

**THE FINANCIAL IMPACT OF THE HOMESTAY
TOURISM IN SELECTED VILLAGES**

**UNIVESITI TEKNOLOGI MARA
SARAWAK MALAYSIA**

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31 DECEMBER 2012

10 January, 2013

Permanent Secretary
Ministry of Tourism Sarawak
Tingkat 2, Bangunan BUITULMAKMUR
Medan Raya
93050 Petra Jaya
Kuching
(Attention: YBhg. Datu Ik Pahon Anak Joyik)

Dear Sir,

FINAL REPORT OF COLLABORATIVE STUDY “THE FINANCIAL IMPACT OF THE
HOMESTAY TOURISM IN SELECTED VILLAGES.”

With reference to the above, enclosed herewith is the final report of the above study for
Ministry of Tourism’s perusal.

Thank you.

Yours Sincerely,

Dr. Fennee Chong
Project Leader

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CHAPTER 1: INTRODUCTION

Under the One Malaysia's National Transformation Plan, the Malaysian government has envisaged the New Economic Model (NEM) aiming to improve the Rakyat's quality of life. One of the primary goals of the NEM is to achieve a higher income nation status of USD 15,000 to 20,000 per capita by 2020. Apart from that, the NEM also aims to allow all the communities to fully benefit from the wealth of the country. As Sarawak is a state with an abundance of natural resources and home to a vast array of wildlife and natural beauty, it is eager to move in tandem with the other states in Malaysia to achieve the goals set out under the NEM.

Tourism is one of the most important industries which contributes to Sarawak's financial achievement. Approximately 3.79 million tourist visited Sarawak in 2011 and this generated a total revenue of RM4313 million for the state. Among others, the homestay program is one of the most popular tourism products in Sarawak and this sector contributed RM956000 of income to the state in 2011.

The homestay tourism was launched in 1995 under the Rural Tourism Master Plan by the Ministry of Tourism Malaysia. It aims to promote rural community's participation in tourism. According to the information provided by *Program Homestay Sarawak*, as of 2011, a total of 26 villages have offered homestay tourism in Sarawak. Besides offering employment opportunities, the homestay programme was encouraged by the Ministry of Tourism with the aim to improve the financial well being of the participants. Even though statistics have been compiled by the Ministry of Tourism on a timely basis to monitor the performance of the villagers participating in the homestay programme, no survey has been carried out to gauge information on the financial impact of this programme on the

CHAPTER 2: BACKGROUND OF THE HOMESTAY UNDERSTUDY

2.1 Homestay Programme in Sarawak

The homestay programme is one of the new tourism products in Malaysia, which is very much associated with culture, adventure and nature (CAN). It was launched in 1995 in Temerloh, Pahang and has expanded to various other states in the country, including Sabah and Sarawak. In Sarawak, this programme is the latest Ecotourism product managed by Ministry of Tourism and Heritage. Based on the December 2010 report compiled by Unit Penyertaan Komuniti of the Ministry of Tourism and Heritage, there are about 26 registered Homestays under the Ministry. Most of which are found in the Kuching and Samarahan Division. They have participated and registered with the programme managed by the Ministry of Urban Development and Tourism Sarawak since the 2006. These villages have been carefully selected and are able to conform with the strict guidelines set by the Ministry of Tourism so as to bring out the best of Malaysia to tourists. Those who are involved in the homestay programme are committed to ensure that visitors experience village-style living through first-hand, and are used to welcome a variety of foreign guests from around the world, on a new commercial basis. The homestay programme offers visitors with an excellent opportunity to experience for themselves the unique and interesting Bidayuh, Iban and Malay, traditions and culture, warmth and great hospitality coupled with serene natural environment.

For the purpose of our research, we have selected seven villages which have participated in the homestay programme namely: Kampung Santubong, Kampung Siol Kandis, Kampung Darul Ismal Belimbing, Kampung Benuk, Kampung Anah