
"We're never going to be a beach destination in the same league as the Seychelles or the Maldives. Then again, they don't have what we have."



iGeorgeTown

The Tua Pek Kong Temple.



Daniel Lee

Marco Battistotti: In spite of industry perception, Penang is still a popular tourist destination.



Daniel Lee

Right: Michael Saxon. "I think a little chaos is just part of Penang's character."

Ooi also felt that the state of Penang's beaches had little bearing on its popularity as a holiday destination. "Even if we had crystal clear sea on our doorstep, think about the level of development Penang has achieved and all the traffic on the island. We're never going to be a beach destination in the same league as the Seychelles or the Maldives. Then again, they don't have what we have," she stressed, "including our well-known Penang Hill and the lesser known National Park – both of which are our 'green' heritage. These two products have great potential and should be built upon."

She does accept that regulating the illegal water sport operators along Batu Ferringhi's beachfront is a priority and Battistotti agreed. "This free-for-all that tourists have to face with the watersports operators, many of whom aren't fully recognised or insured, is not acceptable," he said. "We need to regulate the operators to give our visitors a fun and safe experience."

Aside from attempting to improve Penang tourism's physical infrastructure, Ooi is aware of the draw of Penang's arts and culture. "One of my immediate tasks is to bring together the arts community in Penang and try to co-ordinate their performances and events so that both locals and tourists have a coherent idea of what is going on from month to month. Penang's arts and culture are a real selling point and this ties in with my goal of cross-promoting Penang and other Malaysian

destinations. Direct flights from Penang to Langkawi, Sarawak and Sabah make this highly possible. I want PGT to co-operate and build partnerships with other agencies. We are obviously limited by what we can do with our budget, so it will take effective, savvy networking to make this go further. What gives me plenty of optimism is the board of directors of PGT. The CM has selected a group of very knowledgeable, experienced industry experts and they are very open about sharing their opinions and ideas with me and my team. Their backing is really crucial to our success."

Penang-based cultural advocate, Joe Sidek believes that Penang's tourism is finally moving in the right direction. 'I really think that we have the right people in the right places now. There's a very obvious change in attitude and there is a new energy about Penang. It's great to see Khazanah and the World Heritage Office in Penang working hand in hand with various government agencies and the private sector. I believe that there is a great leeway for creativity in Penang,' he enthused.

Ooi said building strong tourism links within Malaysia is another priority. "Although there are increasing direct international air links between Penang and the rest of the world we must capitalise on incoming tourists to Malaysia. Think about the numbers of MICE visitors to KL alone. If we can make a concerted effort to divert a fraction of these to Penang for pre- or post-conference R&R, we can really boost its tourism arrivals."

Battistotti observed that Penang is well-positioned to be a MICE destination in its own right. "Close to 70% of global MICE events involve between 1,000 and 3,000 participants and Penang has facilities in place. An added advantage is the close ties between the island and the manufacturing industry which has been present here since the 1970s. There are so many big name MNCs in Penang, so naturally we are a preferred MICE destination for them."

The other ties Ooi plans to rekindle are with George Town's twin cities – Adelaide, Medan, Yokohama, and Xiamen. "I will need to understand more about the history of these relationships before reviving activities. Adelaide used to hold a Penang Week in Australia, while we held the South Australia Week here."

She readily admitted that 2009 was all about getting PGT's housekeeping in order and is positive that 2010 will be an important year. "We spent the latter part of 2009 identifying gaps and ways to plug them as well as building relationships with industry players locally and internationally. To me, building on Penang's niches is crucial if we are to stand out globally. Why replicate what others are doing? Let's do what we're good at, and excel. We can gain a lot from complementing other cities or regions rather than trying to compete in areas where we have to start from scratch. We're in the midst of finalising an exciting new campaign for Penang. I won't give too much away at this point but it's definitely going to have an impact and get people talking."

Now that might just keep the critics quiet. ☺



Daniel Lee

Talking heritage

Khoo Salma Nasution (pic), the new president of the Penang Heritage Trust (PHT) and local historian was all pragmatism as she discussed the implications of George Town's Unesco listing for Penang's tourism. "I think it's fairly obvious that in the hierarchy of tourism offerings, the George Town World Heritage Site (WHS) comes first. It puts Penang on the map instantly. The message should be in all our promotions. There is nothing at the airport or cruise ship terminal to say that there is a World Heritage Site in Penang. Putting up posters and tourism information at entry points would be a good start."

Khoo believes that more effective partnerships need to be forged between the heritage enclave and the Batu Ferringhi tourist belt – where most of the island's four- and five-star resorts are situated. "Tourists are looking for the best of both worlds. They can stay at the beach and still visit a historic city. Or stay in the World Heritage Site and spend a night at the beach. The travel industry can create packages that combine both."

"Ensuring George Town can maintain its WHS status is a balancing act. On one hand we see a need for more hotel rooms in and around the heritage area, but height restrictions need to be followed. However, with the emergence of boutique hotels in George Town, the heritage areas are undergoing gentrification. It can be tricky making sure that we have a win-win situation for all involved."

"The tourism industry, especially hotels and inbound tour operators, can certainly do a lot more to help safeguard our living heritage. They need to plough some of their profits back into community and conservation. The real stakeholders such as craftsmen and artists who live in the heritage enclave should see some financial benefits. Heritage and cultural tourism have to be sustainable and viable in the long term," Khoo stressed.



PENANG TOURISM SURVEY – AN OVERVIEW

By Richard Ho

PENANG'S TOURISM SECTOR has always been one of the key revenue generators for the state economy, yet the provision of dependable statistics and information in support of policy-formulation and service/infrastructural upgrades has always been a major challenge. This is due to the complications of disaggregating statistics relating to Penang tourism (such as visitor numbers, tourism services revenues, etc) from base numbers recorded for the national tourism sector.

How will data be captured?

In view of the information gaps and the need for credible statistical assessment indicators pertaining specifically to the Penang tourism sector, a series of Penang Tourism surveys were conducted in the years prior to 2007 by the Socio-Economic and Environmental Research Institute (SERI), utilising a standardised form given to a sample pool of respondents.

The previous surveys were framed under two major components:

- **Monthly Estimated Visitor Arrivals Survey (MEVS)**

The data come from respondents from selected Penang hotels, and from captured statistics pertaining to monthly guest numbers, the number of room nights sold, monthly revenues, nationality of guests, etc.

- **Visitor Profile Survey (VPS)**

Comments and feedback are captured via a questionnaire circulated among visitors to Penang, with survey forms released and completed by respondents "on-site" at tourist attractions in the state.



Kinong Wan Yee Poh

Data gleaned from VPS questionnaires and statistically significant samples (of hotel guest numbers) from MEVS feedback are then used to project "numbers" considered important to the industry, including indicators such as estimates of total visitor arrivals in Penang, projected growth trends in visitor arrivals, and the popularity of /comments on/criticism of tourist spots.

Projecting the arrival numbers of both international and domestic visitors is a significant exercise (as credible statistics are critical for the authorities to understand the trends and policy needs of Penang's tourism sector). But it is fraught with challenges. Methods for assessment and projection, which are constantly reviewed, are needed to handle data that comprises "representative samples".

Going online

With the need for sound statistical indicators to guide policy formulation and continuously improve Penang tourism and its related sectors, it was proposed that the Penang Tourism Survey be brought back and re-launched in 2010 after a hiatus of about two years. SERI will once again play a key role in

coordinating the survey by designing and maintaining a web portal-based survey that utilises an upgraded online module for capturing information pertinent to tourism sector indicators.

The new 2010 Penang Tourism Survey will initially compile and retain the standard baseline indicators such as numbers of hotel guests, hotel revenues, average occupancy rates, estimated visitors arrivals in Penang, etc. But it will be expanded to incorporate new indicators as the need arises. The new online survey format is designed to be a value-added survey tool capable of capturing, synthesising and transmitting data and statistics in a more efficient manner. SERI and its commissioned experts will analyse the data to serve the information needs of Penang tourism's key players, such as Penang Global Tourism, the hotel and hospitality industries, as well as other related services and sectors. ☺

Richard Ho joined SERI in 2008. His interests include reading, writing and history, which he feels are good reflectors of life and issues that matter.

PENANG TOURISM EXPERIENCING NEW TRENDS

As the number of flights into Penang, especially from Singapore, increases, its impact on tourism in the state is expected to be significant. Latest figures also confirm Penang's strengths in attracting tourists from different countries.

By Ong Wooi Leng

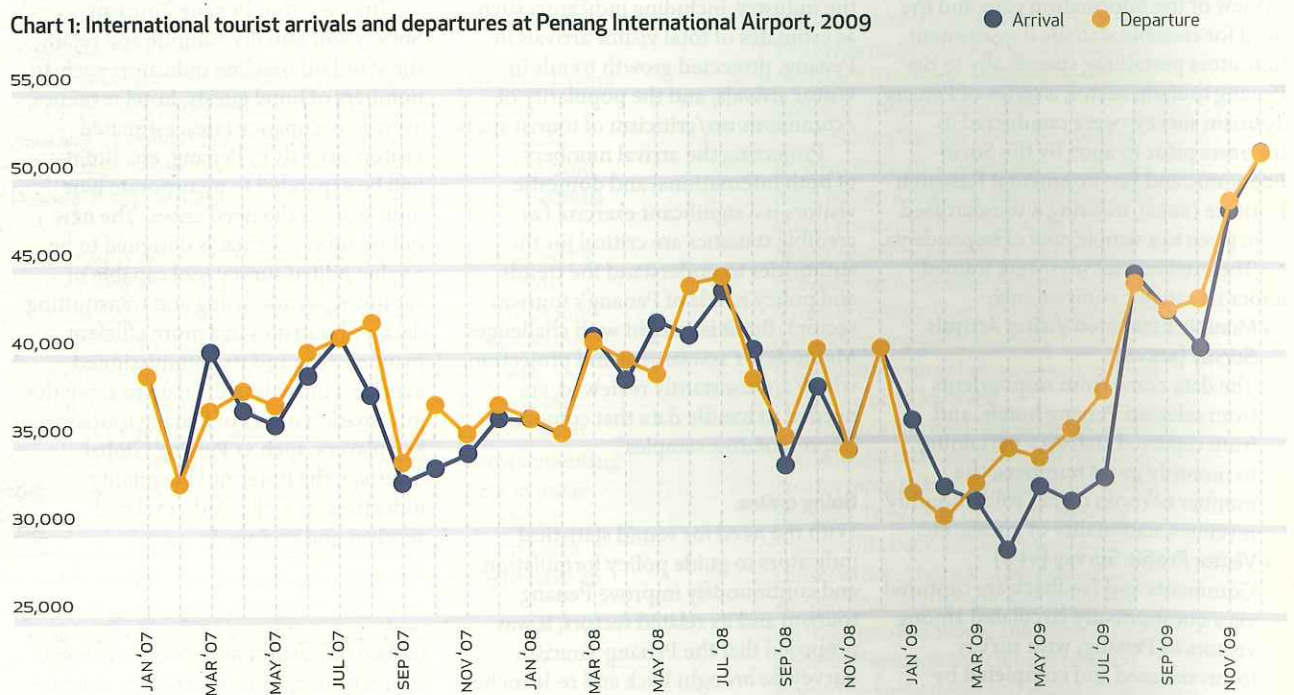
INTERNATIONAL TOURIST ARRIVALS and departures at Penang International Airport showed unstable growth between 2007 and 2009, hovering around 30,000 to 45,000 per month (Chart 1). The contraction of the national economy at large by 1.7% in the last quarter of 2009 notwithstanding, the figure jumped to 53,000 in the same period.

This is all the more noteworthy given the fact that arrivals and departures typically peak in July and August, with April and September being the slow periods.

At the same time, the average hotel occupancy rate oscillated throughout 2009 (Chart 2). Beach hotels were highly in demand in the first quarter while city hotels were popular in the second and last quarters. On average, hotels were highly occupied in July. Interestingly, the hotel occupancy rate does not show any close correspondence to flight arrival trends.

With recent increases in the number of flights to and from Penang, inbound tourism has increased considerably. For 2009, visitors from Indonesia and Singapore made up over half of the total international tourist arrivals at Penang International Airport. About 36% flew in from Indonesia while 18% came from Changi Airport (Chart 3). Travellers from mainland China, Hong Kong and Macau together contributed about 6.5%. Other major disembarkation countries for Penang arrivals were Japan (5.2%), Taiwan (4.7%), Thailand (4.1%) and the United Kingdom (3.8%).

Chart 1: International tourist arrivals and departures at Penang International Airport, 2009



Source: Immigration Department of Malaysia.

Chart 2: Average hotel occupancy rate for Penang, Jan–Nov 2009



It is often noted that Penang's tourism sector is the second largest contributor to its economy, after the manufacturing sector. This holds true at the national level as well, with tourism recording the second largest export income for Malaysia (after manufacturing), making up about seven per cent of the total.

Unfortunately, there are no official statistics that specify, in figures, the importance of Penang's contribution to Malaysia's tourism revenue. But given the jump in arrivals at Penang's airport, that share is bound to increase.

Surprisingly, statistics show that visitors from Singapore, the largest group of arrivals for the country, seldom visit Penang. Chart 4 shows that although over half of the total international tourist arrivals in Malaysia are from Singapore, only 1.3% fly into Penang. While this may suggest that the Penang tourism industry has not been in the best of health, it must be remembered that arrivals by land are not included in these figures. At the same time, a considerably larger proportion of visitors from Indonesia (14%) and Japan (12.3%) do end up in Penang. While the presence of Japanese manufacturing plants in Penang may explain the large number of arrivals from Japan, it is the availability in Penang of education centres that explains the arrivals from Indonesia.

Furthermore, Indonesia was ranked first whilst Japan came fourth in tourist-generating markets (Table 1). At the national level, Indonesia and Japan came in second and 10th, respectively.

Ong Wooi Leng is a research analyst at the Socio-Economic and Environmental Research Institute (SERI).

Penang's tourism sector is the second largest contributor to its economy.

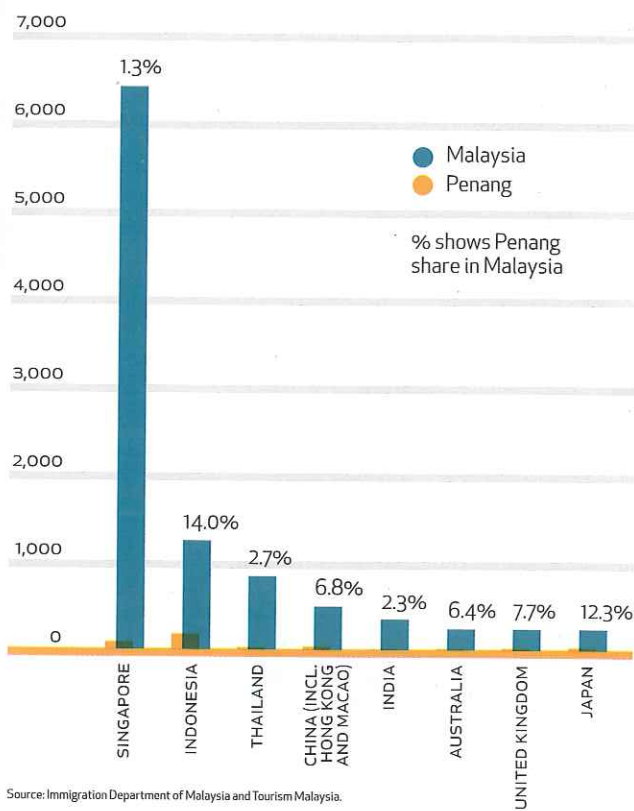


Chart 3: Major countries of disembarkation for arrivals at Penang International Airport, 2009



Source: Immigration Department of Malaysia.

Chart 4: Selected tourist-generating countries for Malaysia and Penang, 2009



Source: Immigration Department of Malaysia and Tourism Malaysia.

Table 1: Top 10 ranking for international tourist arrivals in Penang and Malaysia, 2009

Rank	Penang	Malaysia
1	Indonesia	Singapore
2	Singapore	Indonesia
3	China (including Hong Kong and Macau)	Thailand
4	Japan	Brunei Darussalam
5	Taiwan	China (including Hong Kong and Macau)
6	Thailand	India
7	United States	Australia
8	United Kingdom	Philippines
9	Australia	United Kingdom
10	India	Japan

Source: Immigration Department of Malaysia.