	28.09	29.98	26.36	26.93	25.98	25.03	20.49	316.00	8.5
340	19.81	24.58	30.47	33.84	31.23	28.66	30.98	26.22	28.27	27.37	23.52	13.02	317.96	8.5
410	32.98	32.54	30.72	27.64	29.30	32.73	31.15	32.94	28.71	24.17	26.88	29.64	359.41	9.7
420	33.55	33.67	31.07	27.13	24.98	30.98	28.50	29.87	25.22	20.57	25.26	29.44	340.26	9.1
440	35.99	34.76	33.81	31.47	30.04	31.47	28.77	30.78	28.22	25.79	28.25	32.79	372.14	10.0
510	33.75	32.54	33.28	27.61	27.50	29.77	27.64	27.64	24.83	23.78	28.58	31.47	348.36	9.4
540	30.04	30.34	31.56	26.56	27.66	31.20	29.44	29.85	27.90	24.52	26.98	27.17	343.21	9.2
610	19.06	27.12	28.62	28.34	32.41	32.28	30.52	27.01	29.30	24.62	20.96	9.42	309.65	8.3
640	21.16	28.55	30.35	31.37	35.75	33.60	32.30	28.52	31.02	25.36	16.00	9.10	323.09	8.7
TOTAL	392.73	391.86	460.30	450.50	449.09	433.30	430.55	400.05	415.23	341.84	366.65	344.43	4876.53	

B.4 Tourism Facilities

Tourism facilities are assessed by classification and distribution of the number of facilities in each Tourism Area and Region. The four sub-factors of the quality/accumulation of tourism facilities selected for assessment are as follows:

(a) Hotel accommodations
(b) Recreational facilities
(c) Restaurants and entertainment facilities
(d) Convention facilities

Evaluation process of these facilities are briefly described here.

(a) Hotel Accommodation

This quantified evaluation of the accumulation of existing hotel accommodations is based on the number of registered hotel rooms which are listed in the Malaysian Hotel Directory, July 1986. The data updated by the field reconnaissance conducted by the Study Team in July and August, 1987.

The input data for hotel evaluation are classified into the following four categories dependent on the published room rate, hotel inspection results, with other pertinent information.

- Deluxe international class
- International class
- Regional class
- Domestic class

(b) Recreational Facilities

Recreational facilities are sub-divided into four categories of (i) golf facilities, (ii) tennis facilities, (iii) other ball game facilities, and (iv) other sports facilities.

Recreational facilities are evaluated by distribution of the actual number of facilities, by correlation with the number of facilities and international class hotel room distribution within the Tourism Region and/or Area.

(c) Restaurants and Entertainment Facilities

Restaurants are assessed according to (i) the number of restaurants, grills, and coffee houses, (ii) the variety of food served, and (iii) an assessment of special dishes. Entertainment facilities are assessed by the number of clubs, discotheques, and bars within the tourism region and/or area.

(d) Convention Facilities

Convention facilities are assessed according to the number of meetings and seating capacity.

Evaluation of Tourism Facilities

Each sub-factor of the tourism facilities assessed previously are synthesised to evaluate the accumulation and conditions of tourism facilities of each Tourism Region. The assessment process is as follows:

(a) Determination of weight for 3 cases of evaluation

Case-1: Even weight of four sub-factors of facilities
Case-2: More weight for accommodation
Case-3: More weight for accommodation/recreational facilities

* Consequently, the above 3 cases resulted in almost the same (figures show the difference of some 0.1 - 0.2 against max. 10.0 points).

(b) Estimation of weighted score

Calculated index (max. = 10) by each category (I_p) x weight

(c) Estimation of weighted total score

Sum of the weighted scores of four sub-factors

(d) Index (I_s)

Normalised by max. = 10.0 points

The evaluation results are shown in the following pages.

Table B.6 Total Evaluation of Tourism Facilities

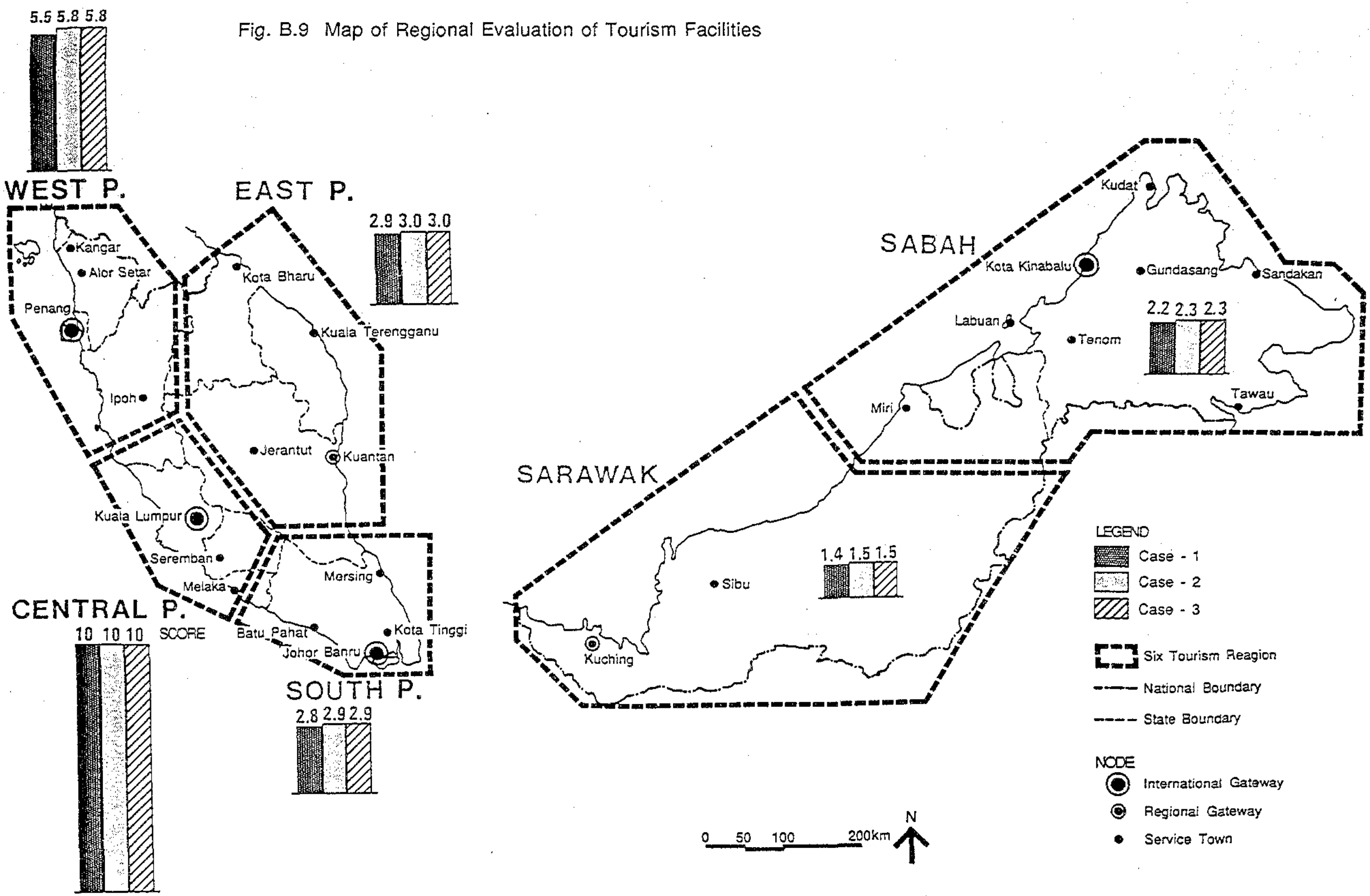
T. Area/ Region Code	ACCOMMODATION FACILITIES Normalised Max. Score=10.0 T. Area	T. Region	CONVENTION FACILITIES Normalised Max. Score=10.0 T. Area	T. Region	RECREATIONAL FACILITIES General Normalised Max. Score=10.0 T. Area	T. Region	RECREATIONAL FACILITIES General / No. of Hotel Normalised Max. Score=10.0 T. Area	T. Region	RESTAURANT AND ENTERTAINMENT Normalised Max. Score=10.0 T. Area	T. Region
110	1.27		0.82		1.24		1.20		2.95	
120	0.07		0.00		0.56		2.00		1.71	
130	0.06		0.00		0.59		0.10		0.81	
140	0.24		0.00		0.35		1.00		0.76	
150	0.28		0.00		0.00		0.00		1.79	
160	0.02		0.00		0.00		0.00		1.26	
170	0.20		0.00		0.94		2.10		2.15	
180	0.44		0.00		0.29		0.40		1.90	
100 SABAH		1.94		0.72		2.09		3.30		3.17
210	0.87		0.30		1.56		2.30		3.09	
220	0.55		0.00		0.35		0.50		1.65	
200 SARAWAK		1.07		0.26		1.00		1.40		2.48
310	1.07		0.53		1.03		1.30		4.44	
320	0.32		0.00		0.64		2.40		2.70	
330	0.40		0.00		0.70		2.00		1.69	
340	0.15		0.00		0.79		3.50		1.54	
350	0.28		0.13		1.66		7.20		2.36	
300 SOUTH P.		1.68		0.58		2.54		6.40		4.51
410	10.00		10.00		10.00		9.70		10.00	
420	1.41		0.51		4.42		10.00		3.60	
430	0.63		0.13		1.20		3.70	5.60	3.26	
440	1.20		0.81		3.38		9.40		3.53	
400 CENTRAL P.		10.00		10.00		10.00		10.00		10.00
510	4.67		2.54		6.95		9.40		7.44	
520	0.36		0.06		0.79		1.30		1.63	
530	0.33		0.23		0.47		1.60		2.23	
540	1.63		0.22		2.66		4.40		5.13	
500 WEST P.		5.27		2.67		5.73		7.40		7.63
610	1.38		0.26		2.81		4.50		3.22	
620	0.31		0.00		0.00		0.00		2.25	
630	0.46		0.18		1.16		2.90		2.38	
640	0.88		0.44		1.24		1.60		2.18	
600 EAST P.		2.12		0.76		2.74		4.20		4.63

T. Area/ Region Code	TOTAL EVALUATION OF TOURISM FACILITIES CASE-1 Weighted Total Score	CASE-1 Normalised Max. Score=10.0 T. Area	T. Region	CASE-2 Weighted Total Score	CASE-2 Normalised Max. Score=10.0 T. Area	T. Region	CAS-3 Weighted Total Score	CAS-3 Normalised Max. Score=10.0 T. Area	T. Region
110	6.24	1.6		4.01	1.6		3.63	1.5	
120	3.77	0.9		2.29	0.9		2.32	0.9	
130	0.96	0.2		0.60	0.2		0.53	0.2	
140	2.00	0.5		1.30	0.5		1.32	0.5	
150	2.07	0.5		1.35	0.5		1.17	0.5	
160	1.28	0.3		0.77	0.3		0.65	0.3	
170	4.45	1.1		2.75	1.1		2.75	1.1	
180	2.74	0.7		1.82	0.7		1.67	0.7	
100 SABAH	9.13		2.3	6.04		2.4	6.05		2.4
210	6.56	1.6		4.19	1.7		4.11	1.6	
220	2.69	0.7		1.96	0.8		1.82	0.7	
200 SARAWAK	5.21		1.3	3.47		1.4	3.36		1.3
310	7.34	1.8		4.67	1.9		4.36	1.7	
320	5.43	1.4		3.38	1.4		3.35	1.3	
330	4.10	1.0		2.62	1.0		2.65	1.1	
340	5.19	1.3		3.18	1.3		3.37	1.3	
350	9.97	2.5		6.06	2.4		6.54	2.6	
300 SOUTH P.	13.17		3.3	8.40		3.4	8.59		3.4
410	39.70	9.9		24.82	9.9		24.79	9.9	
420	15.52	3.9		9.72	3.9		10.36	4.1	
430	14.34	3.6		8.82	3.5		9.52	3.8	
440	14.94	3.7		9.20	3.7		9.79	3.9	
400 CENTRAL P.	40.00		10.0	25.00		10.0	25.00		10.0
510	24.05	6.0		15.54	6.2		15.73	6.3	
520	3.36	0.8		2.13	0.9		2.10	0.8	
530	4.59	1.1		2.81	1.1		2.77	1.1	
540	11.39	2.8		7.42	3.0		7.35	2.9	
500 WEST P.	22.97		5.7	15.09		6.0	15.07		6.0
610	9.35	2.3		6.09	2.4		6.21	2.5	
620	2.55	0.6		1.65	0.7		1.43	0.6	
630	5.91	1.5		3.67	1.5		3.72	1.5	
640	4.90	1.2		3.08	1.2		3.02	1.2	
600 EAST P.	11.72		2.9	7.65		3.1	7.61		3.0

REMARKS: CASE OF WEIGHTING FOR EVALUATION

	CASE-1	CASE-2	CASE-3
ACCOMMODATION	1.00	1.00	1.00
CONVENTION	1.00	0.30	0.30
RECREATION	1.00	0.60	0.70
REST/ENTERTAINMENT	1.00	0.60	0.50

Fig. B.9 Map of Regional Evaluation of Tourism Facilities



B.5 Tourism Service Industries

The purpose of this analysis is made to identify the existing conditions of accumulated tourism service industries in each Tourism Area and Region in order to obtain the input into the potential analysis for future tourism development. Factors are:

(a) Tourist agent by their nature of business:

- Ticketing
- Inbound tour
- Limousine/car rental
  (except outbound)

(b) Tourist guide by their registered foreign language:

- Japanese
- English
- Others

(c) Tourist information centres:

- In registered hotels
- TDC Information Centre
- SEDC Information Centre
- MAS office and branch

(d) Public transportation service:

- General conditions of public and tour buses service#
- General conditions of taxis service#

(e) shopping/Handicraft:

- Duty free shop#
- Handicrafts and training centre#
- Shopping arcades in the registered hotel
- General conditions of shopping*
- Quality of souvenir#

#: Data source - collected data and results of field investigations in 1987
*: Data source - only field survey/investigation in 1987

Evaluation of Tourism Service Industry

Process of Evaluation

(a) Line-up the following normalised scores (I_p) by Tourism Region and Area.

- Tourist agent
- Tourist guides (for Japanese and all foreign tourists)
- Public transport service
- Shopping and handicraft

(b) Setting up weight for each of the above 5 sub-factors from the view point of relationship with the activities of international tourists.

(c) Estimation of weighted scores by each sub-factor, by Tourism Area and Tourism Region.

The input data and the results are shown in the following pages.

(d) Summing-up of the weighted score of the above 5 sub-factors by Tourism Area/Region.

(e) Normalisation of the above summed-up total scores to maximum = 10.0 by Tourism Region and Area (I_S).

The results are shown in the following pages.

Table B.7 Evaluation of All Factors of Tourism Industries

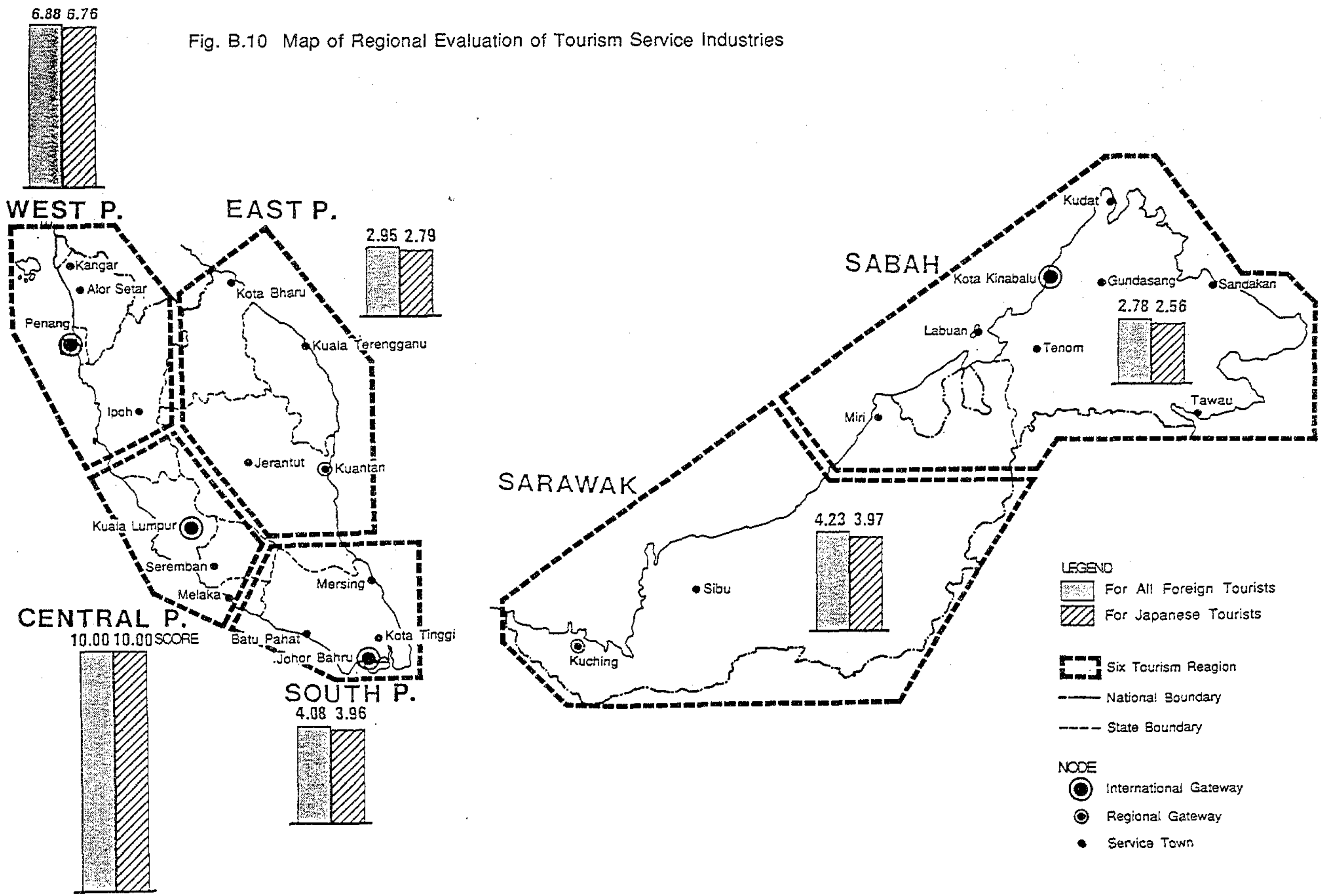
T. Region/Area Code	TOURIST AGENTS Normalized Scores Max.=10 T. Area	TOURIST AGENTS T. Region	TOURIST GUIDE for All Inter. Tourist Normalized Score Max.=10 T. Area	TOURIST GUIDE for All Inter. Tourist T. Region	TOURIST GUIDE for Japanese Tourist Estimated Total Score	for Japanese Tourist Normalized Score Max.=10 T.Area	for Japanese Tourist T.Region	TOURIST INF. CENTER Normalized Score Max.=10 T. Area	TOURIST INF. CENTER T. Region	PUBLIC TRANSP. SERVICES Normalized Score Max.=10 T.Area	PUBLIC TRANSP. SERVICES T. Region	SHOPPING AND HANDICRAFT Normalized Score Max.=10 T.Area	SHOPPING AND HANDICRAFT T.Region	FOR ALL INTERNATIONAL TOURISTS T.Score of Sub-factors	FOR ALL INTERNATIONAL TOURISTS Normalized Score Max.=10 T. Area	FOR ALL INTERNATIONAL TOURISTS T. Region	FOR JAPANESE TOURISTS T.Score of Sub-factors	FOR JAPANESE TOURISTS Normalized Score Max.=10 T. Area	FOR JAPANESE TOURISTS T. Region
110			0.3		6.0	0.3		1.1		6.0		3.9		10.7	2.7		8.8	2.4	
120			0.0		0.0	0.0		0.6		2.0		1.6		3.9	1.0		3.2	0.9	
130			0.0		0.0	0.0		0.0		2.0		1.6		3.6	0.9		3.0	0.8	
140			0.0		0.0	0.0		0.0		2.0		1.7		3.7	0.9		3.1	0.8	
150			0.0		0.0	0.0		1.1		2.0		1.8		4.4	1.1		3.7	1.0	
160			0.0		0.0	0.0		0.0		2.0		1.6		3.6	0.9		3.0	0.8	
170			0.0		0.0	0.0		0.6		4.0		2.8		7.1	1.8		5.8	1.6	
180			0.0		0.0	0.0		0.6		3.0		2.4		5.7	1.4		4.7	1.3	
100 SABAH		1.7		0.3	6.0		0.3		3.2		4.4		3.4	11.2		2.8	9.6		2.6
210			0.3		4.6	0.2		2.8		6.0		6.3		13.9	3.5		11.8	3.2	
220			0.0		0.0	0.0		1.1		2.0		3.0		5.6	1.4		4.9	1.3	
200 SARAWAK		3.0		0.2	4.6		0.2		3.2		6.2		6.4	17.0		4.2	14.8		4.0
310	1.9		5.2		93.5	4.8		2.2		8.0		4.6		19.0	4.8		16.6	4.5	
320	0.4		0.1		2.5	0.1		0.0		3.0		4.0		7.4	1.9		6.5	1.8	
330	0.3		0.1		2.0	0.1		0.0		2.0		1.7		4.0	1.0		3.4	0.9	
340	0.1		0.0		0.5	0.0		0.0		2.0		1.7		3.8	1.0		3.2	0.9	
350	0.0		0.1		1.5	0.1		0.0		3.0		2.5		5.6	1.4		4.7	1.3	
300 SOUTH P.		2.6	5.5	5.0	100.0		4.7		1.8		5.5		4.1	16.4		4.1	14.8		4.0
410	10.0		10.0		196.5	10.0		7.2		10.0		10.0		39.6	10.0		36.9	10.0	
420	0.0		0.1		1.5	0.1		1.1		3.0		4.1		7.7	2.0		6.7	1.8	
430	0.1		0.1		1.0	0.1		0.0		6.0		2.5		8.6	2.2		6.8	1.9	
440	0.6		0.9		15.8	0.8		1.7		7.0		5.8		14.8	3.7		12.6	3.4	
400 CENTRAL P.		10.0		10.0	214.8		10.0		8.2		10.0		10.0	40.1		10.0	37.3		10.0
510	3.2		5.5		111.4	5.7		10.0		9.0		7.5		28.1	7.1		25.1	6.8	
520	0.2		0.0		0.0	0.0		1.1		2.0		1.9		4.6	1.2		3.9	1.1	
530	1.5		0.4		7.5	0.4		0.0		2.0		3.2		6.8	1.7		6.2	1.7	
540	0.9		0.2		4.1	0.2		1.1		5.0		4.7		11.3	2.8		9.7	2.6	
500 WEST P.		5.4		5.5	123.0		5.7		10.0		6.9		6.9	27.6		6.9	25.2		6.8
610	0.7		0.3		5.5	0.3		1.7		4.0		3.1		8.8	2.2		7.4	2.0	
620	0.1		0.1		1.0	0.1		0.6		2.0		1.6		4.0	1.0		3.4	0.9	
630	0.5		0.1		2.5	0.1		0.6		2.0		6.4		9.2	2.3		8.6	2.3	
640	0.3		0.1		1.0	0.1		1.1		2.0		2.9		5.7	1.4		5.0	1.4	
600 EAST P.		1.5		0.5	10.0		0.5		3.2		3.8		4.7	11.8		3.0	10.4		2.8

REMARKS ;

Weights for the Evaluation

	for all foreign tourists	for Japanese Tourists
Tourist Agents =	0.90	0.90
Tourist Guide =	0.70	0.80
Tourist Inf. center =	0.50	0.40
Public Transp.Servic	1.00	0.70
Shopping/Handicrsft	1.00	1.00

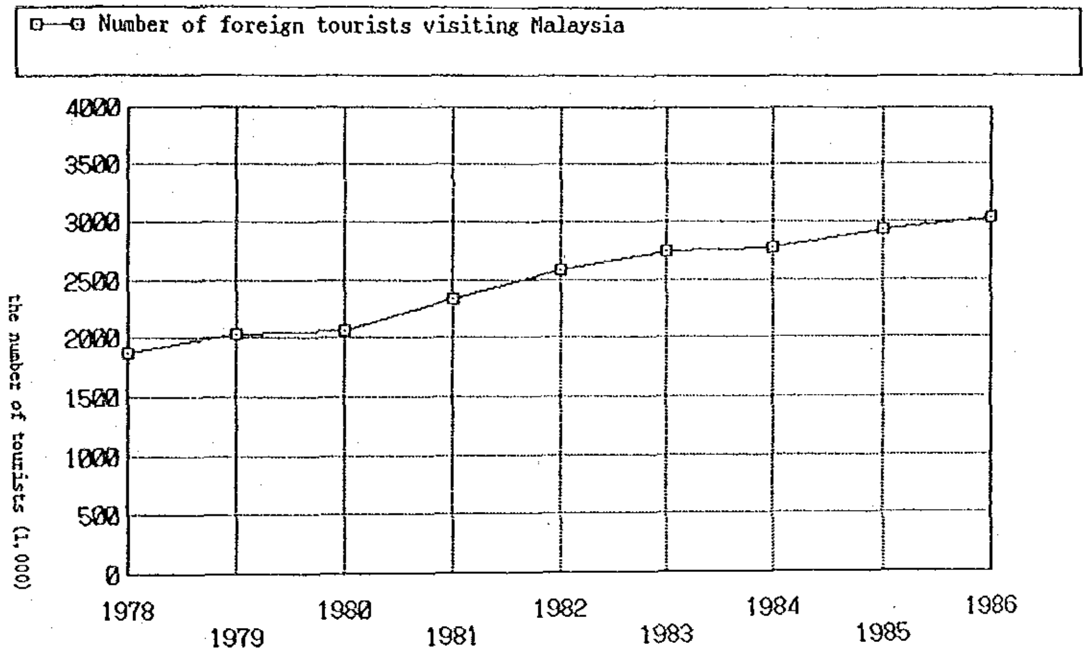
Fig. B.10 Map of Regional Evaluation of Tourism Service Industries



Appendix-C
Demand Forecast

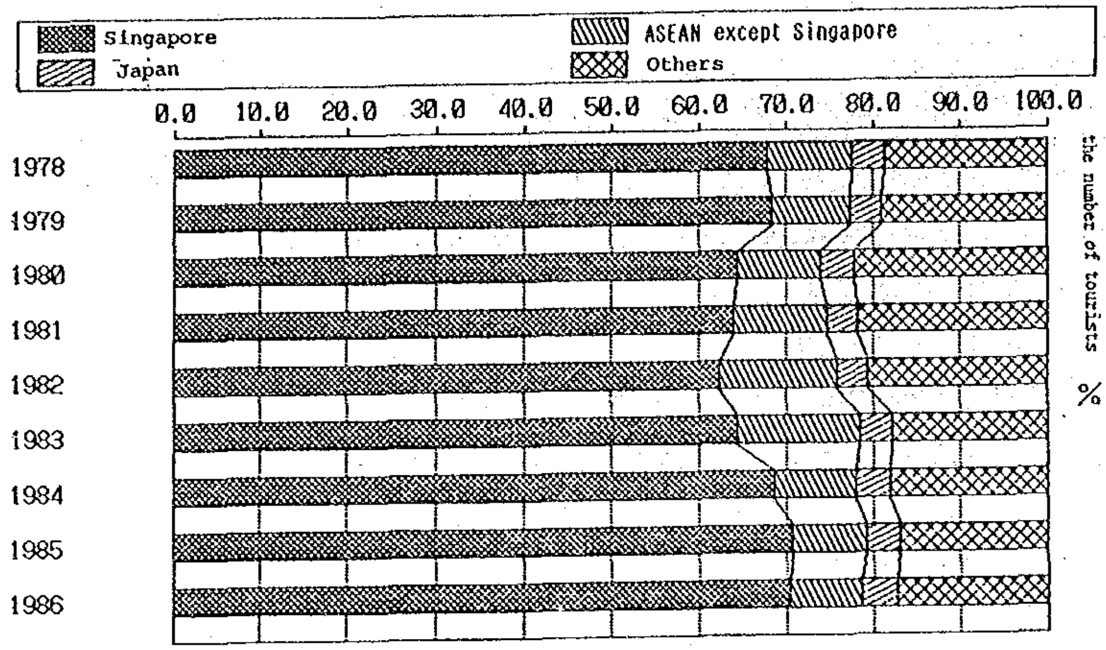
After 1978, the number of foreign tourists visiting Malaysia tended to increase throughout as shown in Fig. C.1. In 1986, the number exceeded 3.0 million which is 1.61 times that in 1978. During this period, 1980 and 1984 had a low rate of increase, while in 1981 and 1982 a high rate was recorded. Although there were some variations, the growth rate was 6.6% on the average. The share of foreign tourists visiting Malaysia through the period is shown in Fig. C.2.

Fig. C.1 The Number of Tourists Arrivals to Malaysia



Source : TDC

Fig. C.2 The Share of Foreign Tourists to Malaysia



Source : TDC

The forecast of the number of foreign non-Japanese tourist arrivals was based on the twelve designated countries which account for 93.4% of the market. The remainder was aggregated and listed simply as "other countries." The forecast was based on time series data from 1978 to 1986, and irregularities were adjusted with dummy variables to account for a number of suspected "perturbing factors."

In order to predict future revenue for the financial portion of this study, it is necessary to predict the number of tourists who will visit Malaysia in the future. This is quite obviously an extremely difficult task, and may well be impossible to do with any sort of statistical reliability. Neither standard regional gravity models nor a sort of modified regional regional Input-Output model will work due to the complex nature international finance and politics, and the difficulty of seeing into the future where unilateral policy decisions on the part of many players could have very broad and sweeping effects on the predictions.

Another problem which has profound effects on the predictions of tourism is the dearth of reliable information about what has happened in the past, and how tourism has responded to changes in the national economy of Malaysia or any other country, and with the exception of Japan, there is no information about future policies of various governments which might effect the Malaysian tourism industry. In this uncertain environment, we are still left with the necessity of making the predictions.

The course which has been selected for this study is to use information available for Japan, and to assume that the pattern of changes of the numbers of tourists coming to Malaysia from foreign countries will continue into the immediate future, with time being the primary independent variable. Since data on tourists broken down by nationality is only available back to 1978, eight years prior to the latest available information, and since the relevant target date for Japanese policy changes is 1995, nine years beyond the latest information, no attempt will be made to predict beyond the year 1995.

In order to apply the informatin available for Japanese outbound travelers, and to increase the likelihood of similar behaviour, the data will be based on nationality. As previously stated, the primary independent variable is time. In some cases, information is known about various factors which seem to be relevant in the number of tourists visiting Malaysia. This informatin is applied to the regression analysis employed here in the form of "possibility variable" and are recorded along with the graphs and charts for each nation.

The nations considered, besides Japan are:

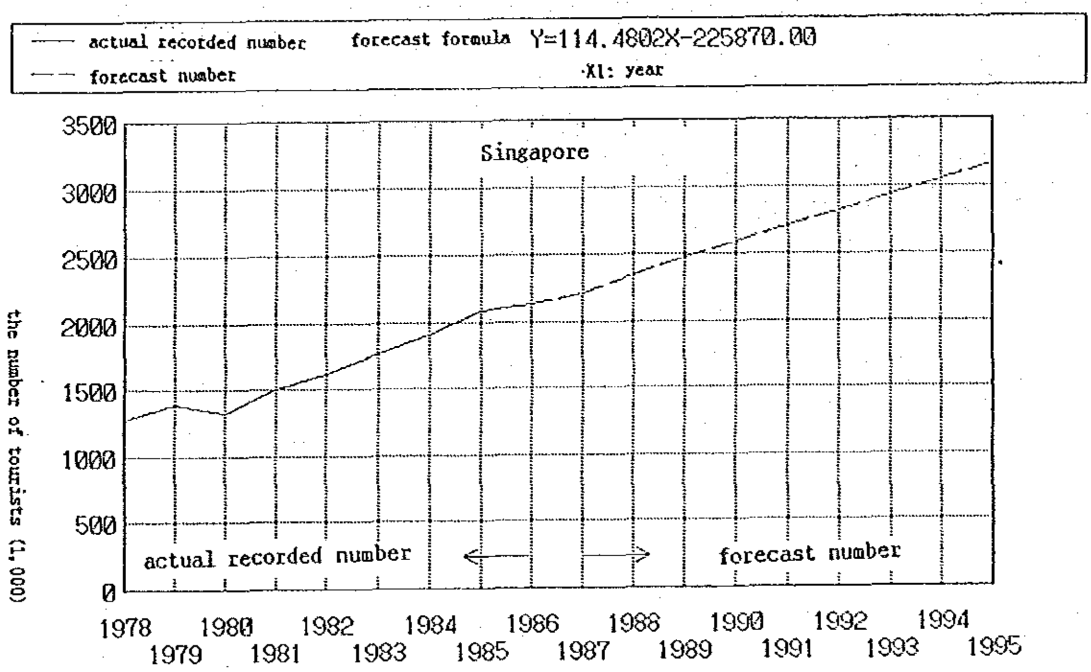
ASEAN Nations:	Singapore, Thailand, Indonesia, and the Philippines
Other Nations:	Australia, U.K., U.S.A., India, Hong Kong, West Germany, Taiwan, France, and Others

(1) Singapore

Model formula: $Y = 114.802X_1 - 225870.0$

Y: number of the tourists entering Malaysia (1,000)
X_1: year
Coefficient for correlation: 0.9806

Fig. C.3 Forecast of the Number of Tourists to Malaysia (Singapore)



(2) ASEAN except Singapore

(a) Thailand

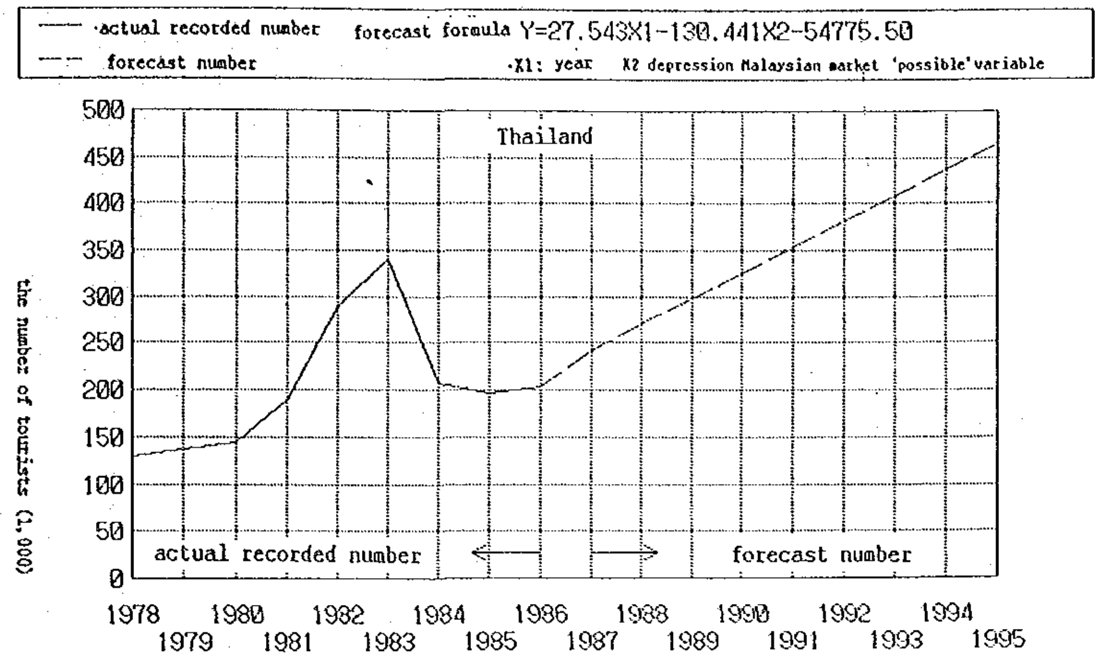
Model formula: $Y = 27.7543X_1 - 130.441X_2 - 54775.5$

Y: number of the tourists entering Malaysia (1,000)
X_1: year
X_2: depression Malaysian market 'possible' variable (0 - 1)
coefficient for correlation: 0.9806

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2								1	1

Fig. C.4 Forecast of the Number of Tourists to Malaysia (Thailand)



(b) Indonesia

Model formula: $Y = 2.0404X_1 - 6.33004X_2 - 5.94388X_3 - 12.2525X_4 - 3994.57$

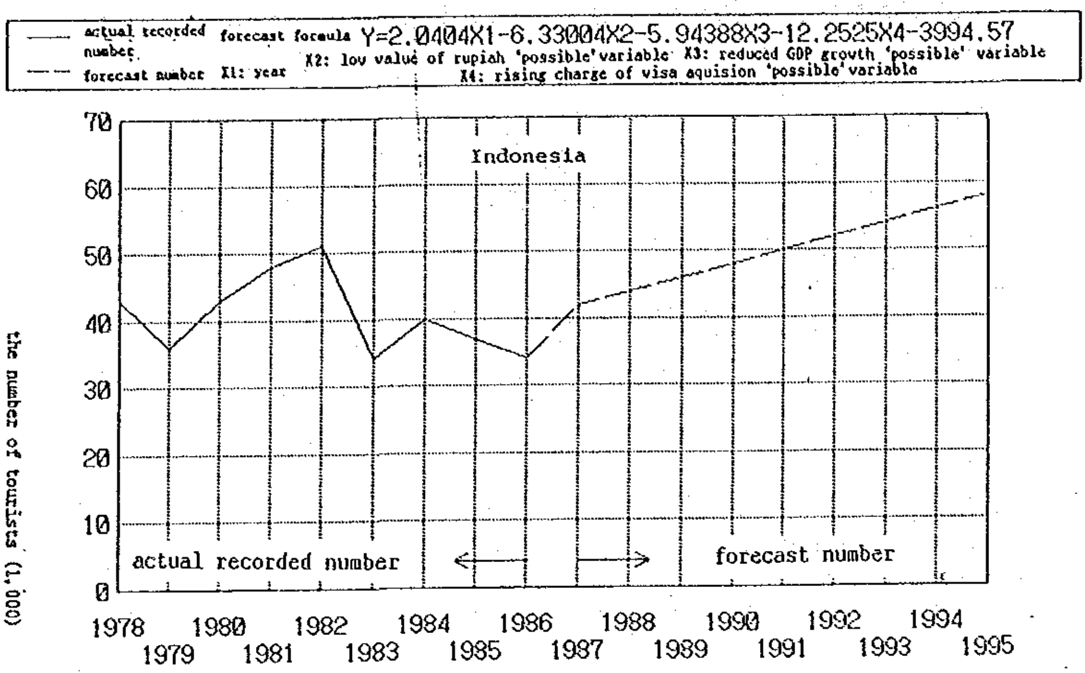
Y:	number of the tourists entering Malaysia (1,000)
X_1:	year
X_2:	low value of rupiah 'possible' variable
X_3:	reduced GDP growth 'possible' variable
X_4:	rising charge of visa acquisition 'possible' variable

coefficient for correlation: 0.9684

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2		1				1			
X_3								1	2
X_4		1				1	1	1	1

Fig. C.5 Forecast of the Number of Tourists to Malaysia (Indonesia)



(c) The Philippines

Model formula: $Y = 0.72794X_1 - 2.14944X_2 - 1430.05$

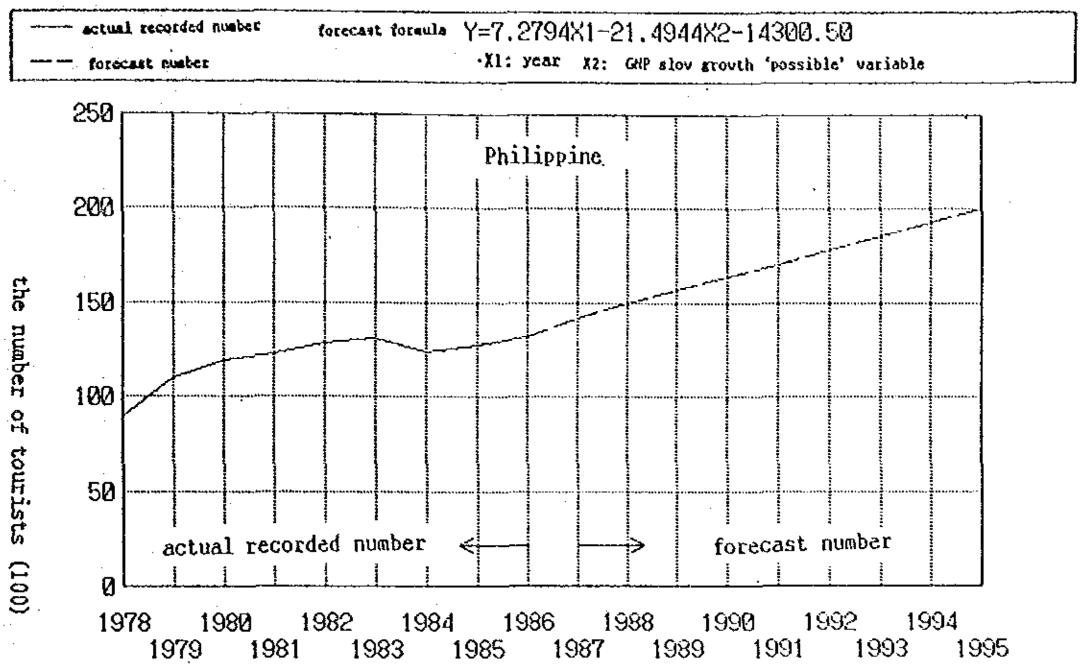
Y:	number of the tourists entering Malaysia (1,000)
X_1:	year
X_2:	GNP slow growth 'possible' variable

coefficient for correlation: 0.9314

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2							1	1	1

Fig. C.6 Forecast of the Number of Tourists to Malaysia (Philippines)



(3) Other Countries

(a) Australia

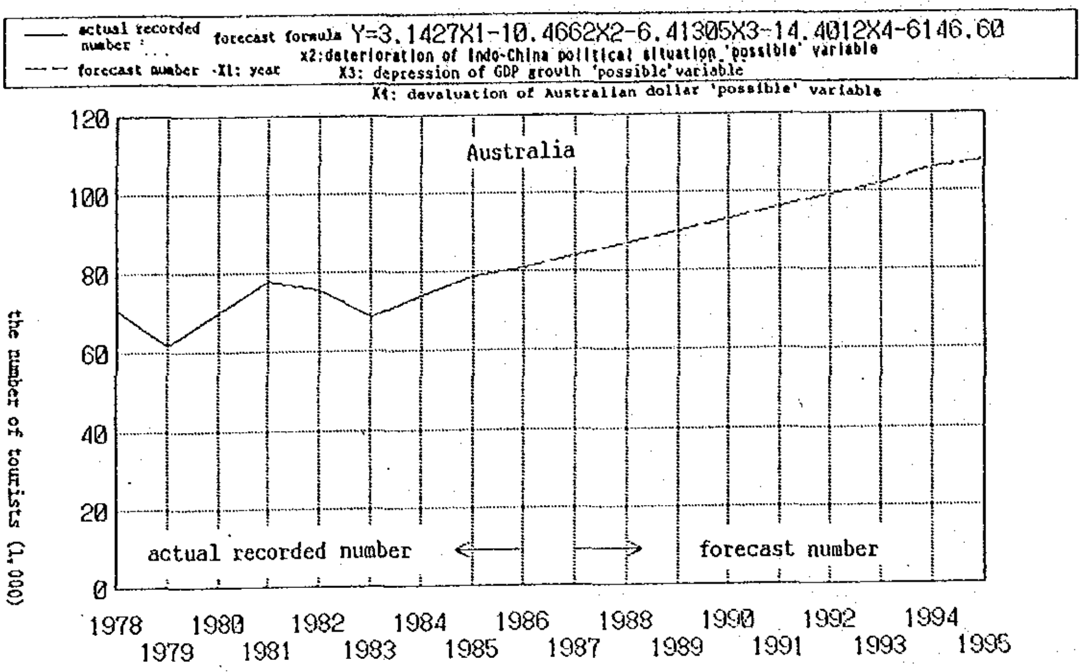
Model formula: $Y = 3.1427X_1 - 10.4662X_2 - 6.41305X_3 - 14.4012X_4$ 6146.60

Y: number of the tourists entering Malaysia (1,000)
X_1: year
X_2: deterioration of Indo-China political situation 'possible' variable
X_3: depression of GDP growth 'possible' variable
X_4: devaluation of Australian dollar 'possible' variable
coefficient for correlation: 0.9813

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2		1				1			
X_3			1		1			1	
X_4		1				1	1	1	1

Fig. C.7 Forecast of the Number of Tourists to Malaysia (Australia)



(b) United Kingdom

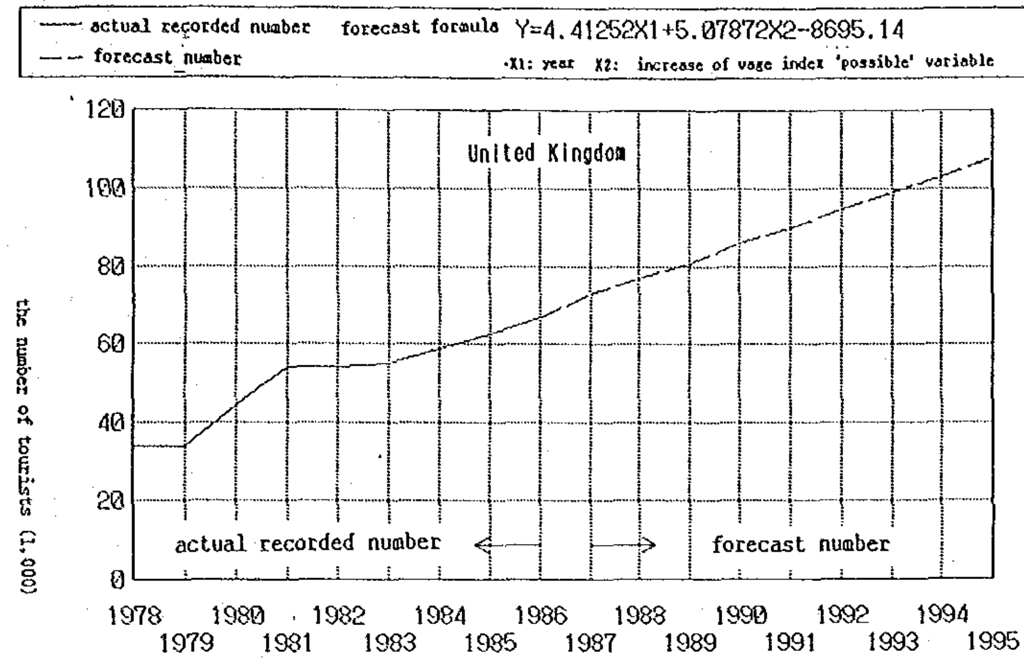
Model formula: $Y = 4.41252X_1 + 5.07872X_2 - 8695.14$

Y: number of the tourists entering Malaysia (1,000)
X_1: year
X_2: increase of wage index 'possible' variable
coefficient for correlation: 0.9799

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2			1	1					

Fig. C.8 Forecast of the Number of Tourists to Malaysia (United Kingdom)



(c) The United States of America

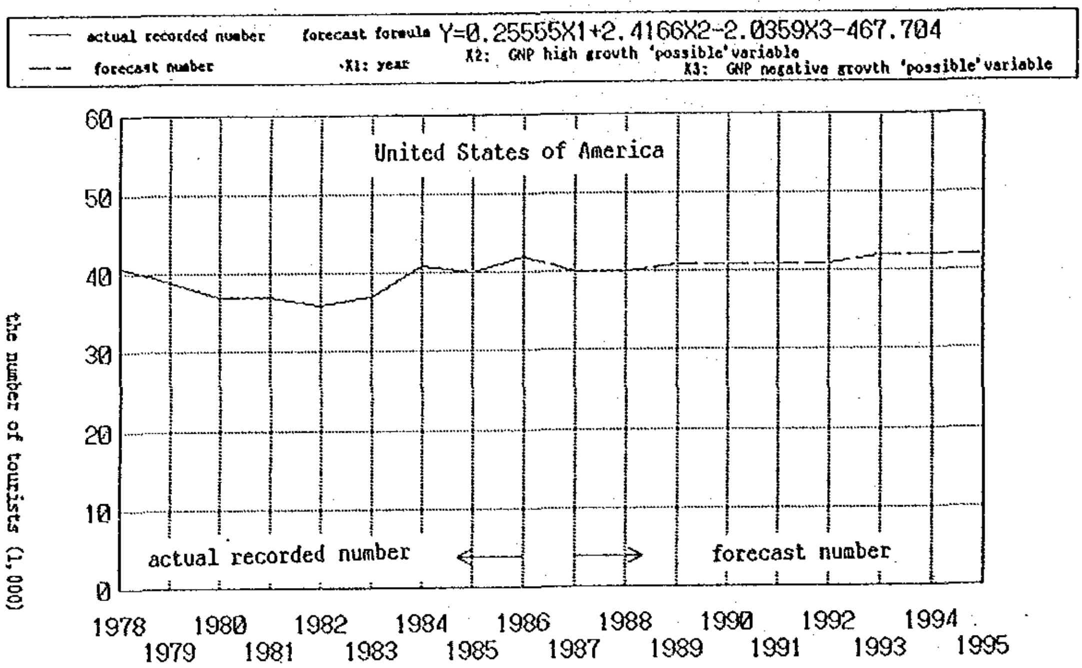
Model formula: $Y = 0.25555X_1 + 2.4166X_2 - 2.0359X_3 - 467.704$

Y: number of the tourists entering Malaysia (1,000)
X_1: year
X_2: GNP high growth 'possible' variable
X_3: GNP negative growth 'possible' variable
coefficient for correlation: 0.7495

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2	1								
X_3			1		1				

Fig. C.9 Forecast of the Number of Tourists to Malaysia (U.S.A.)



(d) India

Model formula: $Y = 4.99899X_1 + 5.49939X_2 - 24.1257X_3 - 9869.38$

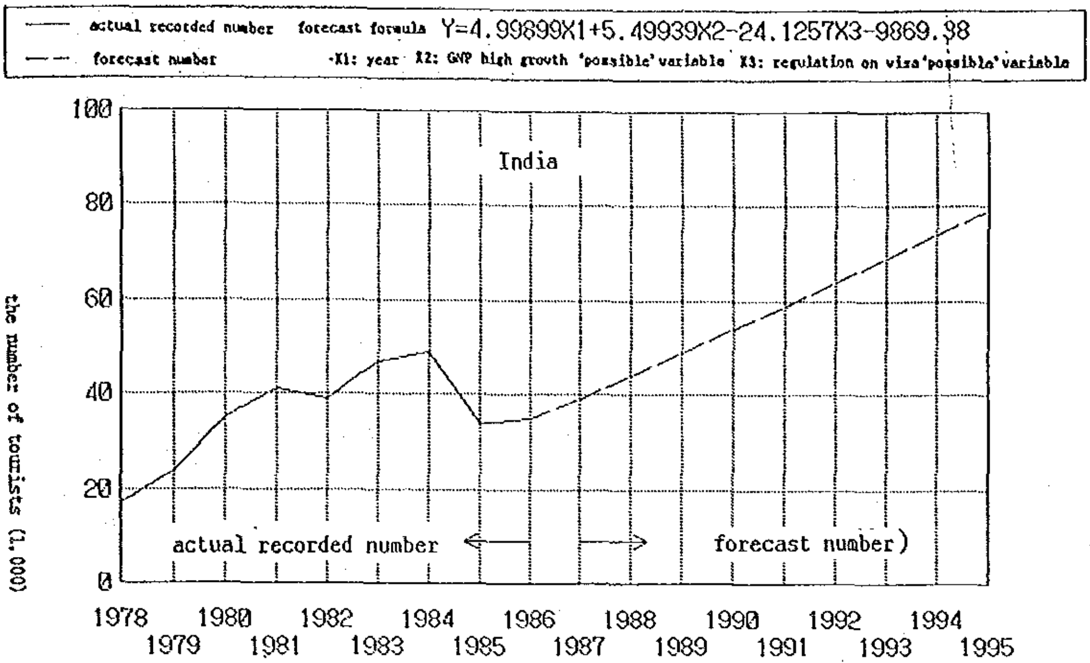
Y:	number of the tourists entering Malaysia (1,000)
X_1:	year
X_2:	GDP high growth 'possible' variable
X_3:	regulation on getting visa 'possible' variable

coefficient for correlation: 0.9944

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2			1	1		1		1	
X_3								1	1

Fig. C.10 Forecast of the Number of Tourists to Malaysia (India)



(e) Hong Kong

Model formula: $Y = 3.5361X_1 - 10.1159X_2 - 5.86836X_3 - 16.6608X_4 - 6964.26$

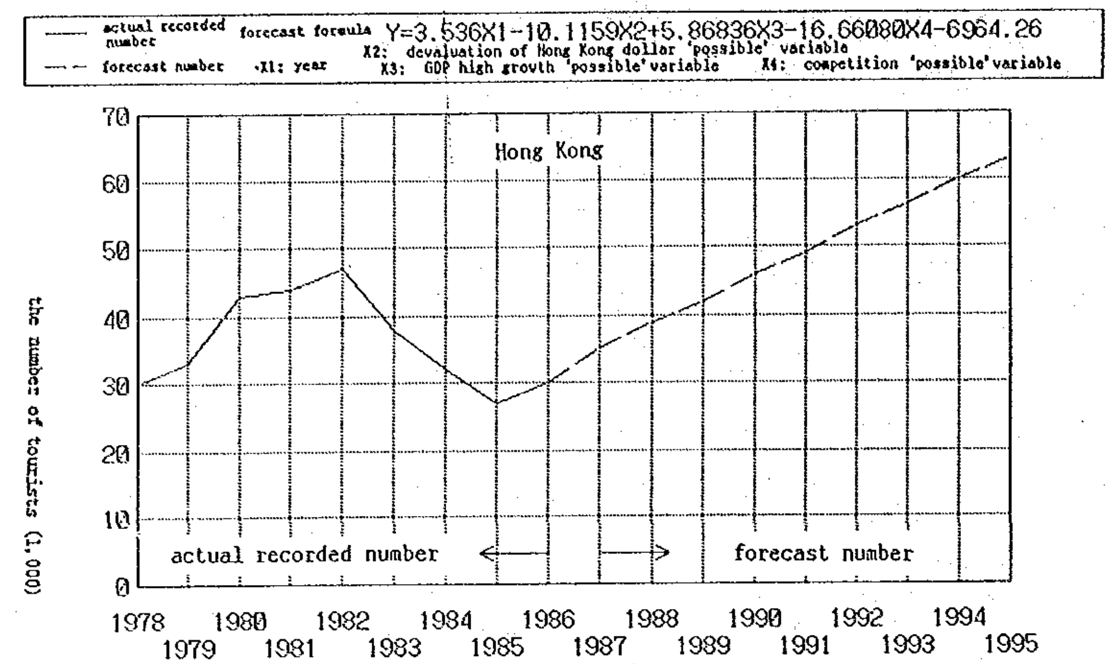
Y:	number of the tourists entering Malaysia (1,000)
X_1:	year
X_2:	devaluation of Hong Kong dollar 'possible' variable
X_3:	GDP high growth 'possible' variable
X_4:	competition 'possible' variable

coefficient for correlation: 0.9769

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2	1					1	1	1	1
X_3			1	1					
X_4			1	1			1	1	1

Fig. C.11 Forecast of the Number of Tourists to Malaysia (Hong Kong)



(f) West Germany

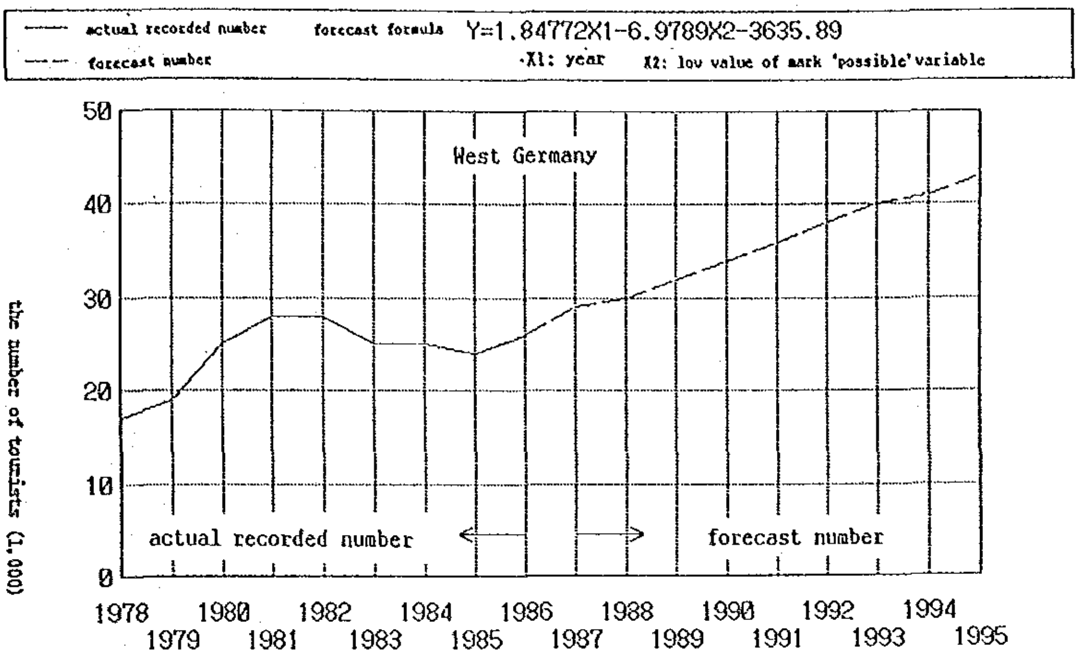
Model formula: $Y = 1.84772X_1 - 6.9789X_2 - 3635.89$

Y: number of the tourists entering Malaysia (1,000)
X_1: year
X_2: low value of mark 'possible' variable
coefficient for correlation: 0.9799

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2	1						1	1	1

Fig. C.12 Forecast of the Number of Tourists to Malaysia (West Germany)



(g) Taiwan

Model formula: $Y = 1.33138X_1 + 4.18938X_2 - 7.99758X_3 - 2.24657X_4 - 2614.45$

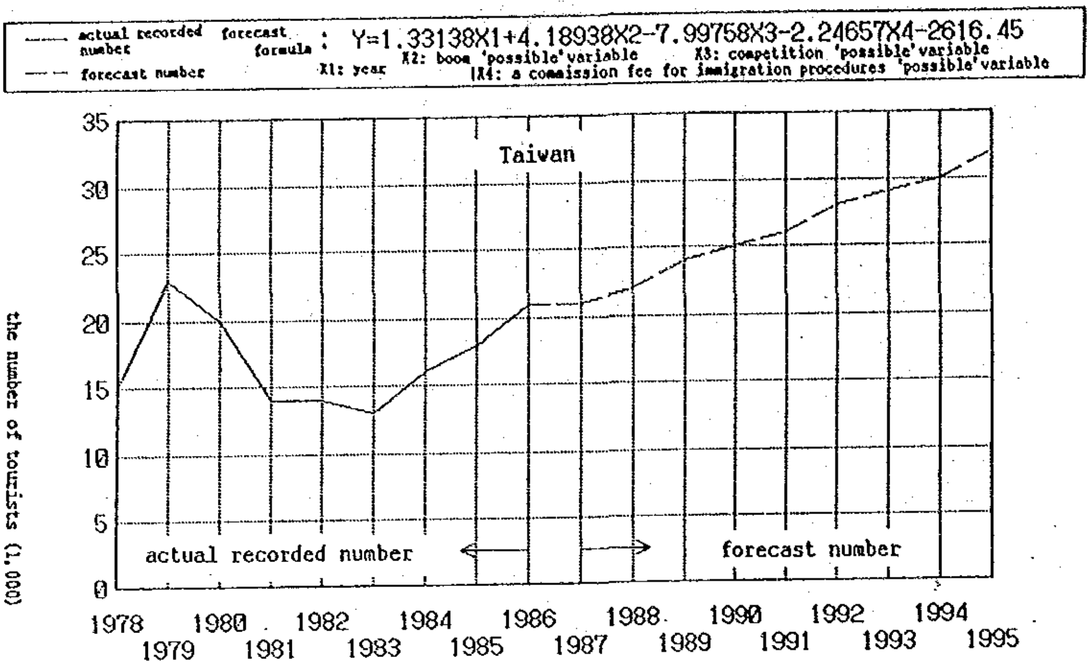
Y:	number of the tourists entering Malaysia (1,000)
X_1:	year
X_2:	boom 'possible' variable
X_3:	competition 'possible' variable
X_4:	a commission fee for immigration procedures 'possible' variable

coefficient for correlation: 0.9809

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2	-	1				1	1	1	1
X_3				1	1	1	1	1	1
X_4			1	1		1			

Fig. C.13 Forecast of the Number of Tourists to Malaysia (Taiwan)



(h) France

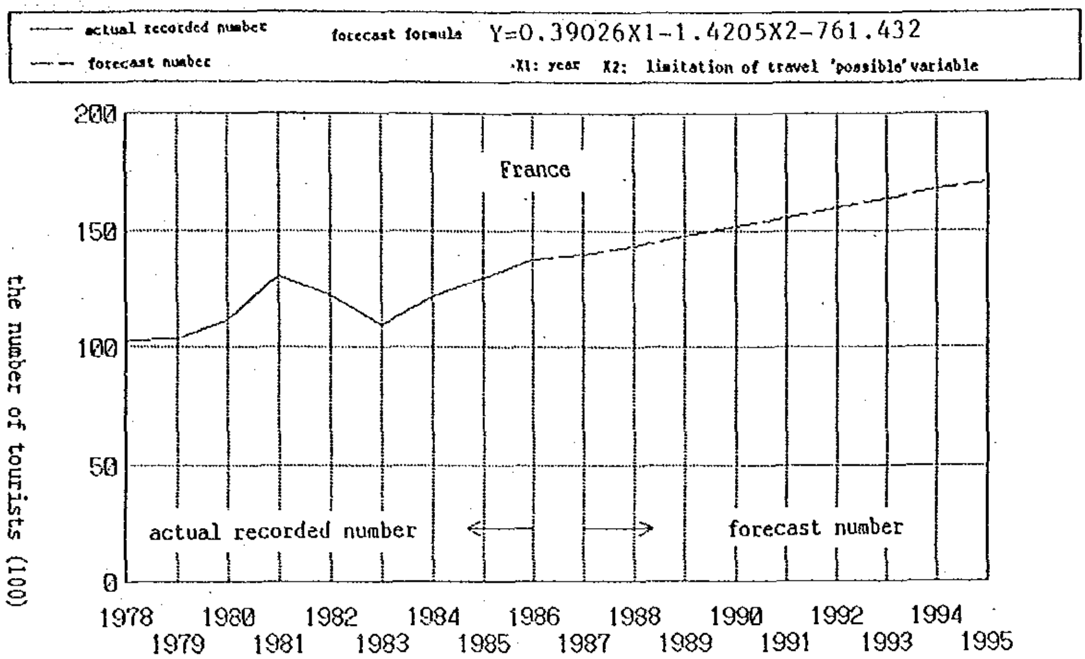
Model formula: $Y = 0.39026X_1 - 1.45205X_2 - 761.432$

Y: number of the tourists entering Malaysia (1,000)
X_1: year
X_2: limitation of travel 'possible' variable
coefficient for correlation: 0.8744

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2						1			

Fig. C.14 Forecast of the Number of Tourists to Malaysia (France)



(i) Others

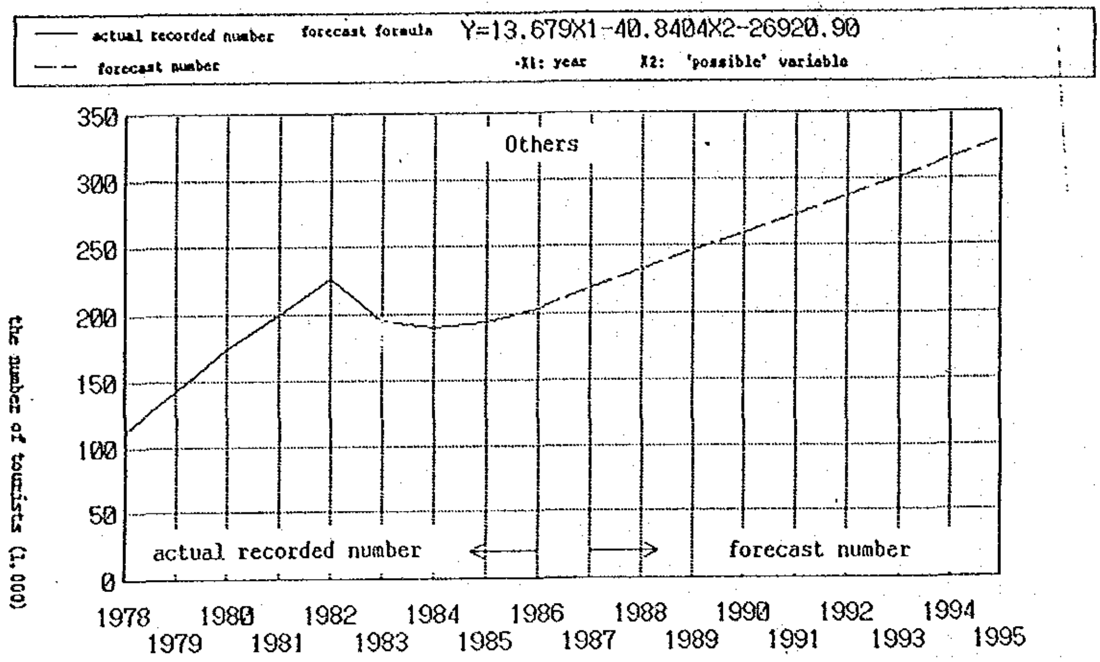
Model formula: $Y = 13.679X_1 - 40.8404X_2 - 26920.9$

Y: number of the tourists entering Malaysia (1,000)
X_1: year
X_2: devaluation of Hong Kong dollar 'possible' variable
coefficient for correlation: 0.8034

(details of 'possible' variable)

	78	79	80	81	82	83	84	85	86
X_2	1							1	1

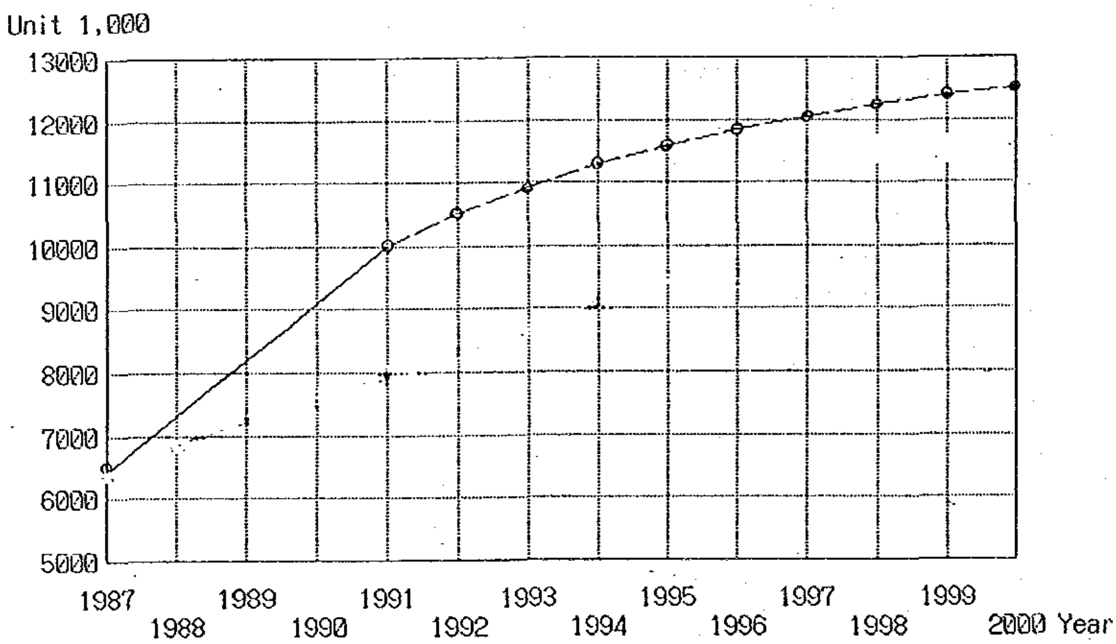
Fig. C.15 Forecast of the Number of Tourists to Malaysia (Others)



(1) Estimation of total number of Japanese outbound travellers

The format results obtained by the Gombertz curve based on the "Ten Million Programme" are presented in Fig. C.16.

Fig. C.16 Forecast of the Number of Japanese Overseas Tourists



(2) Estimation of distribution to Peninsular Malaysia

The Japanese tourist arrivals in Peninsular Malaysia are estimated with a distribution model considering several factors which significantly affect the inducement for Japanese to go abroad. The forecast results are shown as follows.

	1985	1990	1995	90/85	95/85
Japanese tourist Arrivals	117,250	216,000	347,400	1.84	2.96

Appendix D

Japanese Market

D.1 Determination of Core Target of Japanese Tourists to Malaysia

D.1.1 Characteristics of Japanese Travelling Abroad

(a) Steady Growth of Japanese Travelling Abroad

Japanese travelling abroad have rapidly been increasing in recent years. In the first half of 1987, there was more than a 20% increase of the corresponding period of the previous year, most likely due to the yen's appreciation.

The Ministry of Transport of Japan announced the project, "Programme for Doubling Japanese Going Abroad - Ten-Million Programme", saying that in 1991, the number of Japanese tourists travelling abroad will reach 10 million. This programme means that the number of Japanese tourists travelling abroad will double during the next five years, with a yearly rate of increase of as high as 12.6%. The achievement of this policy will require the continuous improvement of development efforts of destination countries. In 1991, the percentage of Japanese travelling abroad to the population will be 8%, same as that of Australia in 1983. Accordingly, attracting Japanese tourists will become more important in the future in all destination countries.

(b) Young Women in Their 20s

Seen by sex and age, men in their 30s and 40s registered the biggest number in 1986, accounting for about 1/3 of all Japanese tourists who went abroad in that year, then followed by women in their 20s and men in their 20s (Table D.1).

This is because men travel abroad frequently for business purpose, but the Study Team's survey at Narita Airport indicates that the share of women is high in the total number of Japanese travelling abroad for sightseeing. In particular, women in their 20s hold the largest share of 20% amongst overseas Japanese tourists in all age brackets, which indicates that young women constitute the largest segment of the overseas tourist market.

After the announcement of "Ten-Million Programme", the Travel Journal, the leading journal of Japanese travel trade, performed a survey directed at airlines and travel agencies. The survey results identify young women office workers as the main target.

(c) Increase of Women Travellers

Figure 6.1 is a matrix of the overseas tourists market, in which the market is divided into four segments according to the number of overseas travellers (market size) and their rate of increase (market growth).

To attract Japanese tourists, it is necessary to approach those in the promising market, especially women 25-29 years, men of 45-49 years, and men in the age bracket of 50-54 years of age. It is also necessary to maintain the existing growth of the mature market and make the deliberate target selection in the growth market.

If the target selection in the growth market is made according to the growth in the number of overseas travellers, then priority will have to be given to women 15-19 years of age and men 60-64 years of age.

It is to be noted that the analysis is subject to the influence of population increase/decrease in each age bracket. In the mature market, the growth rate of overseas travellers is higher than the average for men and women in the age bracket of 20-24 years and men from 40-44 years. As for sightseers, it can be said that women in their 20s are most important.

D.1.2 Characteristics of Japanese Tourists to Malaysia

(a) Large Share of Women Visiting Malaysia for Sightseeing

Although men hold a larger share than women in the total of Japanese travelling to Malaysia, it can nevertheless be said that women's share is considerable in the total Japanese travelling abroad (Table D.2).

This relation reversed in a men vs. women comparison of travellers visiting Malaysia for sightseeing, with women holding a large share (61%) in the total of Japanese travelling abroad for sightseeing, thus indicating that Malaysia is one of favourite destination of Japanese women.

(b) Women in their 20s and Women Office Workers Constituting Core Segment of Japanese Tourists

In particular, women in their early 20s account for 1/4 of all sightseers, and this rate rises to over 40% if women sightseers in their late 20s are included. These figures are higher than the ones disclosed in our survey of travellers to Southeast Asia and Pacific areas. This indicates that young women like these areas, but that they find Malaysia more attractive. Thus, women in their 20s are most important target segment to Malaysia.

Seen by occupation, women office workers under 25 years of age account for 17.6% of all sightseers, and those 25 years of age and older for 9.9%. Thus, office women hold a share of 27.5%, or slightly more than 1/4, of all Japanese tourists to Malaysia, and constitute the most important target of Malaysian tourist industry together with women in their 20s.

In this context, according to the Study Team's survey to Japanese tourists to Malaysia, it should be pointed out that 67% of women in their 20s are office workers and 74% of women office workers are in their 20s. This implies that they can be regarded as the same segment from the marketing point of view.

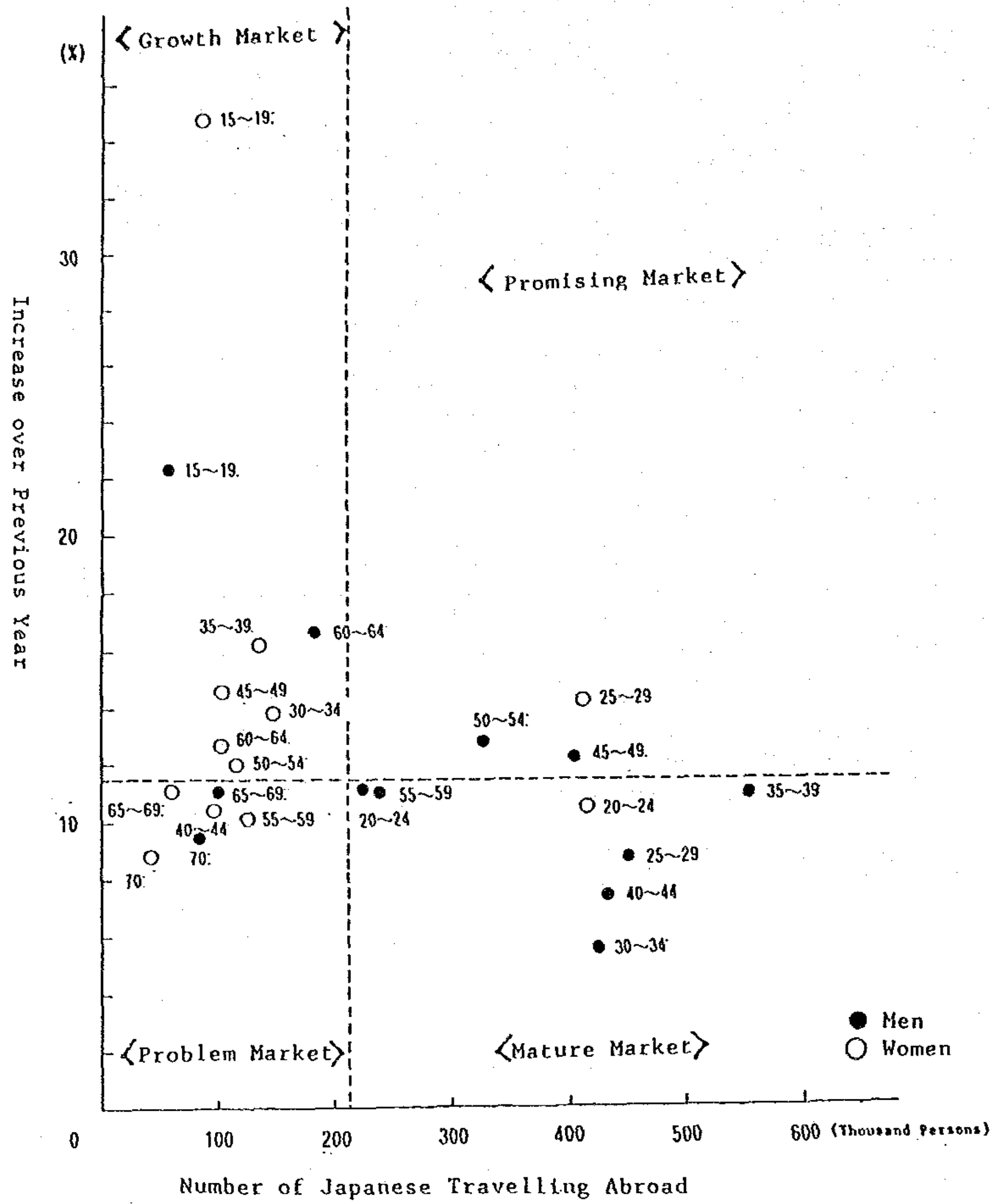
Table D.1 Share of Japanese Travelling Abroad by Age and Sex

Sex	Age	Number in 1986		Number in June '86		Rate of Sightseeing from Narita Survey	Share of Sightseeing in June 1985
		Number	Share	Number	Share		
Overall		5,516,193	100.0	438,718	100.0	65.1	100.0
Men	Total	3,580,012	64.9	291,045	66.3	53.1	54.1
	-19	146,285	2.7	5,688	1.3	(80.0)	1.6
	20 - 24	225,399	4.1	13,436	3.1	78.0	3.7
	25 - 29	451,898	8.2	36,045	8.2	87.1	11.0
	30 - 39	979,906	17.8	82,512	18.8	40.5	11.7
	40 - 49	838,292	15.2	70,942	16.2	29.2	7.3
	50 - 59	569,469	10.3	48,622	11.1	44.8	7.6
	60 - 69	283,695	5.1	25,289	5.8	82.0	11.3
	70 -	85,051	1.5	8,509	1.9		
Women	Total	1,936,181	35.1	147,673	33.7	88.7	45.9
	-19	169,703	3.1	5,464	1.2	(90.0)	1.7
	20 - 24	415,811	7.5	28,587	6.5	87.1	8.7
	25 - 29	413,269	7.5	33,404	7.6	90.2	10.5
	30 - 39	282,949	5.1	19,567	4.5	84.4	5.8
	40 - 49	200,339	3.6	15,384	3.5	93.1	5.0
	50 - 59	245,266	4.4	23,179	5.3	85.2	6.9
	60 - 69	162,907	3.0	17,586	4.0	92.9	7.2
	70 -	42,930	0.8	4,499	1.0		

Notes: 1. Figures in parentheses are round numbers because of small sample size
2. Share by age and sex of overseas travellers in 1986 is similar to that in June in 1985. Thin implies share in June represents that of the whole year.

Source: Immigration Bureau, Ministry of Justice
Questionnaire Survey at Narita Airport (June, 1987)

Fig. D.1 Matrix of Number of Japanese Travelling Abroad by Age and Sex



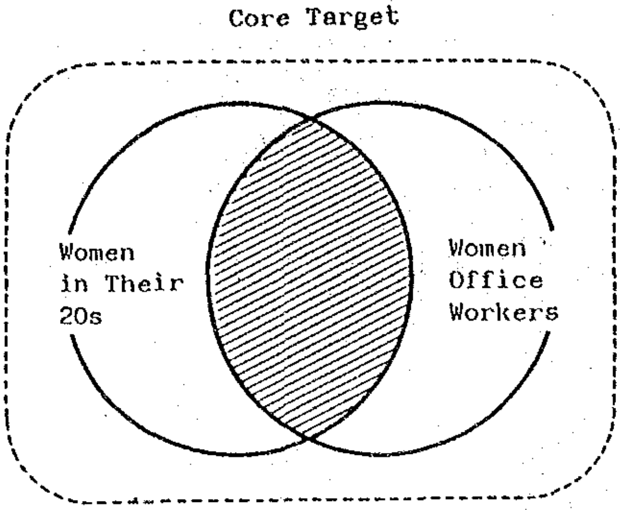
Source: Immigration Bureau, Ministry of Justice
Attached Data of "Programme for Doubling Japanese Going Abroad - Ten-Million Programme" Ministry of Transport (September, 1987)

Table D.2 Share of Japanese Travelling to Malaysia by Age and Sex

Description	Travellers to Malaysia		Japanese Travellers to ASEAN Countries	Japanese Travelling Abroad in June '86	Japanese Travelling Abroad for Sightseeing in June '86
	Overall	Sightseeing			
Men	58.3	38.9	63.0	66.3	54.1
-19	-	-	-	1.3	1.6
20 - 24	1.2	0.4	4.1	3.1	3.7
25 - 29	5.6	6.5	16.6	8.2	11.0
30 - 39	18.0	9.9	17.1	18.8	11.7
40 - 49	12.7	13.7	6.2	16.2	7.3
50 - 59	10.7		11.1	11.1	7.6
60 -	10.0	8.4	7.8	7.7	11.3
Women	41.7	61.1	37.0	33.7	45.9
-19	0.8	1.1	0.3	1.2	1.7
20 - 24	15.4	25.6	12.4	6.5	8.7
25 - 29	11.8	16.8	10.1	7.6	10.5
30 - 39	4.1	4.2	4.1	4.5	5.8
40 - 49	3.1	8.0	2.8	3.5	5.0
50 - 59	2.3		4.9	5.3	6.9
60 -	4.1	5.0	2.3	5.0	7.2

Source: Immigration Bureau, Ministry of Justice
Questionnaire Survey at Narita Airport (June, 1987)
Questionnaire Survey of Japanese Tourist to ASEAN Countries (June and July, 1987)
Questionnaire Survey of Japanese Tourists to Malaysia (June and July, 1987)

Fig. D.2 Concept of Core Target



(c) Importance of Stimulating Core Segment to Visit Malaysia

Although young women and women office workers can be nominated as the most important target of tourists to Malaysia, very few of them show a positive interest in Malaysia. For instance, amongst women office workers over 25 years of age only 6% of them answered "I was very eager to visit". This poses a certain problem in attracting Japanese tourists to Malaysia.

Moreover, the inclination for visiting again is also low among young women (22% for women in their 20s). Accordingly great satisfaction to young women is not only an essential step toward repeater promotion, but is the best means of the developing the market by making use of their frequent "word-of-mouth communication."

(d) Attracting Men in their 20s and 30s

Men in their 20s and 30s account for a rather small portion of Japanese travellers to Malaysia (Table D.2), although they hold a important position in men's market of travel service. Since men in these age brackets are highly intent for travelling abroad, it should be possible to position them as an important target segment of tourists to Malaysia. Accordingly, it is necessary to strengthen promotional approaches to them.

(e) Attracting Honeymooners

In the survey at Narita Airport, honeymooners accounted for 15% of all travellers. In the survey of Japanese tourists to Malaysia, however, they scored a mere 4% of all tourists. It can be said that Malaysia is not so attractive to honeymooners at present.

D.2 How to Make Malaysia More Attractive to Japanese Tourists

D.2.1 Reasons for Unpopularity of Malaysia Market

(a) Reason for Selecting Malaysia as Destination

Reasons for selecting Malaysia as a destination indicate the awareness of its attraction before the travel. Of all the reasons mentioned by tourists to Malaysia, "it happened that Malaysia was included in the itinerary" is scored the highest, by more than half of all sightseers (including honeymooners). It is clear that these tourists knew very little about Malaysia before actually visiting the country.

This major reason is followed by "selected Malaysia because it was practical within limitation of departure date/duration of the tour" and "selected Malaysia within limitation of budget". This points out the probability that there are many who give their second or third choice to Malaysia on the destination of their tour.

"Malaysia was my primary choice" scores the fourth amongst all reasons cited for visiting the country. There are not many who are fully aware of Malaysia's attraction, and they account for only 30% of all tourists to Malaysia.

(b) Reasons for Not Having Studied to Travel to Malaysia

Of all tourists to Southeast Asia and Pacific areas, 20% have visited visiting Malaysia in the past and 80% have not. Among the latter group of tourists, "do not know much about Malaysia" places first among all reasons why they have not studied to travel to Malaysia, cited by more than 70% of all tourists and more than 80% of women in their 20s and women office workers. This is followed by "Malaysia left unnoticed", mentioned by 40% of all tourists. Other reasons include none that are specific, and indicate the general lack of understanding of Malaysia on the part of Japanese tourists.

(c) Reasons for Not Having Visited Malaysia

Of all reasons for not having visited Malaysia, mentioned by those who have studied to travel to the country, "limitation of departure date/duration of the tour" scores the highest (68%). This indicates that travel to Malaysia is impeded by the small number of flights and the lack of the variety of tours to the country.

Among all factors (reasons) detrimental to tourist promotion to Malaysia, there are very few that can be ascribed to the country's tourist resources and tourist spots. Nevertheless, "does not seem to offer the pleasure of shopping" was mentioned by many men and "does not seem to have any attractive beaches" by many women.

D.2.2 How to Make Malaysia More Attractive to Japanese Tourists

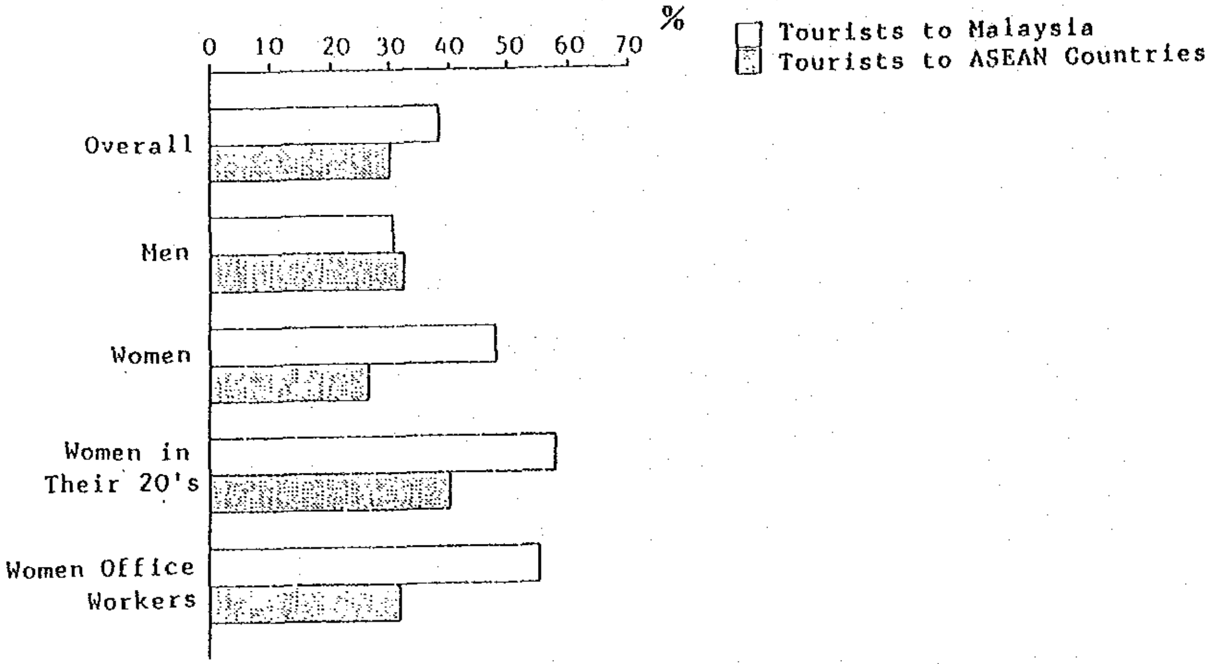
(a) Share of Beach Resort-Oriented Tourists

Beach resort-oriented people account for slightly more than 1/3 of all tourists to Malaysia, and for nearly half of women tourists visiting Malaysia. The inclination for beach resort is high for young tourists, especially women in their 20s, and occupy 60% of women office workers under 25 years of age. Tourists to Malaysia express a strong inclination for beach resort than those to Southeast Asia and Pacific areas.

(b) Improvement/Development of Beach Resort

Since Malaysia is basically a sojourn-type destination, there is a pressing need for upgrading the quality of all existing beach resorts and creating new attractive ones. In producing a beach life, it is necessary to make it attractive enough, in order to convey an image of "sunrise/sunset, blue sea, abundant verdure of the south and beautiful islands" to the Japanese tourists. Tourists go to beach resorts expecting relaxation and enjoyment of various marine sports such as swimming or windsurfing

Fig. D.3 Share of Beach Resort-Oriented People



Source : Questionnaire Survey to Japanese Tourists to Malaysia (June to July, '87)
Questionnaire Survey to Japanese Tourists to ASEAN Countries (June to July, '87)

(c) Importance of Good Facilities and Services

To assure the Japanese tourists of the relaxation they seek, it is necessary to provide excellent hotel accommodations and other facilities, create a comfortable and yet sophisticated atmosphere. -

Foods are another important elements of pleasure of overseas travel, but their evaluation of Malaysian dishes are unfortunately not very favourable. It is important to serve dishes to suite the taste of Japanese tourists, especially young women, and to offer new, palatable "speciality" dishes.

As for souvenirs, accelerated efforts should be made to develop new, more attractive commodities besides offering a greater assortment of souvenirs and devising ways and means of making existing ones more appealing to tourists. It should be noted that the Japanese tourists to Malaysia show higher inclination than overall overseas tourists for the pleasure of shopping.

Tourists staying at any beach resort naturally hope to make small trips to nearby places such as sightseeing and historical spots. It is required to comply with this requirement.

d) Creation of Unique Image of Malaysia

Malaysia does not evoke a specific image as a destination because it offers no special, symbolic tourist attraction comparable to the Great Wall of China, Taj Mahal of India, Wat Phra Kew of Thailand, Merlion of Singapore or floating restaurants of Hong Kong. This results in a fuzzy image of Malaysia. It is necessary to create a new image focussed on the Malaysian hospitality which is given high evaluation not only by the Japanese but Europeans visiting the country.

The promise to be claimed to attract Japanese tourists to the country would be "pleasure of watching the beautiful sea, relishing the flavour of local fruits and dishes, enjoying marine sports and recreations from time to time, and relaxing at hotels where high-quality service is offered in a comfortable, sophisticated atmosphere".

D.3 How to Attract More Japanese Tourists to Malaysia

Sources of Tourist Information

(a) Tour-incentive Information Obtained from "Word-of-Mouth Communication", "Travel Agency Pamphlets" and "Tour Catalogues"

Of all sources of information that worked as an incentive luring Japanese tourists to Malaysian, "word-of-mouth communication" places first, followed by "travel agency pamphlets" and "overseas travel catalogues".

"Word-of-mouth communication" is the most important source of information, but sightseers are particularly influenced by "travel agency pamphlets". Especially in the case of women office workers, there is virtually no score gap between the two sources, and this may be because they have easy access to travel agencies.

The importance of word-of-mouth communication accentuates the necessity for nursing so-called "travel opinion leaders", people who are influential to their friends in deciding the destination, favourable toward Malaysia and providing them with tourist information. The most important way of nursing "travel opinion leaders" is to give them the good impression of Malaysia when they stay in Malaysia. The importance of travel agency pamphlets also denotes the need for augmenting the volume of Malaysia-related information presented in such pamphlets.

(b) Collected (Interest-Drawing) Information

When a person feels a growing desire to travel abroad, he would search for travel information to fill his desire. The information collected at this stage may be called "interest-drawing information" as compared with the tour-incentive information which may be termed "awareness-level information". The interest-drawing information is required to be useful in formulating a travel plan, promoting the attractions of travel, and filling the expectations for travel.

The top five sources of interest-drawing information as cited by sightseers are "travel guidebooks", "travel agency pamphlets", "conversation with friends", "travel agency leaflets", and "travel agency staff/first line salesperson". In general, they collect travel agency pamphlets to determine their destination and route, and then purchase travel guidebooks.

Travel guidebooks and travel agency pamphlets are collected by many sightseers and women. Women in their 20s score higher than women's average for each source of interest-drawing information.

The destination should make maximum efforts to provide the publishers of travel guidebooks and pamphlets with attractive and up-to-date tourist information, and supporting materials in the planning, data collection and editing phase of such publications.

(c) Package Tour to Malaysia

Table 6.3 shows the number of package tours visiting Malaysia operated by 33 Japanese travel wholesalers between April to September in 1987. As seen on the table, "Singapore-Desaru-Singapore" course and "Singapore-Penang-Singapore" course are overwhelmingly popular. This implies the necessity of strengthening the bonds with Singapore.

Table D.3 Numbers & Share of the Package Tour to Malaysia

Package Tour Course	No. of Tours	Share(%)
Singapore-Desaru-Singapore	4,955	23.8
Singapore-Penang-Singapore	4,412	21.2
Penang-Singapore	1,793	8.6
Singapore-Johor Bahru-Singapore	1,368	6.6
Penang	1,028	4.9
Singapore-Desaru	840	4.0
Singapore-Penang	725	3.5
Kuala Lumpur-Penang-Singapore	459	2.2
Kuala Lumpur-Malacca-Singapore	339	1.6
Kuala Lumpur-P. Pangkor-Kuala Lumpur	333	1.6
Singapore-Kuala Lumpur-Singapore	304	1.5
Kuala Lumpur-Malacca-Johore Bahru-Singapore	257	1.2
Kuala Lumpur-Tanjung Aru-Kuala Lumpur	238	1.1
Kuala Lumpur-Penang	226	1.1
Kuala Lumpur-Singapore	221	1.1
Singapore-P. Tioman-Singapore	205	1.0
Other Courses	3,074	14.8
inc. Kuala Lumpur	696	3.3
inc. Kuala Lumpur, Singapore	524	2.5
inc. Singapore	462	2.2
inc. Kuala Lumpur, Penang, Singapore	427	2.1
inc. Singapore, Desaru	370	1.8
inc. Kuala Lumpur, Penang	243	1.2
inc. Penang	240	1.2
inc. other places	112	0.5
Total	20,777	100.0

Note 1. Package Tours operated by 33 travel wholesalers between April to November 1987

2. Including optional tours

Source: Pamphlets of travel agencies

D.4 Competitive/Supplementary Countries to Peninsular Malaysia

D.4.1 Supplemental Tourist Countries to Malaysia

(a) Importance of Hawaii and Guam/Saipan as Supplementary Countries/Areas

The ratios of countries visited in the past show considerable differences between men and women. Amongst women, "Hawaii" comes top of all other supplementary countries/areas, followed by "Guam/Saipan", "Europe" and "Singapore". As for young women in their 20s and women office workers, Hawaii and Guam/Saipan are supplementary areas.

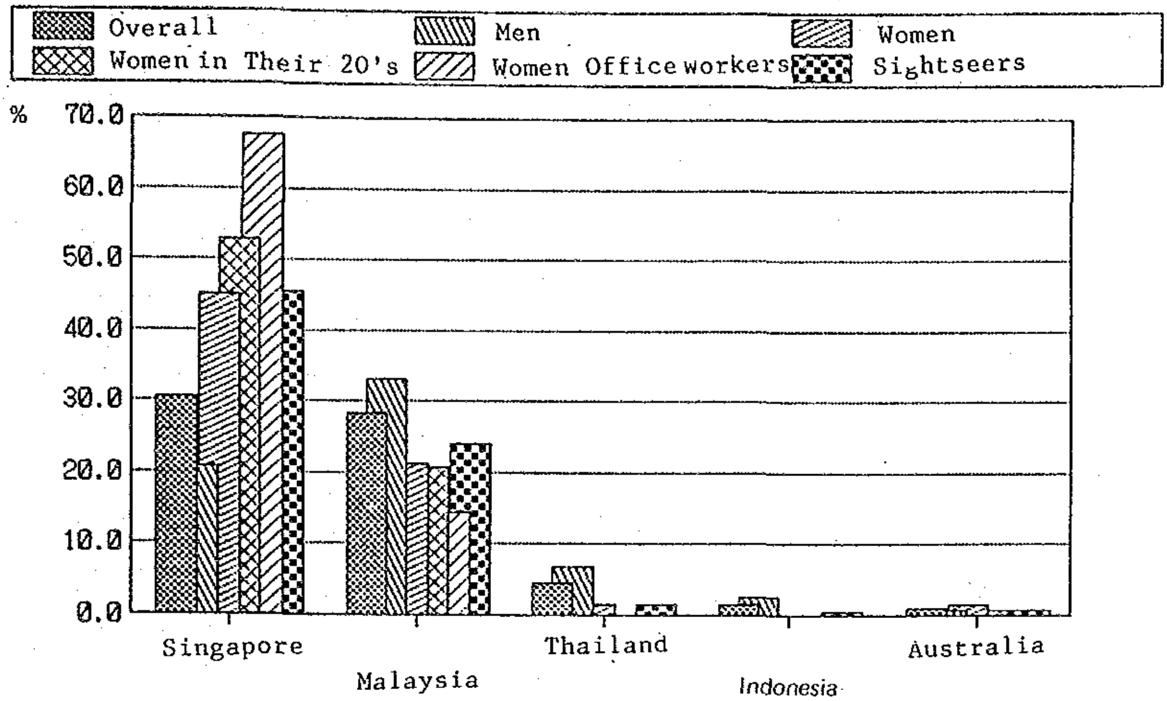
Many of the Japanese tourists to Malaysia are those who have experienced overseas travel. However, in order to increase more Japanese tourists, it may be necessary to attract more beginners. In this context, such countries/areas as "Hawaii" and "Guam/Saipan" will take on a competitive colouring to Malaysia.

(b) Role of Singapore for Malaysian Travel

More than 80% of Japanese tourists to Malaysia (sightseers and honeymooners) stated that they visited "Singapore". This makes it impossible to disregard Singapore in planning tourist promotion to Malaysia.

Amongst all countries tourists to Malaysia wanted to visit most, "Singapore" received a higher score than Malaysia from sightseers (Fig. D.4). This tendency is notable especially for women office workers as Singapore was given first choice by the great majority of them. Hence, it is an important supplementary country of Malaysia.

Fig. D.4 Country of First Choice (Tourists to Malaysia)



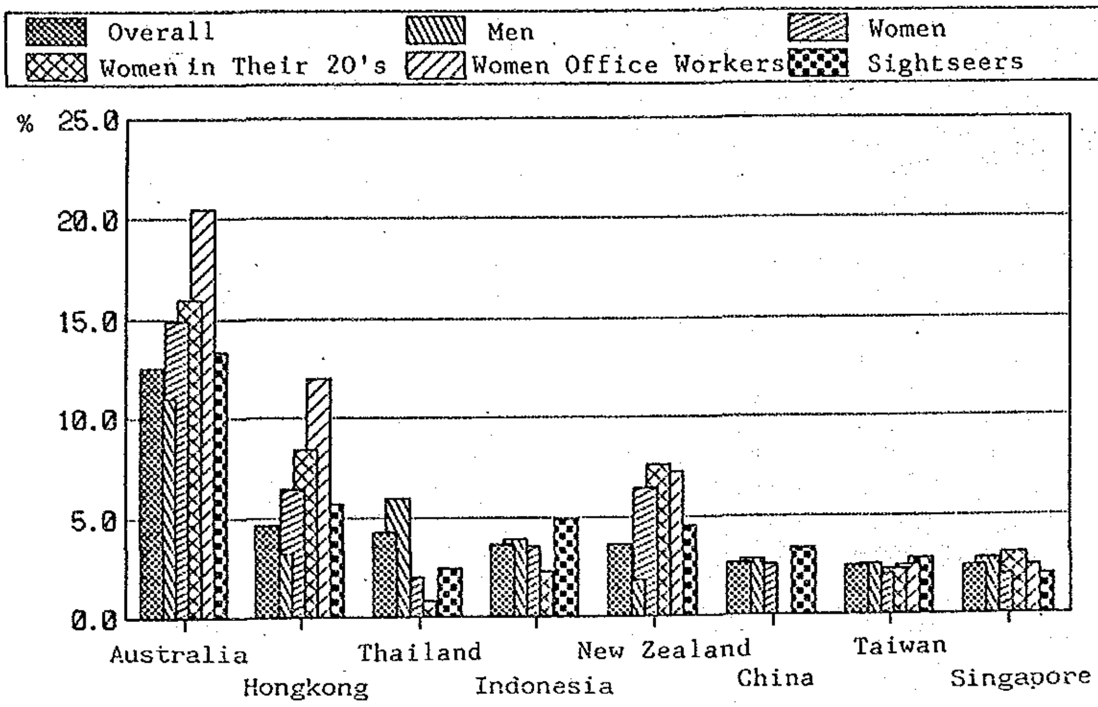
(c) Development of Thai Route

At present, the Thai route is used by a rather limited number of tourists, but it affords great satisfaction to men. Accordingly, it may be possible to consider "Thailand" as one of Malaysia's supplementary countries.

D.4.2 Competitive Tourist Countries with Malaysia

(a) Australia Earning Immense Popularity with Women Office Workers, Followed by Hong Kong

Fig. D.5 Country of First Choice (Country Wanted to Visit but Not Visited)



Source : Questionnaire Survey to Japanese Tourists to Malaysia (June to July, '87)

"Australia" is strongly preferred to Malaysia, receiving the highest competitive score from women office workers.

The second competitor is "Hong Kong". Since it is given a high competitive score from women office workers, tourist choice between Singapore and Hong Kong greatly influence the tourist arrivals to Malaysia.

Third competitor cited by women is "New Zealand". Since tours to this country usually include Australia, tourist desire to visit New Zealand adds to the severity of competition from Australia which Malaysia must meet.

(b) New Caledonia Given First Choice among All Beach Resorts by Women

As for beach resort of first choice, "Bali" is given first choice by many men, and "New Caledonia" by a overwhelming portion of women. Women's choice of beach resort is extensive, and includes "Bali", "Fiji", "Hawaii" and "Maldives" besides "New Caledonia".

Among young women in their 20s and women office workers, "New Caledonia" scores high just as "Hawaii" and "Maldives". These three resorts and "Fiji" can be considered the major competing beach resorts. These are followed by "Seychelles", "Bali", "Gold Coast" and "Mauritius".

(c) Head to be Paid to Resorts in Nearby Countries

Beach resorts studied to visit by tourists to Malaysia need to be given careful attention as competitors, although the number of such resorts is small due to small sample size. Among all beach resorts studied by sightseers, "Bali" stands out with a high score, and others include "Guam" and two resorts in Malaysia's adjacent country, i.e. "Pattaya" and "Phuket".

A similar tendency is observed with women, with "Phuket" given a fairly high score. Main beach resorts studied by young women are "Bali", "Pattaya" and "Phuket", although the scores given to these resorts show some differences between women in their 20s and women office workers.

There are not many who studied to visit "New Caledonia", although it scores high as the beach resort of first choice. This may be perhaps because most tourists studied visiting beach resorts not far from Singapore.

D.4.3 Singapore Market

The following are the findings on the Singapore market in conjunction with the promotion of the tourism of Malaysia.

(a) The Fifth Malaysia Plan presents the strategy that the foreign visitors into Singapore will be a potential market to Malaysia for promotion of international tourism. Along this policy, a ferry linkage between Singapore and the south-east coast of Johor will be realised to complement the transportation by road and rail, and the frontier formalities to cross the Causeway will be simplified.

(b) The STPB, responsible for the tourism development of Singapore, has launched a sales promotion strategy that Singapore can play a role of the gateway for the transit tourists to this region including Malaysia and Indonesia, rather than receiving mono-destined, sojourn-type tourists, as Singapore has scarce resources to attract this category of tourists. This strategy will go further in the Japanese market, and in this context, the South P.T.R., particularly its southeast coast, has the best advantage to tap Japanese tourists due to its proximity to Singapore and availability of abundant resources.

(c) The tourist arrivals in Singapore are and will be steadily increasing, i.e. (i) in 1986, over 3 million tourists visited Singapore of which Japanese tourists reached some 400,000, (ii) in 1987, the number of Japanese tourists is estimated to exceed 500,000 increasing by 25% of that in the previous year, and (iii) the increasing tendency of Japanese tourists will probably go on over the foreseeable future by virtue of the increasing flight availability resulting from the completion of its airport expansion. The provision of competitive airfares is in fact an important criterion for Japanese tourists to select their destinations, and to this end, Singapore is strongly competitive as it receives much more international incoming flights as compared to Malaysia.

In the light of these, Singapore should be considered as the most supplementary market to lure Japanese tourists to Malaysia.

Appendix E

Japanese Travel Wholesalers and Tour Packages

E.1 Travel Wholesalers in Japanese Tourist Market

Travel wholesalers are agencies who produce and operate package tours and wholesale them to retail agencies. They also arrange and provide special tours for the incentive market to be retailed.

Japanese travel wholesalers are playing a major role in sending Japanese holiday tourists to their destinations all over the world. According to a survey, 84% of Japanese tourists who visited ASEAN countries were package tour tourists or group tours. (ASEAN Centre Survey 1984).

Generally speaking, Japanese holiday tourists depend on services provided by the package tours to a great extent. It is said that they depend, firstly on cheaper travel cost, secondly on safety and thirdly on convenience of services by operators including language and baggage handling (porterage).

Possibly, one of the unique characteristics of Japanese travel wholesalers is that most of the wholesalers have their retail functions together with wholesaling.

The exceptional case is with two wholesalers only, Japan Creative Tours and Jettour, whose functions are purely wholesale in the travel trade business.

At the corners of popular streets, they have their retail service offices and counters for providing customers with a full range of pamphlets. They receive customers not only to sell their own travel products but also to sell other wholesalers' travel products.

Many consumers visit these sales counters with a great deal of knowledge and information, collected from their friends and travel magazines readily available in any bookshop. They usually come to the service counter holding a set of various wholesalers' pamphlets of destinations to which they are determined to visit. The counter sales ladies, however, have an influence on the final decision making when the package tour is sold out or when the customer has not made up their mind, by presenting alternatives or giving suggestions.

Business has also taken a diversified form. The major wholesalers attract consumers with a variety and a full range of travel products, whereas unique small agencies provide unique packages such as specific marine activities, mountain climbing, and even a tour to the South Pole. Some put more emphasis on catalogues or newspaper advertisement sales than over-the-counter sales.

Travel wholesalers are the representing agency of a travel contract with consumers. They hold responsibility to fulfill the clauses of the travel contract. In this respect, they posses great concern for the safety of the tourists and the efficiency of the tour operation.

Travel wholesalers are organisers or assemblers of travel materials, such as air seats or hotel rooms, they buy such materials to make and draw up tour packages. They also plan and design travel products.

Japanese travel wholesalers usually divide a year into two periods, the first half period is from April to September, and the other half period is from October to March. Each period has a seasonal peak of summer and new year holidays. The first half also has a peak period called 'golden week', a week of concentrated national holidays in early May. For each period, they renew their travel product lines.

The most important factor to ensure a successful business for the forthcoming season is, from wholesalers view point, to obtain and keep air transport seat reservation. This has to be done at least one year in advance. Based on the seat availability, a year long operation programme is being built up, in order to ensure the best efficient sale of the products. All travel materials including hotels, local restaurants, local transfer services and so on are selected and assembled.

E.2 Marketing and Campaign

Traditionally, Asian countries were deemed by the Japanese as a destination for group tours. To cope with the expanding female market, or more aggressively to generate new travel demands, wholesalers made an active campaign initiated by major airliners. Japan Creative Tours, a subsidiary of Japan Airlines, is one of such active wholesalers.

For Taiwan, a campaign called, "Taiwan, with your husband" was initiated.by Japan Asia Airways. This campaign was addressed to the elder couple segment, not honeymooners. The idea was to tap the Japanese domestic tourism market to Taiwan. This market segment has been already activated for domestic tourism through an intensive travel campaign initiated by the former Japan National Railway.

This Taiwan campaign was later followed by the "Silk Hat Taiwan" campaign in 1984, "Mrs. & Mrs.'s Taiwan campaign in 1985, and also the "Soft Taiwan for Ladies" campaign in 1986. Thus, Taiwan was reformed as a destination for tourists of multiple segment groups. Taiwan is a typical case that image campaigns actuated to diversify market segments of a already established destination image. In this particular case, it should not be forgotten that Taiwan tourism organisation took an active role in campaign and development.

In the same context, the "ASUKA Fantasy" campaign was conducted for Korea. The JAL CRYSTAL SEA RESORT campaign was started in 1987.

Singapore have been quite successful in creating an image that Singapore is ideal for young ladies, while Thailand made great progress by the Thailand-Japan Centennial campaign.

Through the above cases, women, in particular young women, were deemed a strategic target, apparently because this segment is expanding. The other reason is said that once a destination has reformed its image and facilities for young ladies, many other market segments can be promoted and eventually diversification of tourists could be achieved.

Thus, a campaign becomes a typical technique to activate the market for the travel trade industry. However, many wholesalers pointed out that campaigning is not a cure-all. There are many unsuccessful cases, particularly cooperation with tourism organisations including airliners being the key element.

E.3 Pricing Structure of Tour Packages

1) General

Generally speaking, the pricing structure of tour packages sold in Japan is a confidential business matter of each travel wholesaler. The pricing of a product is affected by numerous and complex factors. It also reflects the company's sales policy under the highly competitive situation of the travel trade business.

Because of the above, it is very difficult to obtain the exact information of pricing. There are no reliable past studies, in our best knowledge, that can be introduced.

2) Generalised Price Structure of Package Tours

Generally speaking, many factors affect the pricing of a package tour. Such factors are, prime cost and overheads, competitiveness in the market, affordable level of consumers and so called MTP (minimum tour price) guidelines established within the travel traders business society.

The highest proportional share of the package price is the prime cost. The prime cost consists of air transportation, land cost, tour conductors cost and miscellaneous cost.

The following table shows a case study of the share of the prime cost element, taking into consideration a package tour to Europe. (The figures are calculated based on a case study on theoretical basis. Actual cost share of ongoing package tours may be different.)

Composition of the prime cost of a tour package.

	Average	Peak
Air Transportation	64.0%	60.2%
Land Cost	29.8	33.4
Tour Conductor	4.7	4.7
Miscellaneous	1.5	1.7
Total (Prime Cost)	100.0%	100.0%

Note : The land cost here includes hotels, transfers to/from the airport, sightseeing tours, foods and other elements included in the travel contract.

The miscellaneous cost includes insurance, trip document preparation cost etc.

Air transport cost occupies the highest portion of the prime cost. If the trip is to the same destination, the shorter the duration of the trip, the bigger the share. As Japanese tours are generally shorter, a deduction of air transport cost will contribute a great deal to the deduction of the package price.

The cost for air transportation and hotels reaches nearly 90% of the total prime cost. Air transportation and hotels usually have seasonal tariffs for GIT (group inclusive tours), so called basic, shoulder and peak tariff.

Application of the GIT tariff of the air transportation depends upon the group size. Normally, in the Asian region, a group tour of less than 9 parties does not qualify for the special GIT tariff.

The wholesale price is to set adding overhead cost of the wholesaler's overhead on top of the prime cost. Also, adding retailing cost and overhead, the sales price is formulated.

This overhead part is not known, however under the present competitive status, it is kept to the minimum, say 10%, in our best knowledge.

3) Price of Package Tours

Generally, a package tour price to ASEAN countries is more or less the same. In popular tours, it is about 130,000 to 160,000 Japanese Yen according to the date of departure (peak or basic price). Similarly, a trip to Hawaii costs about 150,000 to 200,000 yen whilst a trip to Guam and the Saipan Islands cost about 80,000 to 100,000 yen.

A study on package tours presently sold in Japan was made and the following is the brief result:

	Peak Price Average	Basic Price Average	Average Length of trip
Malaysia	163,300	128,600	5.3
Indonesia	165,500	130,300	5.7
Thailand	146,500	108,400	5.2
Singapore	148,600	101,700	4.7

The above figures are the average prices of popular package samples taken from a popular travel magazine. These are mostly second brand packages. Apparently the first brand packages are much more expensive than the above packages.

The countries included in the higher price group are Indonesia and Malaysia. A Thailand tour is less expensive than the others. In this respect, Malaysia is less competitive than Thailand in terms of price but competitive to Indonesia.

4) Brands of Package Tour

Travel wholesalers usually provide several series of packages in order to meet the diversified market demands. Those are the so called first brand and the second brand. For example, "JALPAK" and "AVA" for JCT (Japan Creative Tours) or "LOOK" and "PALETTE" for JTB (Japan Travel Bureau). Those are usually sold at retail travel agents. The first brand, which is called 'National Brand' by wholesalers, offer the best possible range of accommodation and services, whereas the second brand offer a reasonable level of services with lower prices for the budget conscious travellers. There is also another category, TSUUSHIN HANBAI or simply TSUUHAN (Catalogue sales). This brand is mainly sold through advertisements in the newspapers or other media, offering cheaper price.

Thus, as diversification and differentiation of travel products prevail in the market, the price range for a destination is widened, offering wide variety of packages at different prices for consumers to choose.

The sales pamphlets are a major advertising media for these packages. Those pamphlets are displayed in travel agent sales offices. Travel catalogue magazines, such as "Ab-road" or "BLANCA" introduce a variety of tour packages monthly. They are sold in practically every bookshop at a cheap price. Also, specified travel magazines such as for divers, surfers or mountain climbers introduce destinations and attractions with a wide variety of technical information.

A result of a similar study focussing on Malaysia tour packages is as follows. In this case, samples of all packages including the first brand. The average prices indicated here is higher than the popular packages shown above.

	Average Peak Price	Average Basic Price	Average Day of Tour
Penin. Malaysia Tour	203,000	155,600	5.8
Penang/Singapore	201,900	155,000	5.4
Kuantan/Tioman/ Singapore	209,000	170,200	6.2
Desaru/Singapore	209,900	153,200	5.6
Tanjung Aru/ Singapore	239,400	191,600	6.2

The above results shows that popular destinations such as Penang or Peninsular Malaysia Tour (KL/Melaka/Johor Bahru/Singapore) is at a lower level of price. However, major beach resorts are still at a higher level of price.

E.4 Japanese Travel Wholesalers' View on Malaysia Tourism

1) General

The study team conducted an interview survey to the major Japanese travel wholesalers regarding their view on Malaysian tourism. The following are the summary of findings.

The interviewed are the representative staffs of the following wholesalers:

- Hato Bus Travel Co. Ltd.
- Japan Creative Tours
- Keio Kanko Co. Ltd.
- Kinki Nippon Tourist Co. Ltd.
- Meitetsu Travel Co. Ltd.
- Nippon Express Co. Ltd.
- Nippon Travel Agency Co. Ltd.
- TDA Shoji Co. Ltd.
- Tokyu Tourist Corporation

Japanese travel wholesalers are now expanding their business in order for them to cope with a growing tourist market. There are a number of wholesalers who are interested in promoting Malaysian tourism. Among the interviewed wholesalers, several companies are keenly looking into Malaysia as a potential destination to develop.

Tokyu Tourist Corporation has been active in expanding the Asian holiday market including the beach resorts. For this year, they have drawn up a full line of beach resorts in their product series of "MEMORY", which includes many Malaysian beaches including Pulau Tioman, Kuantan, Damai, and Pulau Pangkor.

Hato Bus Travel is one of the most active companies promoting Malaysia. They have doubled their sales of tours to Malaysia last year although the figures have not reached satisfactory levels.

Nippon Express presents a unique package of "Do Malaysia". This package was created in early 1987 with the cooperation of MAS and TDC. As the response of market is favourable, this package was included in their "MIND" series and sold as a sales counter item.

Odakyu Travel created a unique tour package of the Trans-Malay Peninsular "2000 km Railway Trip" from Bangkok to Singapore. The sales of this package was remarkably positive, however due to their company's policy, this package will be terminated by March, 1988.

Japan Creative Tours, as mentioned in the preceding section, created a new package named "JAL CRYSTAL SEA RESORT" focussing on small islands of the Asia Oceanic region. For Malaysia, Pulau Kapas, an off-shore island of Kuala Terengganu, is included.

2) Present Sales and Prospect of Malaysian Package Tours

To Malaysia and others, the tours of steady sales are the Singapore/Penang tour for honeymooners. KL/Melaka/Johor Bahru/Singapore tours are experiencing steady sales, as well. For beach resorts, the Singapore/Desaru tour is also experiencing steady sales. However, the other beaches, except Cherating of Club Med, are generally unstable.

Generally speaking, the sales of package tours to Asian countries are expected to be in good status. Some wholesalers explained this situation as "Asia seems to be filled up with tourists. It seems impossible for us to get hotel rooms even for the 1989 new year in the popular destinations". However, the interviewed wholesalers did not show a particular positive view on sales of Malaysian tours.

Their view is that the established tours to Malaysia such as Penang/Singapore will be increased, reflecting the overall growth of the market. However, they are not destinations which wholesalers felt a need for particular promotion. On the other hand, beaches are not yet ready to meet their strategic market segments which wholesalers wish to promote.

3) Malaysian Tour Operators

Malaysian tour operators are the counterpart agencies for Japanese wholesalers and at the same time, assemble travel materials in a package tour (they are commonly called "land operators" by Japanese wholesalers). They provide necessary local information during the planning and design stage and also provide tourists with local tours and other necessary services.

Recent package tours tended to be in smaller groups, not accompanied by tour conductors. Therefore, the services provided by local tour operators have become increasingly important.

For the Japanese wholesalers, Malaysian tour operators have two functional types of agencies. One is those who has an office in Tokyo and have a network of services covering major Asian destinations. The other is the Malaysian local tour operators who offer local services based on their experience and contact with the local society. Japanese wholesalers select one or several land operators according to their needs and traditional partnership.

Some of the interviewed wholesalers raised several issues. One is the inadequate tourist guide services, particularly in Johor Bahru, and the other is that sightseeing tours do not have sufficient varieties to differentiate from their package tour design.

4) Wholesalers View on Promotion of Malaysian Tourism

The following are the points interviewed wholesalers raised as their views on the shortcomings of Malaysian tourism, based upon their experiences.

(a) Present Lack of an Established Image, Particularly Which Appeals to the Young Women Segment of the Market

Many wholesalers say that it is quite hard to sell Malaysia as a mono-destination package. A wholesaler described the difficulty as, "for other destinations, it may take only one year to come up to the level of the anticipated level of sales volume, but for Malaysia, it needs three continuous years". The other wholesaler explained saying 'On our sales pamphlet, we always put a caption explaining the place on the top of the name such as "historical town of Melaka"'.

This is basically because Malaysian names of places are not known to customers. A wholesaler said that 'the social background of a destination is not essential for tourists. Many tourists do not know Malaysia, but they know the name Singapore and what Singapore can offer to the tourists.'

(b) Need to Improve and Develop Competitive Tourism Products

Tourism products here means Malaysian tourism products whereby wholesalers can assemble into their travel products, package tours and others.

Many wholesalers raised the issue of the necessity to develop competitive beach resorts to the neighbouring countries. They said that the present beaches are mostly sub-standard from the travel product value viewpoint.

On a sales pamphlet of Asian beach resorts, a full range of beach resorts are showing up. They are more or less within the same price range, so that the quality has to be outstanding in order for it to be very competitive.

Pulau Kapas of Malaysia is usually laid out beside Pulau Selibu of Indonesia on the same pamphlet of CRYSTAL SEA RESORT. A competitive condition is clear for readers. Both take the same flight on the same departing date. Kapas package is cheaper than Selibu by some 25%. To Pulau Kapas, the tourists have to take a connecting domestic flight to Kuala Terengganu where hotel accommodation is provided. From the hotel, they then proceed to the island of Kapas.

To Pulau Selibu, a tourist need only to take a boat to the island directly from Jakarta. A hotel is located on the island. This is a case of direct competition between two similar destinations, and Pulau Selibu has been experiencing good sales.

Some wholesalers looked at Tioman Island as a potential destination. However, flights to Tioman are not convenient. To Pangkor island, a package tour will transport tourists, taking a five hour trip by a passenger vehicle. These are the cases where the travel products did not reach the standard which wholesalers felt safe in selling the products.

The Trans-Malay Peninsular railway trip, quoted earlier, is an example of a successful development of a travel product. This package offers reasonable price, tour conductor's attendance and inclusive of meals.

Wholesalers raised an issue regarding Singapore. For the wholesalers, Singapore has already been established as a destination which has a significant amount of sales. In order to keep expanding the market share of Singapore tour is one of the keen interest of wholesalers in the competitive travel trade. From this view point, Singapore is still a strategic tourist destination which they wish to promote.

City and beach is an attractive combination to satisfy Japanese tourist's needs. This is one of the reasons why Desaru is popular.

(c) Difficulty in Securing Airline Seat Reservations

Most of the wholesalers raised the problem of air transportation of both international and domestic flights to Malaysian destinations. Seats allocated for GIT travellers of international flights from Tokyo to Malaysia are too limited. MAS flights allocate only some 78 seats while JAL allocates only 40 for tours to Malaysia using their 747 aircrafts. Those seats are then sub-divided and allocated to several wholesalers. The peak seasons are the time when wholesalers are able to promote their sales, and therefore, the number of seats allocated to them is a decisive factor for the wholesalers.

The other aspects of transportation are the domestic flights. Wholesalers raised inconvenient connecting flight schedules, frequent changes of flight timetable, no GIT application to small tourist groups and so forth.

(d) The Need for an Intensive Campaign

The wholesalers view on promoting Malaysian tourism is that Malaysia needs an intensive campaign. The campaign meant an intensified. advertisement blitz on Malaysias tourism and also as a practical support for the wholesaler's sales activity.

Wholesalers pointed out that the campaign should involve all organisations relevant to Malaysian tourism and also the campaign must be focused on a target market segment, particularly groups of products which can give a strong impact to the target.

The wholesalers also pointed out that they have a very limited advertisement budget. Even printing cost of sales pamphlet is a imitation. Providing pamphlets for Malaysian tourist destinations is effective in pulling the consumers attention, as they said, however it is hardly justified under the current sales volume.

5) TDC Tokyo Office

Wholesalers said that in planning and designing a tour package, they are less dependent on planning information provided by TDC. They mostly depend upon information given to them by their Malaysian counterpart agents or information collected by themselves.

The wholesalers suggested that provision for disseminating information should be addressed directly to consumers. The recent TDC information on beach resort in a travel trader's magazine did not effectively reach the consumers.

Currently, tourists collect various travel information through a variety of sources. However, they need to have more diversified and practical information than those commonly obtained. Wholesalers are unable to satisfy such intellectual requirements of the consumers. This is an area that is expected to TDC.

Wholesalers also raised an issue that TDC needs to have frequent and direct contact with wholesalers in promoting Japanese tourist market, namely promoting sales of package tours. They also suggested that local staff should be employed for the better communication with Japanese travel wholesalers, taking examples of other NTOs such as Singapore or Australia.

Appendix-F
Main Participants of the Study

Government of Malaysia

1) Economic Planning Unit (EPU)

1.	Dr. Abdullah Mohd. Tahir (Chairman)	Director of Industry Section
2.	Miss Boey Siew Leng	Director of External Assistance Section
3.	Ms. Harvinder Kaur	Principal Assistant Director, Industrial Section
4.	Ms. Kamariah bte Ramli	Principal Assistant Director, Agriculture Section
5.	Ms. Wong Peg Har	Principal Assistant Director, External Assistance Section
6.	Mr. Sakib Kusme	Assistant Director, Infrastructure Section
7.	Mrs. Wan Norma Wan Daud	Assistant Director, External Assistance Section,
8.	Mr. Ong Yew Chee	Assistant Director, Industry Section

2) Ministry of Culture and Tourism

1.	Mr. Ismail Adam	Deputy Secretary General
2.	Ms. Norminshah Sabirin (Phase I)	Deputy Secretary General
3.	Mr. Zainuddin Zain	Undersecretary Planning Division
4.	Mr. Khalid Ibrahim	Principal Assistant Secretary Planning Division
5.	Ms. Yeoh Gim Bee	Assistant Director Planning Division

3) Tourist Development Corporation (TDC)

1.	Mr. Zamhot Hassan	
2.	Mr. Ng Kok Leong	
3.	Mrs. Chong Yoke Har	
4.	Mr. Mohd. Rais Mohd. Saman	Senior Tourist Officer,

4) Other Organisations

1.	Mr. Subhan Jasman	Deputy Director, Implementation Coordination Unit, Prime Minister's Department
2.	Mr. Hamdan Hassan	Implementation Coordination Unit, Prime Minister's Department
3.	Mrs. Rahimah Mohd. Said	Implementation Coordination Unit, Prime Minister's Department
4.	Mr. Mohd. Arif Abu Bakar	Ministry of Land and Regional Development
5.	Mr. Kamarul Bahrin Buyong	National Museum
6.	Mr. Jasmi Abdul	Department of Wildlife and National Parks
7.	Miss Saidah Hj. Hashim	Statistics Department
8.	Mr. Subhas Chandran	Ministry of Finance
9.	Mr. Mahmud/Muhammud Ibrahim	Department of Wildlife and National Parks, Ministry of Science, Technology and Environment
10.	Mr. Mohamad Nik	Implementation and Coordination Unit, Prime Minister's Department
11.	Mr. Ashaari Shahran	Tourism Manager, KEJORA
12.	Mr. Abdul Karim Hassan	Principal Assistant Secretary, State Economic Planning Unit of Johore
13.	Mr. Mohmad Shaid Mohd. Taufek	KEJORA
14.	Mr. Harbans Singh	Statistics Department
15.	Mr. Adi Haji Taha	National Museum
16.	Mr. Abdul Rashid Shamsudin	Department of Wildlife and National Parks
17.	Mr. Hamrose Mohd. Noor	Ministry of Trade and Industry
18.	Mr. Hj. Mohd. Rahsid Mohd. Shariff	Ministry of Culture, Youth and Sports
19.	Mr. Kamarul Baharin Buyong	Museum Department
20.	Mr. Mohd. Kassim Hj. Ali	Curator, National Museum

21.	Mr. Chong Ngian Yet	Deputy Director, International Trade Division, Ministry of Trade and Industry

5) Counterpart Members;

1.	Mr. Mohd. Rais Mohd. Saman	Senior Tourist Officer, TDC,
2.	Mr. Mohd. Roslan Ali	Assistant Director, TDC,
3.	Mr. Hafiz Abdul Majid	Tourist Officer, TDC,
4.	Mr. Dzulkeflee Zakaria	Tourist Officer, TDC,

<u>Government of Japan</u>

1) JICA Advisory Committee

1.	Mr. Koichi Arai	Chairman (Ministry of Transport)
2.	Mr. Tsuneaki Nagasato	Member (Ministry of Transport)
3.	Mr. Satoshi Shibata	Member (Ministry of Transport)
4.	Mr. Shunji Uemura	Member (Ministry of Transport)
5.	Mr. Wataru Tsuchiya	Member (Japan National Tourist Organisation)
6.	Mr. Fumihiro Sampei	Member (Japan National Tourist Organisation)

2) JICA Office

1.	Mr. Takao Matsuzaki	Resident Representative of JICA, Malaysia
2.	Mr. Keizo Kagawa	JICA, Malaysia
3.	Mr. Toshiharu Takahashi	JICA, Tokyo
4.	Ms. Izumi Ohno	JICA, Tokyo
5.	Ms. Chisa Hara	JICA, Tokyo

3) Embassy of Japan, Malaysia

1.	Mr. Hirofumi Ohnishi	First Secretary
2.	Shigeshi Mimura	First Secretary

4) Study Team

1.	Mr. Nobuhiro Koyama	Team Leader
2.	Mr. Itaru Mae	Team Leader (Phase I)

3.	Mr. Shigeharu Tomehara	Tourism Promotion
4.	Mr. Yoshitaka Mizoo	Tourism Administration
5.	Mr. Yuzo Aoyama	Demand Forecast
6.	Mr. Morio Onda	Demand Forecast
7.	Mr. Shigeo Imai	Market Study
8.	Mr. Takashi Kikkawa	Tourism Facility/Development Plan
9.	Mr. Kanao Itoh	Tourism Infrastructures/Tourism Resources
10.	Mr. Tadashi Kume	Regional Plan/Tourism Infrastructure
11.	Mr. Junji Nishi	Transport and Environment
12.	Ms. Michiko Hatakeyama	Socio-Economic Impact
13.	Mr. Tomoaki Sawabe	Tourism Facilities
14.	Mr. Manabu Fukudome	Road Transport
15.	Mr. Yoshiaki Tahira	Port and Coast
16.	Mr. Taketsugu Yanagida	Power Supply & Telecommunication
17.	Mr. Shigeru Komatsu	Water Supply & Sewerage
18.	Mr. Hiroshi Tanaka	Environment
19.	Mr. Akira Nakayama	Financial Analysis
20.	Mr. Akihisa Kojima	Economic Analysis