

**EXECUTIVE MASTER
OF
BUSINESS ADMINISTRATION**



**UNIVERSITI TEKNOLOGI MARA
TERENGGANU**

APPLIED BUSINESS PROJECT (MBA 795)

**ESTABLISHED A BUSINESS PLAN FOR NAWARI
TRAVEL AND TOURS SDN BHD, KUALA
TERENGGANU**

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DATE: 18th DECEMBER 2004

ACKNOWLEDGMENT

This project paper is presented with the assistance of many essential personnel from various organizations such as Enforcement and Licensing Division (Ministry of Tourism), Tourism Malaysia Terengganu, State Economic Planning Unit (UPEN), Malaysia Travel and Tours Association (MATTA),

To all of them, especially those that have both directly by contributing to the case studies and indirectly through helping us to develop our understanding of making this applied business project paper come true! We would like to express our appreciation for their time, input, constructive comments and suggestions. And most important person of assisting this report, whole member of this group, thanks for all your participation and commitments.

Our special thanks and grateful to our EMBA Coordinator also project supervisor, Tuan Hj. Hussein b. Dollah for his concern, professional advice, guidance and assistance. Without him, this paper would not taken off ground.

Not forgetting to all our adorable family members, without the love, support and understanding this project paper would not be a successful one.

Finally, our appreciation goes to all the UiTM lecturers and community for their wonderful and hardworking and jovial environment throughout our period of study in this Executive Master of Business Administration.

May Allah the almighty blessed for your kindness and prosperity be with you forever.

Amin!

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

World tourism industry scenario particularly of the East Asia Pacific show a positive growth and directly influence the tourism industry development and tourist arrivals in Malaysia. Globally, total international tourist arrival by region forecasted by Global Stats. Corp (1997) an annual growth rate between 5% - 7%. This is a good indicator for any tourism businesses that interrelated with tourism such as hoteliers, resort operator, airlines, travel operators and agencies, theme park operators etc.

The tourism industry in Malaysia is still considered new compared to the rest of the ASEAN countries. Malaysia tourism industry, on the other hand, generated RM 21.3 billion last year, while for 2004 we are estimated 15 million tourist arrivals, it is expected to gain RM 30 billion in revenue. As for Terengganu per say, the tourist arrival is expected 1.6 Million compared to 1.3 Million in 2003. After the Barisan Nasional won over the PAS ruled government last April 2004, the newly ruled government is promoting tourism industry as the catalyst for the economy revenue especially for foreign exchange. Tourism sector is the second highest earner of GNP with RM 522.7 in 2003.

Terengganu State will be launching Visit Terengganu Year in 2007 and have allocated some budget RM 2.4 million solely for promotion and RM 5 million for infrastructure and superstructure development. The positive trend also reflected in tourism businesses such as travel agency which is an important