

## INTRODUCTION

The COVID-19 pandemic brought the entire tourism industry to a grinding halt as the government, along with its counterparts around the world, took measures to contain the spread by closing borders, causing massive job and revenue losses. Many hotels shuttered, while some travel agencies and businesses folded as their funds dried up. In 2020, Malaysia's economy contracted by 5.6 per cent from a growth of 4.4 per cent in the preceding year due to the restrictions on economic activity resulting from the containment measures in response to COVID-19 pandemic. Malaysia registered a total of 4.3 million international tourist arrival in 2020, down 83.4 per cent as compared to 26.1 million recorded in 2019. The report is as below:

ITEM/YEAR	2019	2020	GROWTH
<b>Tourist Arrivals</b>	26,100,784	4,332,722	-83.4%
<b>Tourist Receipts</b>	RM86.14 billion	RM12.69 billion	-85.3%
<b>Per Capita Expenditure</b>	RM3,300	RM2,928	-11.3%

Source: Tourism Malaysia (2020)

For Kedah, the district of Langkawi was the most affected as tourism industry has the main contribution in the economic activities of the district. Langkawi Island, which is among Malaysia's premier tourist destinations reported the number of both domestic and international tourist arrivals to Langkawi has been increasing significantly before the pandemic. However, in 2020, Langkawi Island reported tourist arrivals of 1.80 million as compared to 3.92 million in year 2019.

## METHODOLOGY

The methodology technique used for this study is to imply secondary information from various sources published by the government. Secondary data is used to give a better overview and understanding of the issues under study and these are gathered from various state and district publications. The time series data of 2018 to 2020 was from the Department of Statistics Malaysia, Tourism Malaysia and Langkawi Development Authority (LADA). This study conducts a descriptive method using the secondary data.

## OBJECTIVE

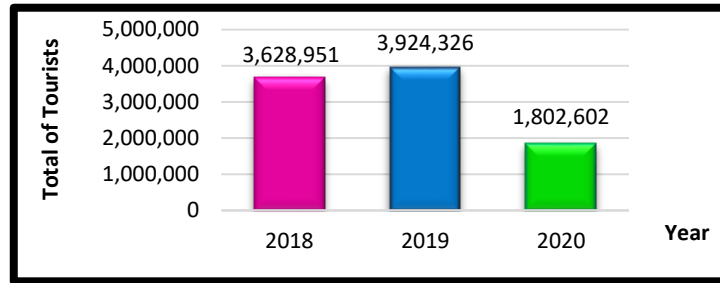
The objective of this paper is to examine the future impact of COVID-19 on tourism industry in Langkawi due to Movement Control Order (MCO).

## RESULTS



### (a) Impact of COVID-19 to Tourist Arrival

In Langkawi Island, the huge drop phenomena happened when the border was closed due to the enforcement of the MCO. LADA's data was obtained through the number of visitor arrivals at the contact points of Langkawi covering the Jetty Complex, Cruises, Yachts, Airport and Langkawi Port. The tourist arrivals drop dramatically and the situation has become very challenging in 2020. LADA reported tourist arrivals totaling of 1.8 million in year 2020 as compared to 3.92 million in 2019 (-54 per cent) as shown below:

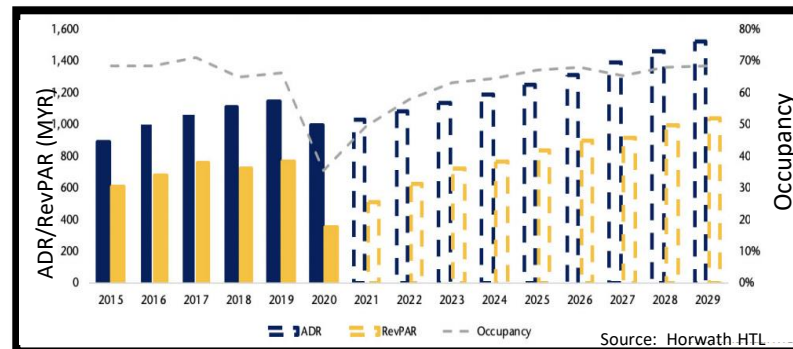


Source: Langkawi Development Authority (LADA)



### (b) Impact of COVID-19 to Hotel Industry

According to Kedah Tourism Manager, since the COVID-19 outbreak and enforcement of the MCO in March 2020, many tourism operators in the state had to shut down as they could not afford to sustain their businesses due to financial difficulties. Referring to the Market Report – March 2021 on Performance Outlook 2015-2029 by Horwath HTL as shown below:



Source: Horwath HTL

### (c) Impact of COVID-19 to Aviation Industry and Ferry Transport



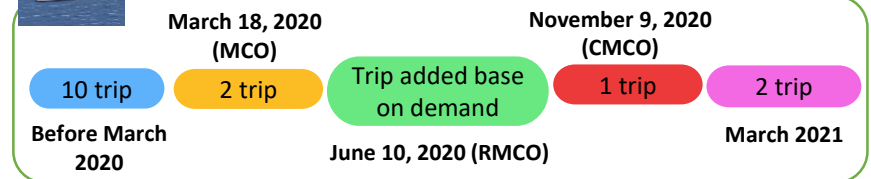
Aviation Industry & Ferry Transport also required to comply with the government directive of enforcing the MCO. In 2020, a significant decline of aircraft movements (-67.2 per cent) and passengers (-53.1 per cent) at Langkawi International Airport. The report for 2018 -2020 as below :

YEAR	PASSENGER	GROWTH (%)	AIRCRAFT MOVEMENT	GROWTH (%)
2018	2,735,703	-	37,528	-
2019	2,946,189	7.7	44,599	18.8
2020	967,512	-67.2	20,915	-53.1

Source: Civil Aviation Authority of Malaysia (2020)



Ferry services scheduled for the Langkawi - Kuala Kedah and Langkawi - Kuala Perlis routes per daily had been reduced.



### (d) Malaysia's Economic Stimulus Package



The main highlights of the PRE2020 such as tax incentives, financial relief in restructuring of loan or postponement of repayments to banks, etc. and discount on electricity bills to reduce the operating cost had been offered in order to ease Malaysia's tourism industry players.

## CONCLUSION

Malaysian government had imposed the MCO, travel restrictions and banned tourists from around the world since March 18, 2020 in order to flatten the curve. Most of the tourism industry started to re-operate since June 10, 2020 when the RMCO was implemented. The huge and adversely impacted the Malaysia's tourism industry significantly with a negative growth in the number of tourist arrivals, occupancy rate of accommodation and transportation to the Langkawi Island. The Malaysian government announcements of six assistance packages, namely PRIHATIN, PRIHATIN SMEs, PENJANA, Kita PRIHATIN, PERMAI and PEMERKASA were expected to ensure the sustainability of the Malaysian's tourism industry.