THE ECONOMIC IMPACT OF TOURISM IN MALAYSIA: AN INPUT OUTPUT ANALYSIS

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ABSTRACT

Tourism industry is the second biggest contribution to Malaysia’s economic growth. This study aims is to measure the economic impact of tourism to the Malaysian economy through the use of input output analysis. Using input output table 2005 which published by Department Of Statistic Malaysia, the tourism sector was disaggregate from the rest of the economy. The economic multiplier and inter sectoral linkages of 21 sector from Malaysian Input Output Table 2005 were analyzed using Microsoft Excel Software. The multiplier results showed tourism contributes significantly to the economy in term of generating output and household income. Inter sectoral linkages analysis showed tourism is a key sector in creating demand and stimulating production within the sector as well as other sector of the economy.
ABSTRAK

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# TABLE OF CONTENT

## CERTIFICATION OF THESIS WORK

## PERMISSION TO USE

## ABSTRACT

## ABSTRAK

## ACKNOWLEDGEMENT

## TABLE OF CONTENTS

## LIST OF TABLE

## LIST OF FIGURES

### CHAPTER 1: INTRODUCTION

1.1 Introduction 1

1.2 Tourism In Malaysia 3

1.2.1 Visitors Arrivals, Gross Receipts and Tourism Development Effort 3

1.2.2 Hotel, Restaurant and Travel Agent in Malaysia 8

1.2.3 Number of Tourist Destination Site in Malaysia 10

1.3 Problem of Statement 12

1.4 Objective of Study 14
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

2.2 Economic Impact of Tourism

2.3 Empirical Evidence of Economic Impact Analysis of Tourism

2.4 Basic Structure of Input Output Model

2.5 Tourism Economic Multiplier
   2.5.1 Output Multiplier
   2.5.2 Income Multiplier

2.6 Total Economic Impact analysis of the tourism sector.

2.7 Tourism Inter Sectoral Linkage Analysis

CHAPTER 3: METHODOLOGY

3.1 Introduction

3.2 Data Source

3.3 Data Analysis Method

3.4 Estimate of Tourism Economic Multiplier
   3.4.1 Output Multiplier
   3.4.2 Income Multiplier

3.5 Total Economic Impact Of Tourism Sector
CHAPTER 4: RESULT AND DISCUSSION 41

4.1 Introduction 41

4.2 Macroeconomic Indicator of Malaysian Economy 42
   4.2.1 Gross Value Added of Malaysian Economy 44
   4.2.2 Sector Gross Domestic Product (GDP) of Malaysia 45
   4.2.3 Intermediate Input of Malaysian Economy 46

4.3 Multiplier Effect of Seven Primary Tourism Sector in Malaysia 48
   4.3.1 Output Multiplier 48
   4.3.2 Income Multiplier 49

4.4 Tourism Inter Sectoral Linkage in Malaysia 50

CHAPTER 5: CONCLUSION AND RECOMMENDATION 53

5.1 Introduction 53

5.2 Summary of Finding 53
   5.2.1 Research Objective One: Economic Impact, Economic Multiplier 53
   5.2.2 Research Objective Two: Tourism Inter Sectoral Linkages in Malaysia 55

5.3 Research Implication 55
5.3.1 Public Sector: Government of Malaysia 56
5.3.2 Private Sector, Local Community, Donors and Regional Organization 56
5.3.3 Academician and Researcher 57
5.4 Recommendation 58
5.5 Conclusion 59

REFERENCES 61
LIST OF TABLES

Table 1.1: Tourist Arrivals and Receipt to Malaysia 5
Table 1.2: Top Ten Tourist Arrival 2010 6
Table 1.3: Top Ten Tourist Receipt 2010 7
Table 1.4: Component of Tourist Expenditure 2010 8
Table 1.5: Hotel and Room Supply 2010/2011 9
Table 1.6: Average Occupancy Rate (AOR) of Hotel by Locally 2010/2011 10
Table 1.7: Employment in the Related Tourism Industries 13
Table 4.1: Value Added and Contribution, 2005 44
Table 4.2: Value and Contribution of Domestic Output, 2005 45
Table 4.3: Intermediate Input, 2005 47
Table 4.4: Output Multipliers 49
Table 4.5: Income Multipliers 50
Table 4.6: Economic Linkages of Malaysia Industry and Tourism Industry 51
LIST OF FIGURES

Figure 2.1: Basic Structure of the Input Output Table 26
Figure 3.1: Overview of the Research Methods and Procedures 35
Figure 4.1: The flow of Goods and Services According to the Input Output Table 43
1.1 Introduction

Tourism comprises the activities of person travelling and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purpose not related to the exercise of an activity remunerated from within the placed visited (World Tourist Organization). In order words, it refers to the temporary, short movement of people outside their residential and working places to some destination and their activities during the stay. In the recent years, tourism has become a popular global leisure and is one of the largest and dynamically developing sectors of external economic activities in a country.

Malaysia is a beautiful country in Southeast Asia, extending from approximately 1° N to 6° 45’ N latitude and 99° 36’ E to 104° 24’E longitude consisting of thirteen states and three Federal Territories, with a total land mass of 329,845 square kilometres (127,354 sq mi). The country is divided into two parts, Peninsular Malaysia and Malaysia
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Estimating the Multiplier Effects of Tourism Expenditures on a Local Economy through a Regional Input-Output Model by Endre Horváth and Douglas C. Frechtling Published in. (1999), 37(4), 324–332.


