



اَوْنِيُوْزِيسِيْتِي تِيكْنُوْلُوْجِي مَارَا  
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MARA

**TITLE: MALAYSIA TOURISM INDUSTRY PERFORMANCE**

**NIK ZUKRINA BT NIK AMIR  
2020978847**

**Bachelor of Business Administration  
(Investment Management)**

**Faculty of Business and Management**

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## **ABSTRACT**

The recent outbreak of Covid-19 has affected the economy globally especially the tourism industry. Early of coronavirus detection in Malaysia, the government has taken a quick action by implement movement control order in order to curb the pandemic. The implementation of movement control order phase is to restrict travelling and to close the borders. The action taken has given an impact and slow down the economy. Many workers and jobs involved in tourism and hospitality sector has suffered during the pandemic. The major findings of this study are about the declined in number of tourist arrivals to Malaysia and the occupancy of hotels that were affected the worst during the pandemic. Other than that, some of the hotels were declared to be shut down due to the huge losses from the MCO. In conclusion, this study will focus on the relationship of the independent variable to the tourism revenue as tourism performance.

**Keywords: COVID-19 Crisis, MCO, Tourism Industry, Malaysia**

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## **CHAPTER 1: INTRODUCTION**

### **1.1 Introduction**

The first case of Coronavirus was detected on Jan 25, 2020 where three Chinese nationals from Wuhan entered Malaysia from Singapore. The government has implemented a Movement Control Order (MCO) where the borders are closed and interstate travel has been banned in order to curb the massive outbreak of coronavirus (Mohamad, Ataul and Nur, 2020). Due to the many phases of movement control order (MCO) and lockdown implementations, the tourism industry could not survive with major losses in conditions where the Airports had not been operating, the hotels were empty, the travel agencies lost jobs and only a few economic sectors had been allowed to operate such retailers. According to a study by Norhanim (2020), there were 12 newspaper articles reporting the closing down of the 12 hotels since the extension of the MCO.

### **1.2 Background of the study**

The research conducted is to gain a better understanding on the performance of the tourism industry through all these past years and recently. Tourism is an important economic sector besides one of the largest industries in Malaysia. Tourism contributes massively into gross domestic product (GDP) and employing close to a quarter of the total workforce in Malaysia. The tourism sector has been affected greatly since the discovery of Covid-19.

When Covid-19 was declared in Malaysia, the statistics shown that tourism revenue has significantly drop in 2020. According to Norhanim (2020), the implementation of movement control order (MCO) in Malaysia and other countries are the reason behind the significantly impact experienced by tourism industry. Based on the research by Nurul and Norlida (2021), it shown that the arrivals of tourist to Malaysia and to other tourism destinations are closely related to Covid-19. Faizan and Awaangku (2020) findings stated that among the all sectors, tourism has been worst hit. The outcomes of the Covid-19 has resulted to revenue losses in tourism merchandise, cancellation of flights and the hotel bookings. The implementation of lockdowns and travel restriction by the government has gave an impact as the tourism is relying on the number of tourist entered to the country. As conclusion, tourist destinations were faced with economic downturn (Mohamad, Ataul and Nur (2020).