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# Insights



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## RECTOR'S MESSAGE



Congratulations Faculty of Business and Management of Universiti Teknologi MARA Cawangan Kedah, Kampus Sungai Petani on the publication of the 6<sup>th</sup> Volume of FBM Insights!

I am very pleased to know that there are more than 40 authors and more emerging issues are being presented in this latest volume of FBM Insights. This portrays that UiTM Kedah Branch is actively involved in disseminating business related information and knowledge to the public.

I hope this bulletin can provide an opportunity for the Faculty of Business and Management staff to produce more academic materials and develop their skills in academic and creative writing. Furthermore, more initiatives should be launched to support this life-long process.

Again, well done to the Faculty of Business and Management and those who were involved directly and indirectly with the publishing of FBM Insights Vol.6. I wish FBM Insights all the best and continue to grow and move rapidly forward in the future.

**Prof. Dr. Roshima Haji Said**  
Rector  
Universiti Teknologi MARA (UiTM)  
Cawangan Kedah



السلام عليكم ورحمة الله وبركاته

Assalamualaikum warahmatullahi wabarakatuh

Welcome to the 6<sup>th</sup> Edition of FBM Insights 2022. This edition boasts 40 articles by the academics of Faculty of Business and Management UiTM Kedah Campus. The topics involved a broad range of business and management knowledge. Congratulations to all authors for your endless support and valuable contribution to the newsletter.

FBM Insights was mooted in 2020 and it came about with the intention to encourage and improve research writing activities among the lecturers of UiTM Kedah's Business and Management Faculty. As the editions progressed, the support from the academics has not faltered. I hope the support continues in editions to come.

I would like to congratulate the editors and the committee for the hard work and perseverance in managing the newsletter. All the best to everyone and thank you again.

**Dr. Yanti Aspha Ameira Mustapha**  
FBM Insights Advisor

32	<b>THE FUTURE OF EDUCATION IN THE ERA OF DIGITAL ECONOMY</b> <i>Hafizah Hammad Ahmad Khan, Raveenthiran Vivekanantharasa &amp; Azyyati Anuar</i>	87
33	<b>THE CONTENT CREATOR’S PRACTICES FOR SOCIAL COMMERCE USERS</b> <i>Nurfaznim Shuib &amp; Nurul Izzati Idrus</i>	89
34	<b>CONTRACT FOR DIFFERENCES FROM THE ISLAMIC FINANCE PERSPECTIVE</b> <i>Nur Syazana Mohd Nasir, Azlyantiny Mohammad &amp; Norafiza Mohd Hardi</i>	92
35	<b>PERFORMANCE EVALUATION BASED ON STRICTNESS AND LENIENCY ERRORS</b> <i>Roziyana Jafri &amp; Syahida Abd Aziz</i>	96
36	<b>HOMESTAY PROGRAMMES IN MALAYSIA</b> <i>Muhammad Hanif Othman</i>	99
37	<b>OFFICIAL GUIDELINES FOR HOMESTAY PROGRAMMES IN MALAYSIA</b> <i>Muhammad Hanif Othman</i>	101
38	<b>THE EFFECT OF INFLATION ON ECONOMIC GROWTH THROUGH INNOVATION</b> <i>Shahiszan Ismail, Nor Azira Ismail &amp; Jamilah Laidin</i>	106
39	<b>REVIEW ON MALAYSIA’S STATUTORY MINIMUM WAGE</b> <i>Nurul Hayani Abd Rahman, Shaira Ismail &amp; Nani Ilyana Shafie</i>	109
40	<b>A CLICK OF LOAN MORATORIUM IN MALAYSIA</b> <i>Fauziah Mohamad Yunus &amp; Anita Abu Hassan</i>	113

# HOMESTAY PROGRAMMES IN MALAYSIA

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## INTRODUCTION

The Malaysia homestay programme began informally in the 1970s with the involvement of the local community, who provided accommodation, breakfast, and dinner to foreign tourists by charging a minimal price compared to hotels or resorts (Hamzah, 2008; Kayat, 2010; Ibrahim & Razzaq, 2010). At that time, most of the Malays, who live in Malay *kampungs* (villages) along the beach and in rural areas, provided their houses as homestays for tourists (Ibrahim & Razzaq, 2010). In 1988, with encouragement and support from the Ministry of Tourism, a community of five villages in Pahang—consisting of Desa Murni Sanggang, Desa Murni Ketam, Desa Murni Perangap, Desa Murni Sonsang, and Desa Murni Kerdau—established the Desa Murni Homestay as a model for the new Malaysian Homestay Programme (Kayat & Nor, 2006). These villages are located in the Desa Murni area, which is a 15-minute drive from Temerloh, Pahang (Pusiran & Xiao, 2013). The homestay programme provided cultural, social, environmental, and economic benefits to the local population.

Following the programme's success, the Minister of Tourism launched the Malaysia Homestay Programme on the 3<sup>rd</sup> of December 1995 at Desa Murni, Temerloh, Pahang. This programme was opened to all rural villages in Malaysia (Malay *kampungs*, Chinese New Villages, Indian settlements, and Orang Asli villages). However, only Malay *kampungs* participated in this programme since Malays form the majority of populated rural areas. To regulate the homestay programme, the Ministry of Tourism, Arts and Culture (MOTAC) listed the criteria for the house owner (host) to abide by, such as easy access from the main road; suitable house size and separate room for the guest; high standard of hygiene; and the security and safety of parties involved (MOTAC, 2022a). Homeowners are required to attend a training course conducted by the Institute for Rural Advancement (INFRA) under the Ministry of Rural and Regional Development. This requirement aims to ensure that the homestay programme can be successfully implemented.

## HOMESTAY PROGRAMME DEVELOPMENT AND TREND

The homestay programme is a tourism product that has been given special emphasis by the government through the MOTAC. While 286 operators participated in the programme in 1997, the number increased to 2,533 operators in 2007 and to 4,313 operators in 2021, thus revealing the rural community's increasing interest and participation in this community-based tourism. In fact, the number of homestay programmes established throughout Malaysia increased from 135 in 2007 to 223 in 2021. In 2011, there were 150 registered homestays run by 3,211 operators offering 4,209 rooms in 236 villages.<sup>1</sup> By 2021, Malaysia had 223 registered homestays, comprising 372 villages, 4,313 operators, and 6,124 rooms (MOTAC, 2022b). The number of operators participating in the programme increased by approximately 16.5% compared to the previous five years. This growth indicates that the homestay programme is supported by local communities.

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<sup>1</sup> These figures represent the number of official registered homestays from the MOTAC.

Table 1 Number of Malaysian Homestay Programmes, by State (2012–2021)

State	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Johor	16	17	18	21	21	24	26	27	27	27
Kedah	14	15	15	15	16	16	16	17	17	17
Kelantan	8	8	8	8	8	8	8	8	8	8
Labuan	3	3	3	3	3	3	3	3	3	3
Melaka	7	7	7	7	9	9	9	9	9	9
Negeri Sembilan	11	12	12	12	13	13	13	13	13	13
Pahang	15	15	16	16	16	16	16	16	16	16
Perak	8	8	10	10	11	11	11	11	11	11
Perlis	3	3	3	3	3	3	3	3	3	3
Pulau Pinang	9	9	9	10	11	11	11	11	11	11
Sabah	16	17	17	21	22	25	29	30	30	32
Sarawak	28	29	31	32	35	41	41	44	44	46
Selangor	15	15	15	15	15	16	16	16	16	16
Terengganu	6	8	8	8	10	10	10	11	11	11
<b>Total</b>	<b>159</b>	<b>169</b>	<b>172</b>	<b>181</b>	<b>193</b>	<b>206</b>	<b>212</b>	<b>219</b>	<b>219</b>	<b>223</b>

Source: MOTAC (2022b)

Furthermore, the number of tourist arrivals and income generated increased tremendously from the establishment of the Malaysia Homestay Programme (Figures 1 and 2). However, proper documentation of the statistics and progress of this programme was only recorded by the MOTAC at the beginning of 2006. In 2006, there were 38,965 visitors—24,507 domestic and 14,458 foreign—who stayed in homestays in Malaysia, resulting in RM2.06 million in income being generated. The number of domestic and foreign tourists increased from 259,423 and 65,835 in 2012 to 373,558 and 85,341 in 2019, respectively. Given these rising numbers, it is obvious that homestay customers include both inbound and domestic travellers, with domestic visitors somewhat outnumbering their foreign counterparts.<sup>2</sup> However, because of Covid-19 and the government's policy of implementing social distancing, there has resulted in a decrease in domestic and foreign tourist visits from 114,639 and 19,378 in 2020 to 82,704 and 54 in 2021, respectively. Research by Ramli and Yamazaki (2013) stated that the large number of tourist groups were from the local school and university student groups that had extra-curricular activities at the homestays. Government and private sector organisations have visited in homestay programmes for both training and recreation. Figure 1 summarises the trend of tourist arrivals under the Malaysian homestay programmes.

<sup>2</sup> Domestic visitors refer to resident visitors who travel within their own country's boundaries, while inbound visitors refer to non-resident visitors who travel to other countries.



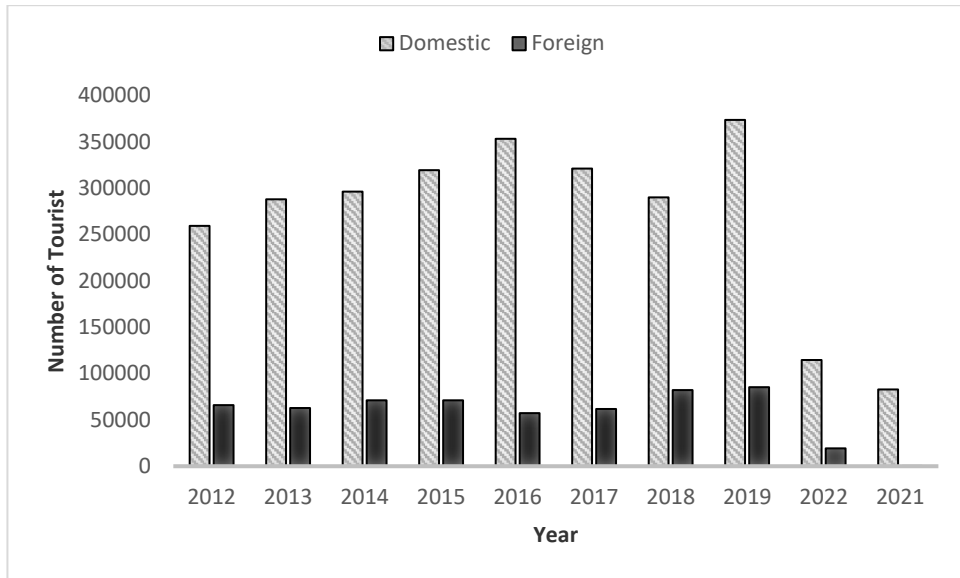


Figure 1 Number of Tourist Arrivals under the Malaysian Homestay Programmes (2012–2021)  
Source: MOTAC (2022b)

Figure 2 depicts the income generated under the Malaysian homestay programmes from 2012 until 2021. The income generated by the homestay operators throughout the country from the homestay programme has increased every year, from RM18,545,656.00 in 2012 to RM29,662,211.60 in 2019. The Covid-19 pandemic has affected not only the number of tourists but also the income generated. From 2019 to 2021, the income generated from homestay programmes decreased by 384%, from RM29,662,211.60 to RM6,126,302.14.

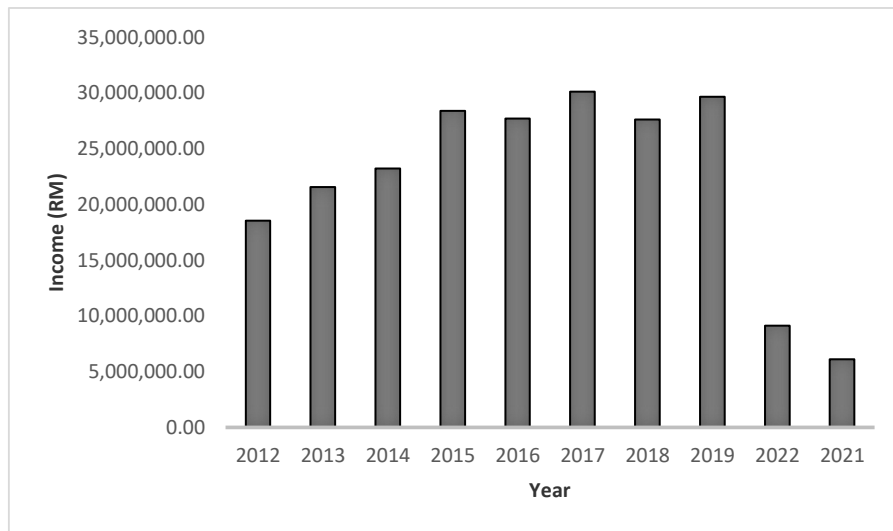


Figure 2 Income Generated under the Malaysian Homestay Programmes (2012–2021)  
Source: MOTAC (2022b)

## CONCLUSION

Development of the tourism industry has always been considered an important agenda for Malaysian development as tourism promotes the sustainability and well-being of local communities. Thus, the involvement of local communities in the tourism industry is a government

strategy to help poor communities in rural areas. Participation in the tourism sector, such as the homestay programme, can help local communities improve their economic status.

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