



Tourist arrivals to Malaysia from Muslim countries



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ABSTRACT

The Malaysian government has introduced many Muslim-friendly tourism initiatives to attract Muslim tourists. However, the number of tourist arrivals to Malaysia from Muslim countries is smaller than the number of arrivals from non-Muslim countries, which calls into question the effectiveness of Muslim-friendly tourism initiatives. This study used the bilateral tourism flows gravity model to estimate the effect of Muslim country on the number of tourist arrivals. The results show that the Muslim country effect is positive, where it increases arrivals by about 90% relative to non-Muslim countries. The low number of arrivals from Muslim countries is due to the low per capita income of many Muslim countries; furthermore, the populations of Muslim countries with high per capita income are typically small. The geographical distance of Muslim countries from Malaysia is also a factor that constrains the number of arrival.

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1. Introduction

In March 2010, the government of Malaysia launched the New Economic Model (NEM), an economic plan to transform the nation's economy due to concerns over the middle income trap¹ and the country's ability to achieve its Vision 2020 goal of becoming a high-income nation. One of the NEM's initiatives is the creation of national key economic areas (NKEAs). The NKEA initiative leverages Malaysia's competitive advantages by prioritizing investment and policy support behind a limited number of chosen key growth engines. These NKEAs receive prioritized government support, including funding, top talent, and attention from the Prime Minister's Department. The tourism sector, which in 2012 accounted for 16.4% of Malaysia's total employment and 12.5% of its gross domestic product (GDP), is one of these NKEAs (Department of Statistics, 2014). The goals of the tourism NKEA are for the tourism sector to contribute RM103.6 billion in gross national income (GNI) and generate 36 million tourist arrivals, with receipts per tourist arrival of RM4675 and total tourist receipts of RM168 billion, by 2020; these target figures are approximately 1.5 to 3 times greater than the 2009 figures (PEMANDU, 2014).

The Malaysian government has introduced many initiatives to increase socioeconomic returns from tourism activities; thus, a better understanding of the factors that drive Malaysian tourism sector is essential. Studies have shown that religion is an important factor in explaining tourist arrivals, since tourists prefer to visit countries with

similar religious and cultural backgrounds (e.g., Henderson, 2011; Poria, Butler, & Airey, 2003; Vietze, 2012). Religious pilgrimage sites are also important for both adherents of a particular religious system and the countries in which they are located. In the case of Malaysia, about 60% of the population is Muslim, and Islam is the official religion; therefore, it is expected that tourist arrival patterns to Malaysia from Muslim-majority and non-Muslim-majority countries will differ. A growing interest in Muslim-friendly tourism, family-friendly tourism, halal tourism, or Shariah-compliant tourism in many Muslim countries, especially Middle Eastern countries, suggests that tourists from Muslim countries prefer to visit other Muslim countries; indeed, this interest has taken the form of tour packages that conform to Islamic teachings regarding behaviors, dress code, conduct, and diet (Javed, 2007). The increasing number of Muslim travelers, partly due to post-9/11 reorientation, has also motivated stakeholders in the tourism sector to introduce Muslim-friendly facilities to directly meet the needs of Muslim tourists (Battour, Ismail, & Battor, 2010).

In order to serve the growing interest of Muslim tourists, the government of Malaysia launched the Islamic Tourism Centre (ITC) in 2009 "to assist the Ministry of Tourism, Malaysia in undertaking strategic tourism research and market intelligence as well as providing training and capacity-building services in relation to Islamic tourism" (ITC, n.d.). The ITC introduced the Islamic Tourism Blueprint 2012, wherein it outlined a strategic plan for the development of Islamic tourism in Malaysia via the implementation of Islamic tourism standards and quality control of management and operations.

Even with these different initiatives and the heightened interest in Muslim-friendly tourism, the number of tourist arrivals from Muslim-majority countries in Malaysia is fewer than the number of tourists from non-Muslim-majority countries (hereafter, Muslim and non-

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¹ The middle income trap is an economic theory that explains the reasons why a middle-income country is trapped at that level.

Muslim countries). The objective of this study is to examine tourist arrival patterns in Malaysia from Muslim and non-Muslim countries. A positive Muslim country effect would indicate the importance and need of supporting and intensifying Muslim-friendly tourism initiatives such as the ITC for the development of Malaysia's tourism sector.

This study employed the bilateral tourism flows gravity model to examine Muslim country effect on the number of tourist arrivals, using membership in the Organisation of Islamic Cooperation (OIC) as a proxy for tourist arrivals to Malaysia. OIC membership can be used as a proxy because Islam is the dominant and often formal or informal state religion of OIC member countries. The gravity model used in this study differs from those used by previous studies to examine Malaysia's tourism sector in that the data are more comprehensive: This study included 171 countries with a range of tourist arrival numbers, while previous studies only selected countries with high numbers of tourist arrivals because of a paucity of available data; however, the omission of countries with fewer arrivals could bias study results. The bilateral tourism flows gravity model was estimated using ordinary least squares (OLS) and quantile regression (QR).

2. Tourism and Islam

Religion and religiosity affect tourism in both positive and negative ways (della Dora, 2012; Hyde & Harman, 2011). Religion promotes tourism through religious pilgrimages and cultural affinity via shared belief systems (Balaam & Dillman, 2015). Conversely, religion negatively affects tourism via the enactment of explicit policies that discourage tourists who do not adhere to the dominant religion of a country (Cohen, 1998). Concerns over the possible incompatibility between non-Muslim tourist behaviors and Islamic cultural values, divergent religious habits, and the perceived influence of foreign customs and beliefs on local traditions have also invoked negative attitudes toward tourism in certain localities in Muslim countries (Haija, 2011; Joseph & Kavoori, 2001). These concerns, caused by either insensitivity and/or unawareness on the part of tourists, vary across countries. In certain Muslim countries, Brunei and Saudi Arabia for example, tourism is not a development priority because of the religious incompatibilities (Baum & Conlin, 1997; Zamani-Farahani & Henderson, 2010). As a result of such incompatibilities, some countries have established segregated areas for tourists. For example, resorts tend to be located inland rather than in coastal areas, especially in the Middle East (Domroes, 2001; Poirier, 1995; Timothy & Iverson, 2006). Meanwhile, the Maldives has developed segregated resort islands for tourists (Shakeela & Weaver, 2012). However, in Malaysia and popular Mediterranean destinations such as Egypt and Morocco, tourism is accepted by a majority of the population because of its significant contribution to their economies (Din, 1989). Differences in the degree of acceptability of tourists by the local population can be attributed to the religious and cultural heterogeneity of Muslim countries. Acceptance of tourism varies depending on particular interpretations of Islam, local cultures and communities, relative degrees of liberalism, and state intervention in religion and cultural affairs (Zamani-Farahani & Musa, 2012).

Despite negative perceptions about tourism activities in some localities and countries, Islam is not actually opposed to tourism (Aziz, 1995), as suggested by different verses in the Quran and Hadith (see Zamani-Farahani & Henderson, 2010). The Quran refers often to travel, and Muslims are encouraged to travel in order to gain knowledge, associate with other Muslims, and enjoy and appreciate Allah's creations (Falk, Ballantyne, Packer, & Benckendorff, 2012; Jafari & Scott, 2014). As stated in the Quran: "Travel through the earth and see how Allah did originate creation; so will Allah produce a later creation: for Allah has power over all things" (29:20); and, in another verse: "Travel through the earth and see what was the end of those who rejected truth" (6:11). In fact, one of the pillars of Islam, the pilgrimage to Mecca, requires travel. Furthermore, Islamic literature is full of instances

and depictions of travel and voyages such as those taken by Ibn Batutta, Ibn Jubayr, and al-Tahtawi (Euben, 2008; Touati, 2010).

However, allowance for travel and tourism is subject to the fulfillment of religious duties such as prayer and the consumption of halal products, and must not go beyond Shariah rules and obligations. This suggests the need for tourism operators to be aware of Muslim tourist needs, especially in regards to religious practices. The absence of prayer facilities and halal products can make traveling to non-Muslim countries an inconvenient experience for Muslims. Efforts to tap into this issue by introducing Islamic tourism products have vastly increased because of the potential profits involved. The terms Islamic tourism, Muslim-friendly tourism, family-friendly tourism, halal tourism, and Shariah-compliant tourism have been used to designate tourism targeted toward practicing Muslims (Ala-Hamarnneh, 2008; Duman, 2011; Henderson, 2011; Shakiry, 2006). The ITC defines Islamic tourism as any activity, event, or experience undertaken in a state of travel that is in accordance with Islam. However, it also stresses that Islamic tourism is not exclusive to Muslims. Islamic tourism can be undertaken by non-Muslims, as it only adds services and products required by practicing Muslims, such as halal food, prayer facilities, and Islamic places of interest and attractions (ITC, n.d.). Standards for Islamic tourism such as CrescentRating and myRating have been used to provide information and attract Muslim tourists. Studies have also looked into requirements for Shariah-compliant hospitality services and hotels (see Othman et al., 2015).

In addition to the profit potential, Islamic tourism may also ease fears associated with the negative influence of tourism on local Muslim communities. Efforts to promote Islamic tourism may change the perspective of such communities about the tourism sector, since the acceptance of tourism activities is interwoven with religious, economic, social, and political factors.

3. The tourism sector and Malaysia's economic development

In 1972, the Malaysian government initiated the Tourism Development Corporation (TDC), which is responsible for the coordination, development, and promotion of domestic and international tourism, and placed it under the auspices of the Ministry of Trade and Industry (MITI). The TDC initiative was partly the result of the 1972 conference of the Pacific Area Travel Association (PATA) held in Kuala Lumpur (Marzuki, 2010). The conference also led to the development of a National Tourism Master Plan (1975). The TDC's initial efforts to promote tourism were concentrated on the development of a basic tourism infrastructure. In the 1980s, however, the tourism sector was given higher priority because of declining exports due to the global recession. In 1987, the government established the Ministry of Tourism and Culture in order to enhance the tourism sector's contributions to the economy; it was later renamed the Ministry of Culture, Arts, and Tourism (MOCAT). In order to further improve the tourism sector, the government established the Malaysia Tourism Promotion Board (MTPB) in 1992 via the Malaysia Tourism Promotion Board Act (1992); the MTPB was placed under the auspices of MOCAT. The MTPB replaced the TDC in supporting the tourism sector, with the objective of encouraging tourism and related industries that could ultimately increase investment and employment opportunities and thus contribute positively to Malaysia's economic development and overall quality of life.

With the help of various government agencies, the tourism sector has contributed significantly to Malaysia's economic growth and development, both directly and indirectly, by inducing production and consumption. The tourism sector generates high multiplying effects and strong forward and backward linkages with other economic sectors (Mazumder, Ahmed, & Raquib, 2011; Salleh, Othman, Hasim, & Jaafar, 2012). The significant contribution of the tourism sector to Malaysia's economy is also supported by causality studies on the relationship between tourism and economic growth (Tang, 2013; Tang & Tan, 2013). The importance of the tourism sector to Malaysia's economy is also shown in Fig. 1, which illustrates the tourism sector's share of gross

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