



**PETACE**

Penang State EXCO Office  
for Tourism And Creative Economy

PENANG  
**2030**

A Family-Focused Green and Smart State  
that Inspires the Nation

# *Penang Tourism*

## Master Plan **2021-2030**

# *Penang Tourism*

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Master Plan **2021-2030**



Penang State EXCO Office  
for Tourism and Creative Economy  
Level 52, KOMTAR, 10503 George Town, Pulau Pinang

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# Foreword

## by YAB Chow Kon Yeow

The service sector contributes 49% of the State's Gross Domestic Product and has emerged as the top contributing sector towards the economy of Penang, thus overtaking manufacturing. Tourism is the most important industry within the service sector and is a significant source of new jobs and businesses. Our Pearl of the Orient received a boost in 2008 when UNESCO inducted George Town into its World Heritage List, henceforth attracting the world's attention towards Penang, and our tourism industry never looked back.

This Penang Tourism Master Plan is most timely as we are managing the Covid-19 pandemic which had badly affected our tourism sector. While tourism was the first sector to be affected, it was also the first to recover and help the state economy recover. As we are undergoing the National Covid-19 Immunisation Programme, we can now look forward to welcoming more and more tourists to the state to experience what Penang has to offer. Not only do we foresee the growth in tourist activities but we also expect more significant and greater investments into the tourism sector. Thus, this Master Plan shall guide us to develop our tourism sector through more sustainable means.

Penang has always been one of the top destinations to visit in Malaysia and in the region. Among others, it has been listed as one of the Best Places to travel to (CNN, 2019), One of the Best 15 Cities in the World for Food (CultureTrip, 2016), Among 13 Asia's Most Picturesque Towns (CNN Travel, 2019) and Among the Best 15 Islands to Retire On (International Living, 2021 ). Our state attracts tourists from near and far to come and experience a living example of a multi-ethnicity community living together in harmony, reflected through our architecture, cultural activities and food dishes.

At this juncture, I would like to congratulate YB Y eoh Soon Hin, the Executive Councillor for Tourism and Creative Economy, and his team for taking this great initiative and for the successful launching of this document. It is a crucial Plan that will spearhead the growth of the tourism sector in the coming years and thus strategically upgrading our economy to raise household incomes in our pursuit of the **Penang2030** vision.

I believe that the tourism sector will play a more significant role in the economy of Penang and in contributing to a healthier well-being of our community. It also bodes well in promoting greater understanding among foreign visitors on our cultural heritage. Undoubtedly, this Master Plan shall lead Penang ahead of other global destinations and I look forward to a forthcoming bustling tourism sector.



Chief Minister  
of Penang



# Foreword

## by YB Yeoh Soon Hin

I want to take this opportunity to express my sincere appreciation to all involved in the successful production of this Penang Tourism Master Plan (PGTMP). For the first time, the State has come out with a master plan to serve as the blueprint that guides the Penang tourism sector's sustainable development through steady, managed, and organic growth.

This Penang Tourism Master Plan has taken a more holistic approach, integrating opinions from all Penang tourism stakeholders—the government, the industry players, tourism associations, community leaders, Non-Governmental Organizations (NGOs), academicians, students, and many others. We believe in both—the bottom-up approach as well as the top-down approach.

The bottom-up approach involves the stakeholders giving inputs on issues and challenges facing the state tourism sector and suggesting practical strategies and best initiatives to manage the problems. Besides seeking written inputs from the State community leaders, this Master Plan's gist lies in all stakeholders' direct inputs through a series of focus group discussions, dialogues, town hall meetings, interviews, and tourism forums. All these inputs are then carefully calibrated and synthesized, taking into consideration their technical suitability and practicality, and comprehensive site assessments by the consultant team.

This Plan also employs the top-down approach by involving active participation from the top management of the State, through several rounds of focus group discussions (FGDs). This project receives continuous advice from the steering committee to ensure that it is on track and in line with the aspiration and vision, policy, plans, and guidelines of this State.

I believe that the four main thrusts of this Master Plan will lead Penang to become a must-visit premier destination in the world. This Master Plan is about sightseeing beyond George Town. It comes at the right time, as we are recovering from the impacts of the Covid-19 pandemic that hits global tourism. This Master Plan is very much aligned with the new National Tourism Policy (2020-2030) and the vision of **Penang2030**. It opens up a new era for our tourism sector that strategically positions Penang on the tourism world map through a combination and integration of culture, arts and heritage, all of which made up Penang's creative economy. This is aimed at spurring the growth of our creative industries, which will complement Penang's tourism sector and vice versa.

We look forward to more balanced development in terms of tourism products between both areas—the island and Seberang Perai on the Seberang Perai. With positive indicators and awards, together with many exciting initiatives that we earmark for this State, I believe our tourism sector will leapfrog beyond our targets and vision. Kudos to our team of consultants and members of the steering committee for their hard work and dedication towards realizing this Master Plan.



Penang State Exco  
for Tourism and Creative  
Economy





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# Abbreviations

<b>ADUN</b>	Ahli Dewan Undangan Negeri
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>CMI</b>	Chief Minister Incorporated
<b>CNN</b>	Cable News Network
<b>ECER</b>	East Coast Economic Region
<b>EPU</b>	Economic Planning Unit
<b>FGD</b>	Focus Group Discussion
<b>GDP</b>	Gross Domestic Product
<b>GTWHI</b>	George Town World Heritage Incorporated
<b>ICCA</b>	International Congress and Convention Association
<b>ICT</b>	Information and Communication Technology
<b>IMT-GT</b>	Indonesia–Malaysia–Thailand Growth Triangle
<b>KLIA</b>	Kuala Lumpur International Airport
<b>MAH</b>	Malaysian Association of Hotels
<b>MAHB</b>	Malaysia Airports Holdings Berhad
<b>MBPP</b>	Majlis Bandaraya Pulau Pinang
<b>MBSP</b>	Majlis Bandaraya Seberang Perai
<b>MICE</b>	Meetings, Incentives, Conventions and Exhibitions
<b>MOTAC</b>	Ministry of Tourism, Arts and Culture
<b>MP</b>	Member of Parliament
<b>NGO</b>	Non-Governmental Organization
<b>NTP</b>	National Tourism Policy
<b>PCEA</b>	Penang Creative Economy Agenda
<b>PCEB</b>	Penang Convention & Exhibition Bureau
<b>PCET</b>	Penang Centre of Education Tourism
<b>PECC</b>	Penang Exhibition Convention Centre
<b>PESTLE</b>	Political, Economic, Social, Technological, Legal & Environmental
<b>PETACE</b>	Penang Exco for Tourism and Creative Economy



# Abbreviations

<b>PGT</b>	Penang Global Tourism
<b>PGTMP</b>	Penang Tourism Master Plan
<b>PHC</b>	Penang Hill Corporation
<b>PLUS</b>	Projek Lebuhraya Utara Selatan
<b>PMED</b>	Penang Centre of Medical Tourism
<b>PPP</b>	Public-Private Partnerships
<b>PTS</b>	Penang Tourist Survey
<b>PYDC</b>	Penang Youth Development Corporation
<b>RM</b>	Ringgit Malaysia
<b>RSNPP 2030</b>	Rancangan Struktur Negeri Pulau Pinang 2030
<b>SAP</b>	Special Area Plan
<b>SDG</b>	Sustainable Development Goal
<b>SWOT</b>	Strengths, Weaknesses, Opportunities, And Threats
<b>TRAP</b>	Tourism Recovery Action Plan
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>USM</b>	Universiti Sains Malaysia
<b>USP</b>	Unique Selling Proposition
<b>UiTM</b>	Universiti Teknologi MARA
<b>UNWTO</b>	World Tourism Organization
<b>WTTC</b>	World Travels & Tourism Council

# Executive Summary

The Penang State Government, through PETACE, has taken the initiative to formulate this Penang Tourism Master Plan (PGTMP) to steer the growth of the State tourism sector for the next ten years (2021-2030). This Master Plan sets goals for sustainable tourism development. It strengthens Penang's competitive positioning as a premier destination by drawing up the strategies and initiatives to be implemented by the stakeholders in two phases, namely phase 1 (2021-2025) and phase 2 (2026-2030). This Master Plan utilizes holistic and integrated approaches, gathering inputs from multiple sources, including reviews on reports and policies, site evaluations, in-depth interviews, and meetings and series of Focus Group Discussions (FGDs) and town hall sessions. The FGDs and town halls engage all state tourism sector stakeholders, namely - the local governments, tourism industry players, Non-Governmental Organizations (NGOs), political leaders, local councillors, students, academicians, and the community leaders. The FGDs and town hall sessions deliberated on the central issues and challenges facing the Penang tourism sector, reviewed the changing and future tourism trends and proposed strategic initiatives to manage the issues and enhance the tourist experience further when visiting this state.

The consultant team has also conducted the ground-truthing exercises on sites and attractions found across the state. Data collected during the site assessments are synthesized, and eventually, primary and secondary tourism products are identified. The team also conducted a sample survey to assess Penang's attractiveness as a tourist destination versus other primary attractions across the region. All data—both secondary and primary—are screened to provide both macro and micro overviews of potential strategies to realize a dynamic and sustainable tourism growth in Penang. It includes a special section on the Tourism Recovery Action Plan (TRAP) which spells out strategies and actions taken by the State government to manage the impacts of the Covid-19 pandemic.

This Master Plan has **four main thrusts** of future tourism development for Penang. They are (A) Diversification of tourism products, (B) Positioning Penang as a premier destination, (C) Ensuring sustainable and responsible tourism, and (D) A smart tourism destination. These thrusts are supported by **11 sub-thrusts**, consisting of **84 initiatives** and **13 signature projects**. This Master Plan also spells out the time frame of project implementations and the expected duration of the said initiatives. A summary of all initiatives is also provided at the end of this document. This Master Plan shall be monitored and evaluated continuously to ensure that all proposed initiatives are carried out according to the time frame and their concepts and objectives. This Penang Tourism Master Plan must be adopted by all relevant government departments and agencies as the strategic direction, and all initiatives agreed are being implemented effectively to ensure that this Master Plan achieves its targets and vision.

# 1.0

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## PENANG TOURISM MASTER PLAN

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**KOMTAR** the landmark  
building of George Town



# 1.0 PENANG TOURISM MASTER PLAN

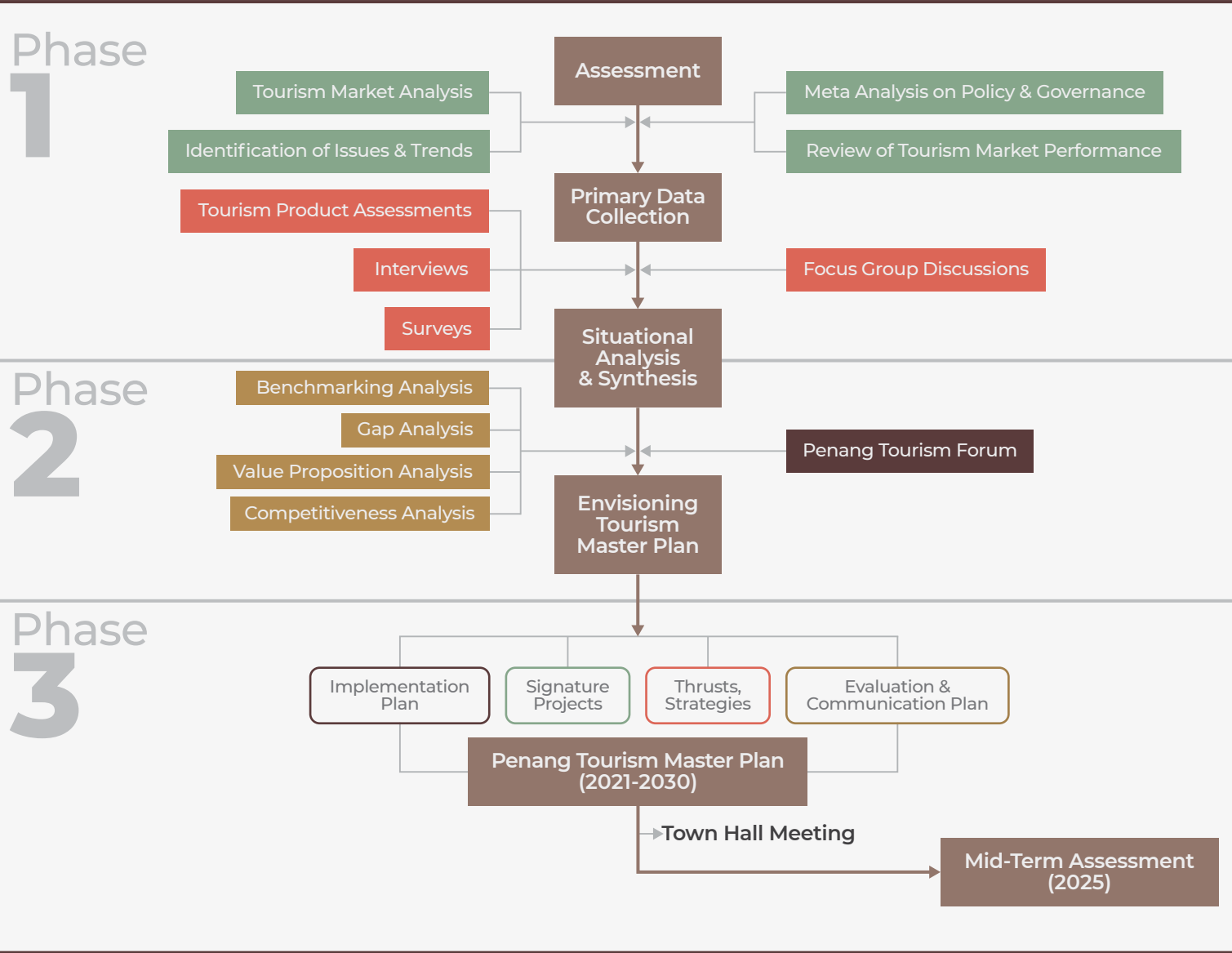
## Objectives

The Penang State Government, through PETACE, has taken the initiative to produce the state's Tourism Master Plan (PGTMP) (which will also be referred to as the Master Plan or the Plan throughout this document. This Master Plan, among many things, analyzes the industry of tourism, heritage, culture and art to create a ten-year Master Plan for the state of Penang. This 10-year Master Plan is to set goals for sustainable development and strengthens the competitive positioning of Penang's tourism industry, heritage, culture and art by 2030. It draws up strategies and directions needed to be carried out by the state government into phase 1 (2021-2025) and phase 2 (2026-2030).

This Master Plan involves the following objectives:

- To analyze the growth of Penang, regional, and global tourism sector.
- To analyze growing trends and challenges facing Penang tourism sector.
- To position Penang in the regional tourism map.
- To recommend strategic thrusts as the pillars of tourism growth.
- To suggest initiatives (physical projects and programs) which support the thrusts.
- To prepare a comprehensive implementation plan and to suggest monitoring plan.
- To prepare a 10-year tourism Master Plan for the state of Penang.

Figure 1.1  
The Project **Approach**



## Approach

The process towards preparing this Master Plan is very much a bottom-up approach, inviting as much as possible inputs from all stakeholders of Penang tourism. It consists of three major phases namely:

- (1) Assessment
- (2) Situational Analysis and Synthesis
- (3) Drafting up the Master Plan (**Figure 1.1**)

Secondary data were used in the initial assessments to understand the current situations of Penang tourism. Secondary data were collected from articles, journals, reports by the government, and the private sector, both online and printed materials.

Meta-Analysis is used to identify vital points on policy issues and other related matters. Meta-analysis gives a hand in determining the business plan practiced by each selected tourism destination.

The next procedural step is thematic analysis where the results of the meta-analysis are categorized into themes. This is to understand what has been done for the specific theme by each selected destination, where the results helped in identifying the successfulness of an implemented action.

Tourism product assessment is a vital part of the Master Plan. Site visits were made to all parts of Penang State, and site evaluations have been conducted using the Penang Gateway Matric Form to analyse the tourism products. Tourism product assessment is divided into two categories, which are the quality of tourism products and basic facilities availability at tourism destinations. Data captured by the site assessments have been analysed and would be used as the basis for planning routes, product prioritization, as well as to plan for the Thrusts, Strategies and Signature projects. In-depth interviews were also conducted during the site assessments.

Market analysis is conducted to understand the characteristics of the tourist market from the perspectives of demand and supply side. The market analysis is able to identify new markets and to monitor the performance of the tourism sector. This section utilizes, among others, numerical data review, verbatim data review, and destination competitiveness analysis. Numerical data are obtained from secondary resources which are used to study and analyze the market. This survey obtained Penang's competitiveness Index and compared it to its regional competitors. Apart from that, reviews of annual local tourism performance reports for the past ten years were carried out to better understand the position of Penang in the current tourism market.



**FGD 3** gathered inputs from ADUNs, members of parliament and city councillors

Information was also gathered to identify the market share performance at the regional level. In addition to that, a review of international market performance, such as Singapore and Hong Kong, were also carried out. SWOT and PESTLE Analyses were done based on secondary data, observations, site visits, and interviews.

One of the focuses of the Master Plan is to identify trends, issues and challenges facing the tourism sector in Penang. Besides literature, report reviews, site visits, interviews and online

surveys’, one key method of data collection and confirmation is the Focus Group Discussions (FGDs). All these data were later synthesised to be included in the situational analysis.

## Focus Group Discussions

One of the key methods in this Master Plan study is the Focus Group Discussion (FGD). There are a total of four main focus group discussions held,

FGD1	FGD2	FGD3	FGD4
Identification of Tourism Issues and Challenges	Identification of Tourism Issues and Challenges	Identification of Thrusts, Strategies, and Signature Projects	Formulating Strategies, and Signature Projects
<b>Participants:</b> - Penang Tourism Players	<b>Participants:</b> - Government - NGOs - Communities	<b>Participants:</b> - Political Leaders - City Councillors	<b>Participants:</b> - Political Leaders - Seberang Perai City Councillors - NGOs - Local Community - Penang Tourism Players
<b>Number of Participants:</b> 90 People	<b>Number of Participants:</b> 44 People	<b>Number of Participants:</b> 34 People	<b>Number of Participants:</b> 90 People





The 1<sup>st</sup>  
Focus Group  
Discussion

with the first FGD involved the tourism industry while the second FGD combined three major stakeholders, namely the public sector and its agencies, local associations, Non-Governmental and business organizations. The third FGD invited the Members of Parliament (MPs) from Penang, the ADUNs, and also the City councillors from both MBPP and MBSP. A special FGD was also conducted to address tourism related issues and plans for the Seberang Perai area.

## Penang Tourism Forum

The Penang Tourism Forum 2019 was held on 9th November 2019, involving a total of 154 local and international participants

consisting of major stakeholders of Penang tourism, researchers and students. The ultimate aim of this forum was to gain expert opinions on selected trends related to the main thrusts of this Master Plan. It was also held to gain insights on best practices of tourist destinations across this region. This forum invited five panelists from Vietnam, Indonesia, Thailand and also Malaysia. Topics deliberated at the forum include Digital- Driven Transformation in Tourism, Directions of Thai Tourism: Plans, Policy and Governance; Conservation of Heritage and Culture: The Case of Bali, Indonesia; Digital Marketing in Tourism; and Sustainable Business Models in Tourism: The Case of Vietnam.





## Benchmarking with Regional Tourism Destination

Penang needs to be benchmarked with selected destinations across the region in order to set certain standards for its tourism attributes. To do this, destinations that excel in certain attributes have been selected to pair against Penang on the same attributes. For examples, cities like Surat Thani (Thailand) and Guilin (China) were selected as the benchmarks for

nature and eco-tourism attractions, Chiang Mai and Hoi An for culture and heritage, AO Show (Ho Chi Minh) and Kecak Dance (Bali) for art and performance, and Grand Bazaar (Istanbul) and Ben Thanh (Ho Chi Minh) for shopping bazaar.



**a) Nature attraction**

- Surat Thani, Thailand - Home to Khao Sok National Park, Ang Thong National Marine Park and elephant sanctuary, and serves as a transportation hub to nearby islands of Ko Samui, Ko Pha-Ngan and Ko Tao. It also introduces 'Bio Rights' to restore and manage mangrove forests.
- Guilin, China - Famous for nature and historical city due to its karst landscape, exquisite mountains, translucent rivers and beautiful caves, offers convenient transportation, communication and accommodation facilities. Properly managed to preserve and conserve its natural resources.

**b) Culture and Heritage**

- Chiang Mai, Thailand - encourages learning of culture and heritage through Chiang Mai City Arts and Cultural Centre. Exciting night markets with local products, and surrounding ethnic communities galore.
- Hoi An, Vietnam - Listed as UNESCO World Heritage Site since 1999, it has revived old community cultural activities and preserved authentic local architecture against gentrification.

**c) Art and Performance**

- AO Show, Saigon - features bamboo cirque, acrobatics & live tribal music, held at Saigon Opera House, which portrays the stories of the



Tourists are very much interested at something local



Vietnamese minority group from South Tourist Highland.

- Kecak Dance, Bali Island - Located in the religious temple, an ancient ritual altered for commercial entertainment to cater to all ages.

#### d) Shopping Tourism – Bazaar

- The Grand Bazaar, Istanbul - Largest and oldest market with historical value, a centre for culture and tourism, with the restoration done by the local government to maintain the building.

- Ben Thanh, Saigon - Strategic location with market and food stalls operating in the morning and the night market opening at night. Spacious shopping area with a variety of products.

#### e) Gastronomy - Street Foods

- Singapore - featured on Netflix Street Food and listed as Michelin Star Meal.
- Bangkok - Listed as Michelin Star Meal, the most quintessential part of the Bangkok experience with a variety of food selections and authentic

The **Lion Dance**  
during Chinese  
New Year



dishes. Street foods are found throughout Bangkok.

#### **f) Medical Tourism**

- India - closed to zero waiting time, offering health care packages for foreign patients which are affordable and offering a variety of modern and traditional Ayurvedic medicine.
- South Korea - medical tourists are offered with insurance coverage and provided with exquisite accommodation for patients and travel companion. Offering great services and hospitality with the latest equipment and cutting-edge technology.
- Singapore – offers cutting-edge technology, top medical expertise and conducts continuous research and development of medical health, develops the medical tourism sector through healthcare financing and provision system by establishing strong PPP framework which creates a market environment that free of public policy conflict

#### **g) Meeting, Incentive, Convention and Exhibition**

- Singapore - strategic location with access to key Asian markets, offers a selection of unique and inspiring venues and experience with excellent connectivity, security, and Winner of Asia Leading Meetings and Conference Centre 2019.
- Dubai - strategic location at central of the business district, offers Free Zone Services, offering spacious and excellent facility management with world-class facilities and global branding and also Winner of World Leading MICE Destination 2018.

#### **h) Sports Tourism**

- Beijing, China - promotes 'Healthy China 2030' and sets to offer 100 sports-themed tourist destinations and 100 quality events of 2020.
- Melbourne, Australia - year-long world-class sports calendar, positioning the city as an elite sports tourism destination with world-class facilities. Nominees of World Leading Sports Tourism Destination 2019.

## **Drawing up Thrusts and Strategic Projects**

One of the key phases of this Master Plan is the drafting of the main thrusts and sub-thrusts of tourism development of the state. It also includes prescribing strategies that support the thrusts and initiatives (both physical projects and activities) that can be undertaken and implemented by tourism stakeholders. A total of four thrusts was drafted, supported by eleven sub-thrusts. These thrusts are deemed the best drivers that would take Penang's tourism industry further in the next ten years. Besides the list of strategies and projects, there are also special initiatives known as the Signature Projects. Signature Projects are initiatives that are 'mega' in size, unique, and have significant impacts on the tourism sector of Penang. This Plan also prescribes the prioritization of the initiatives as well as the key driver and its strategic partners.



**It is important for the Master Plan to be aligned with the Sustainable Development Goals and to pay attention to Penang2030's vision of having family-focused green and smart state, as well as the mainland's notion of delving into agro-tourism and ecotourism.**

## Aligning with other Policies and Plans

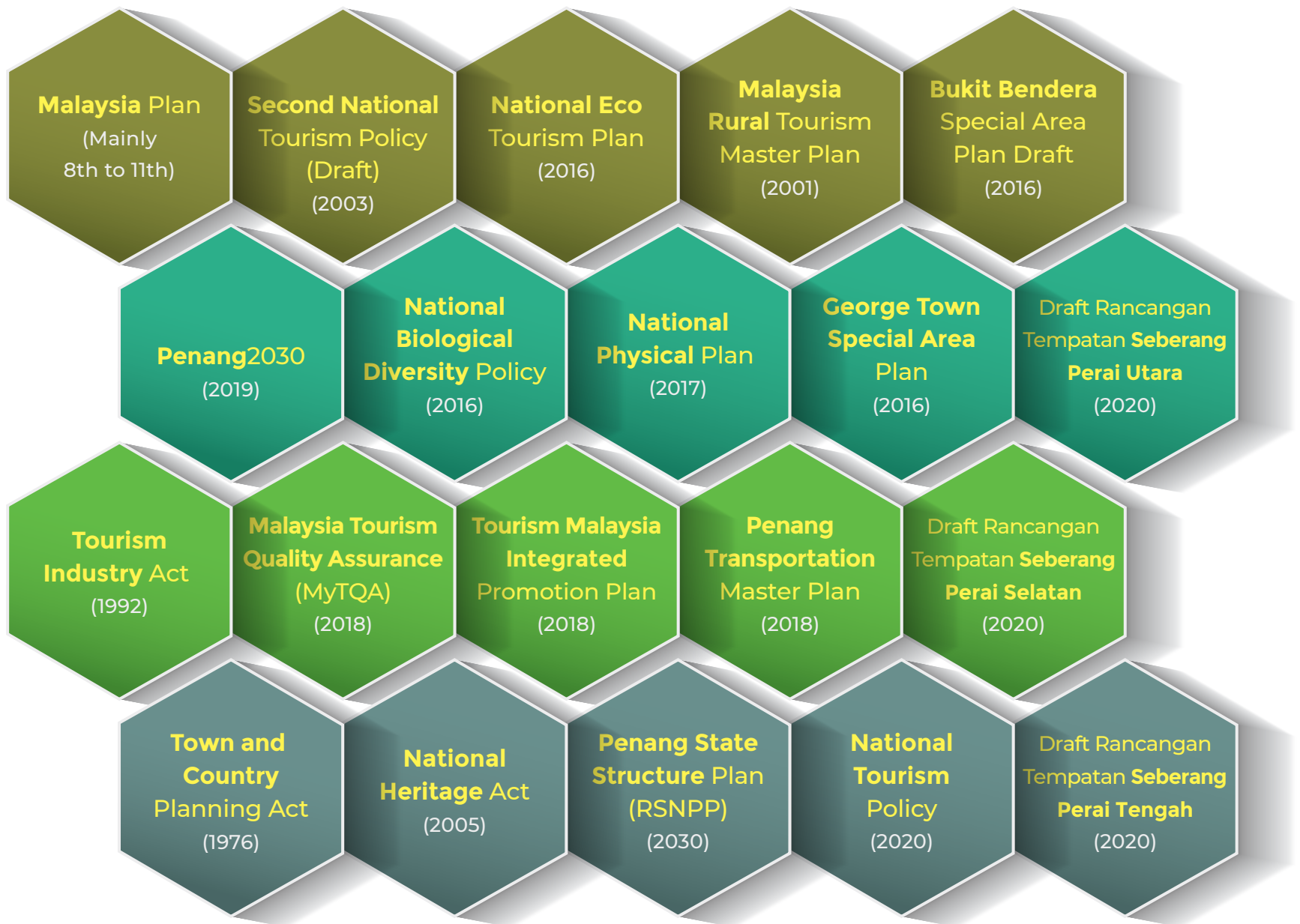
A preliminary review of policies (see **Figure 1.2**) provided the following insights: the first part described all the policies in general and to understand the emphasis given on the Sustainable Development Goals, and the second and third parts paid attention to the six key transformation strategies in the National Tourism Policy (NTP) (2020-2030), Penang2030 vision of having family-focused green and smart state and the Seberang Perai's notion of delving into agrotourism and ecotourism. Overall, the review found that these policies addressed environmental sustainability and building economic resilience, which aimed toward sustainable development. Moreover, the policies incorporated the partnership between the states to leverage cities' strengths to support the Local,

State, and Federal Governments in achieving the Sustainable Development Goals. NTP's six transformation strategies are strengthening governance capacity, creating special tourism investment zones, embracing smart tourism, enhancing demand sophistication, practicing sustainable and responsible tourism, and upskilling human capital.

Based on the preliminary reviews, it is high time for the Penang State Government to further indulge in connecting cities with tailored-made technical assistance, generating action-oriented research and evidence on urban solutions, and enhancing access to innovative financing models. The innovative financial models are very much needed, especially in maximizing Penang's transportation-related projects (such as Pan Island Link, Light Rapid Transit, Penang South Reclamation, and future water taxi, etc.).



**Figure 1.2**  
Policies and Plans **Related to Tourism**



As a state, Penang can achieve the SDGs by engaging and exchanging ideas, policies, technologies, and practices. The state's economic, cultural and environmental outlook is determined by tourism industry policies and other related policies that emphasize both the island and the Seberang Perai, where both areas are occupied for living, work, and entertainment. The state government has made it a point on its commitment to create a variety of tourism products across the island and Seberang Perai. Penang's coastal waters, rivers, lakes, wetlands, coral reefs, and estuaries offer enormous opportunities for job creation and better livelihoods for nearby communities. All these stimulate innovation and provide for the sustainable and inclusive tourism industry. Penang has shown continued commitment towards achieving the SDG goals through the Penang2030 initiative. The policies contained herein are a manifestation of the CAT slogan, that refers to Competency, Accountability and Transparency. In terms of basic amenities and infrastructures involving tourism, Penang has shown commitment through strategies to diversify recreation, sports, arts, and cultural facilities. The Penang2030 initiative showed Penang's undivided attention on the current global issue and climate changes through 'Investing in the built environment to improve resilience' theme by implementing the climate

change adaptation plan. Penang, as a leading tourist destination in Malaysia, is undoubtedly focusing on the economy and employment aspects. Penang needs to delve further into the issues of income inequalities and environmental endowment as Penang2030 strategy has addressed this widely, but its practical needs to suit the tourism sector in Penang.

Other than looking at the policies related to tourism that are employed by the Malaysian Government, an observation has been made on several tourism policies employed by other countries, including Spain, China, South Korea, Japan, Indonesia, Timor Leste, Australia, France as well as the United States of America (see **Table 1.1**). Strategies implemented include Promotion and Marketing, Tourism Support System, Training, Collaboration, Safety, Special Interest, Information, Open Skies Agreement, Visa Facilitation, National Image and Rebranding, and lastly about Climate Change Focus. According to the analysis above, our country has implemented Promotion and Marketing at the domestic and international levels, including using the power of ICT to launch effective advertising. Special Interest Tourism is one of the things that Malaysia is paying close attention to. The focus is mainly on Gastronomy and Eco-Tourism. At this point in time, Malaysia has given efforts in relation to training the talents (especially the tour



guides and the interpreters) and this is indeed, in need of further improvement and improvisation. Japan is ahead of other countries in this regard. In terms of strategies for collaboration, Malaysia can be observed as the Japanese equivalent (in relation to the community-based, PPP states and PPP international). In terms of safety analysis, it shows that South Korea is ahead of other countries.

The review found that Malaysia needs to pay more attention to the Tourism Support System, at least following the practices of China, South Korea, and Australia. These countries have an efficient Tourism Support System, for example, in providing financial support, holiday, paid leave from work and refund scheme. Other things that can be improved and taken seriously by Malaysia include information involving fluently-speaking police officers, Open skies agreement that increase the number of flights (inbound especially) and can result in an increase in tourists' population size (this, however, is in need of an efficient control system to manage overloading and overcrowding), Visa facilitation (refers to the process and procedures in obtaining visa as well as custom checks), national image and rebranding (refers to enhancing the existing national image and brand so that it conveys and stays in line with the tourism concept employed); and there needs to be a specific strategy to deal with the challenge of climate change.



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**The state government has made it a point on its commitment to create a variety of tourism products across the island and Seberang Perai. Penang's coastal waters, rivers, lakes, wetlands, coral reefs, and estuaries offer enormous opportunities for job creation and better livelihoods for nearby communities.**

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**Table 1.1**  
Summary of Tourism Strategies Implemented by **Selected Countries**

	MY	JPN	KOR	CHN	TL	SPN	AUS	THAI	FRA	USA	INA
<b>Promotion &amp; marketing:</b> domestic	●		●					●			●
<b>Promotion &amp; marketing:</b> international	●	●	●	●				●	●	●	●
<b>Promotion &amp; marketing:</b> ICT	●	●						●	●		
<b>Tourism support system:</b> financial			●								
<b>Tourism support system:</b> holiday	●			●					●		
<b>Tourism support system:</b> paid leave from work				●							
<b>Tourism support system:</b> refund scheme							●				
<b>Training:</b> education	●	●									●
<b>Training:</b> talent	●	●	●		●	●	●	●	●		●
<b>Training:</b> tour guide & interpreter		●	●								
<b>Training:</b> green practices	●		●			●	●	●	●		●
<b>Collaboration:</b> community-based	●	●	●					●			●
<b>Collaboration:</b> PPP states	●	●	●	●	●	●	●	●	●	●	
<b>Collaboration:</b> PPP international	●	●	●	●			●			●	
<b>Safety:</b> chartered police officer			●								



Table 1.1  
Summary of Tourism Strategies Implemented by **Selected Countries**

<b>Safety:</b> overcharged taxi driver, merchants			●								
<b>Safety:</b> tourists	●				●	●			●		
<b>Special Interest Tourism:</b> elderly & OKU (people with disabilities)									●		
<b>Special Interest Tourism:</b> gastronomy	●					●					●
<b>Special Interest Tourism:</b> ecotourism	●		●	●	●			●			●
<b>Special Interest Tourism:</b> MICE							●				
<b>Information:</b> fluent police officers			●								
<b>Open skies agreement</b>		●		●	●		●				
<b>Visa facilitation</b>		●		●	●	●			●	●	
<b>National image &amp; rebranding</b>		●	●					●	●	●	●
<b>Climate change focus</b>						●					

Notes: MY (Malaysia), JPN (Japan), Kor (South Korea), CHN (China), TL (Timor Leste), SPN (Spain), AUS (Australia), THAI (Thailand), FRA (France), USA (United States of America), INA (Indonesia)

All policies regarding tourism at the international, national, and state levels of Penang are considered in drafting out this master plan. At the Global level, the Sustainable Development Goals (SDGs) are one of the most sought-after and relatable countries around the world. The National Tourism Policy (NTP) (MOTAC, 2020) links directly to the SDGs, for example, the goal of Quality Education that connects to the Upskilling of Human Capital Responsibility and objectives such as Responsible Consumption and Production, which are related to the practice of Sustainable and Responsible Tourism. The

National Tourism Policy outlined six strategic directions to achieve the target for the years 2020 to 2030. The RSNPP 2030 is an essential document as it is based on the Penang State Government's policy of strategic planning on land use and the direction of future development for Penang. Penang2030, officially launched by the Chief Minister of Penang in April 2019, determines Penang's future direction and is closely linked to the RSNPP 2030. Four themes were listed in Penang2030, which is prominently included in this Penang Tourism Master Plan.



**Tourism is one of the important pillars of Penang2030, where the document outlines the vision of the State Government to make Penang a state that is more family-focused, smart and green. This is viable by emphasizing livability, economic, civil participation and balanced development, which are in line with the direction of the Penang Tourism Master Plan.**

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The **UNESCO** listing of **George Town** as a world heritage site has positioned Penang on the world map



# 2.0

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THE GROWTH OF  
REGIONAL TOURISM

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## 2.0 THE GROWTH OF REGIONAL TOURISM

Tourism contributes to about 10.4% of the global GDP, offering 10.4% of jobs globally (WTTC, 2019). Until the end of 2019, the global tourism market enjoys continual growth, making it one of the world's fastest-growing economic sectors. The growth is measured in terms of the number of international tourist arrivals at destinations, who stay for at least one night and their total expenditure during their stay. A total of 1,326 million international tourist arrivals was recorded in 2017, which was the highest in seven years since the 2009 global economic crisis (UNWTO, 2018). This number was projected to grow moderately at 3.3% per year to reach 1.8 billion by 2030, with another four times more traveling domestically. Global tourism has been badly hurt by the spread of the Covid-19 pandemic that brings the whole travel

sector to a standstill. While the exact depth of the impacts is not yet available, it is estimated that there would be 1.1 billion fewer travels made in 2020, and global destinations would experience a drop of between 60%-85% of arrivals.

The UNWTO had also reported that since 2015, the emerging economies would surpass advanced economies in tourist arrivals. Asia and the Pacific will gain most of the new arrivals, with South Asia is among the fastest-growing sub-regions with +6.0% per year and shall host around 535 million tourists by 2030. Air travels, until the end of 2019, were on the rise with the advancement of budget airlines, and travels between regions are expected to recover once the pandemic subsides.

The rapid development of the tourism industry is influenced by affordable traveling costs and triggered by the liberalization of cross-border movements and the increasing propensity to travel abroad (Ito & Krueger, 2003). The growth is also leveraging on the growth of the middle-income group. Asians have now become the global tourists themselves, with China leading the pack. Outside China, Corben (2017) reported that Southeast Asian tourists have become massive in size, reaching 100 million.

According to Victor (2018), the Southeast Asian region is a melting pot of multicultural variables (society, heritage, and recreational values) that contributed USD 119.7 billion in 2016 and is expected to bring in USD 222.8 billion in 2027 in term of tourist expenditure. This growth has propelled the improvement and expansion of tourism infrastructure to cope with the increasing number of visitors, indirectly giving birth to new

tourism destinations in the Southeast Asian region. The regional tourism growth is progressing steadily. With pragmatic strategies, it is possible to see ASEAN countries dominating the world rankings. More and more member countries such as Cambodia, Vietnam, Myanmar, and Laos join the tourism bandwagon. These nations offer unique and authentic tourism experiences that capture and sway the attention of the global markets. The emergence of these Mekong River countries is giving significant challenges to countries like Thailand, Singapore, and Malaysia.

Tourism in Malaysia has been identified as an essential services sector and plays a vital role contributing to the country's economic growth. The promotional arm of Malaysia tourism - Tourism Malaysia - aims to increase Malaysia's tourism presence, welcome many tourists to this country, and extend their length of stay. This aim is done

#### **Tourist guides**

play important role  
in presenting the  
story of Penang



through targeted promotional activities, highlighting Malaysia's uniqueness, attractions, and cultures. It is estimated that about 20-25% of those arriving in Malaysia would visit Penang.

Penang, together with Kuala Lumpur, Melaka, and Langkawi, are the country's top destinations. The listing of George Town as the UNESCO's World Heritage site in 2008 had lifted Penang tourism, which sees Penang enjoying tourism boom years since. Except for the year 2020, the trend is expected to continue in many years to come, with more than 7 million tourists visit Penang each year, with almost half of them being foreign visitors. The listing of George Town as a world heritage site has shifted the concentration of tourist activities from the Ferringhi Beach stretch to the inner city of George Town. The annual Penang Tourist Survey (2018) reveals that Penang's strongest tourism images are local cuisines, world heritage sites, and multicultural society. The survey shows that almost half of the tourists (both local and international) enjoy experiencing local food when visiting Penang, followed by sightseeing in the city and visiting historical sites. The shift of the tourist spaces has also benefitted the George Town hotel industry. Tourism Malaysia (2017) reported that the average hotel occupancy rate for George Town has risen to more than 62% in the year 2018 (Tourism Malaysia, 2017). While tourists mainly concentrate in the inner city and its surrounding areas like Penang Hill and Ferringhi Beach, tourism activities have also expanded into new areas such as Balik Pulau,

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**“Experience becomes the keyword with millennials and travellers Instagramming their way through their travels. Our tagline, ‘The Diversity of Asia’ is a testament to Penang’s rich diversity, which is reflected through its heritage, culture, arts, and many other aspects which have made Penang one of the most memorable places to visit in Asia.**

*- Yeoh Soon Hin, Penang State Exco for Tourism and Creative Economy (PETACE)*

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Butterworth, and many parts of Seberang Perai. These areas offer different forms of products such as ecotourism and agro-tourism.

As mentioned above, recent years have also seen the intensified focus and development of the tourism sector by countries like Thailand, Indonesia, and the Philippines. Penang faces increased competition from destinations like Bali, Phuket, Krabi, Manila, Singapore, and Jakarta, as well as from emerging regional destinations such as Luang Prabang, Ho Chi Minh, Taipei, Hanoi, Lombok, Danang, and others.

This growing trend calls for Penang to enhance its tourism products to offer quality tourism products and experience, authentic culture, and hospitality to remain competitive. Penang must ensure that its tourism is sustainable by ensuring the development of products that would benefit society and create positive impacts on the local economy. A successful implementation plan must ensure an active participation of the local people, not only in the planning phase but also to make sure locals own and manage the product offerings. This direction is in line with Penang2030's Theme C - empowering people to strengthen civic participation and one of the strategic initiatives under Theme B, which is to create a variety of quality tourism products across the island Seberang Perai.

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**“Penang must ensure that its tourism is sustainable by developing products that would benefit the society at large and create positive impacts on the local economy.”**

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# 3.0

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THE STATE OF  
PENANG TOURISM

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The **Habitat**, Penang Hill



## 3.0 THE STATE OF PENANG TOURISM

Penang is the third largest state in the northern part of Malaysia. The state is divided into five districts, namely, Timur Laut, Barat Daya, Seberang Perai Utara, Seberang Perai Tengah, and Seberang Perai Selatan. Accorded with the UNESCO World Heritage Site since 2008, George Town, which is also the capital city of Penang, is located in the Timur Laut district of Penang. Penang is well-known as a multicultural state with diverse ethnicities, cultures, languages and religions. With a land area of approximately 1,048km<sup>2</sup> and a population of about 1.7 million, Penang is also known as a food paradise and is famous for the variety of street foods that represent the image of multi-cultural Penang. This section discusses the overall performance of the Penang tourism market, which mainly highlights the market study, tourist arrivals, hotel supply trend, tourism expenditure and a few other points.

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**“ The smells, the colours and flavours – the look and sound of the place, the at-times impenetrable mix of Indian, Malay and Chinese cultures. Penang is the kind of place that ruined me for an ordinary life.**

*- Anthony Bourdain (Parts Unknown).*

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*Over the past few years,  
Penang has been accorded with several awards  
and recognitions. Among them are:-*



The tourism sector in Penang has been showing tremendous achievements in the past few years. The number of products and infrastructures has increased in strategic areas to accommodate the growing markets that choose Penang as their desired destination. The number of tourist arrivals experienced a drop in 2013 at about -22.8% from the previous year but bounced back 45.7% in 2014 registering 6.85 million of tourists arrival (Tourism Malaysia, 2018). Penang tourist arrivals grew at 11.7% for the last 10 years to reach at 6.66 million in 2018 (**Table 3.1**). As this figure was based only on estimation of hotel guests in Penang for that year, this study thereby proposes that the number of tourists visiting Penang for 2018 was about 9.48 millions. This is based on the Penang Tourist Survey (2018) that revealed only 70.2% of visitors to Penang stayed at hotels, while 29.8% more stayed at other types of accommodations, such as Airbnb apartments, homestays, and also at friends and relatives' houses.

### Visitors to Penang

The Penang Tourist Survey (2019) reported that the tourists to Penang consist of 59.2% female and 40.5% male. About 36.7% of tourist arrivals

are professionals, and 33.9% are students, with 82.6% aged between 18-35 years old, and 72.1% of them are unmarried. It recorded that 79.7% of international tourists visited Penang for the first time, with 34% came with traveling companions. Meanwhile, among repeat visitors, 77.2% are domestic tourists, with 76.1% of them traveled with friends or family. In general, tourists prefer to explore Penang on their own as only 5% came with tour packages.

The survey also stated that the primary purposes of the visit to Penang are dominated by leisure (63.0%), followed by for culture and heritage (19.3%), visiting friends and relatives (5.6%), education (4.8%), MICE (3.8%), shopping (1.6%) and others. On the other hand, the top three most engaged activities by tourists in Penang are experiencing local food with 48.5%, sightseeing in the city at 39.7%, followed by visiting historical sites at 24.2%. In terms of sourcing information about Penang, the internet and social media are the significant sources of information for tourists when visiting Penang (41.0%), followed by words of mouth and experience, which emphasizes the need to maintain the positive image of Penang as well as in sustaining the revisit intention.

**Table 3.1**  
Tourist Arrivals **in Penang**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Domestic	2.98	2.94	2.96	3.00	2.64	3.62	3.47	3.47	3.47	3.64
International	2.98	3.05	3.06	3.10	2.06	3.23	2.88	2.91	2.91	3.02
<b>Total</b>	<b>5.96</b>	<b>5.99</b>	<b>6.02</b>	<b>6.09</b>	<b>4.70</b>	<b>6.85</b>	<b>6.35</b>	<b>6.38</b>	<b>6.38</b>	<b>6.66</b>
Estimated Arrival <sup>2</sup>	●	●	●	●	●	9.97	8.49	8.84	8.74	9.48

**Note:** The number indicated in millions

Sources: <sup>1</sup>Tourism Malaysia (based on Hotel Survey), 2018 and <sup>2</sup>Estimated by Penang Tourist Survey 2018 as the number by Tourism Malaysia only included those spending nights at hotels and resorts whereas there are about 30% staying at other forms of accommodation.



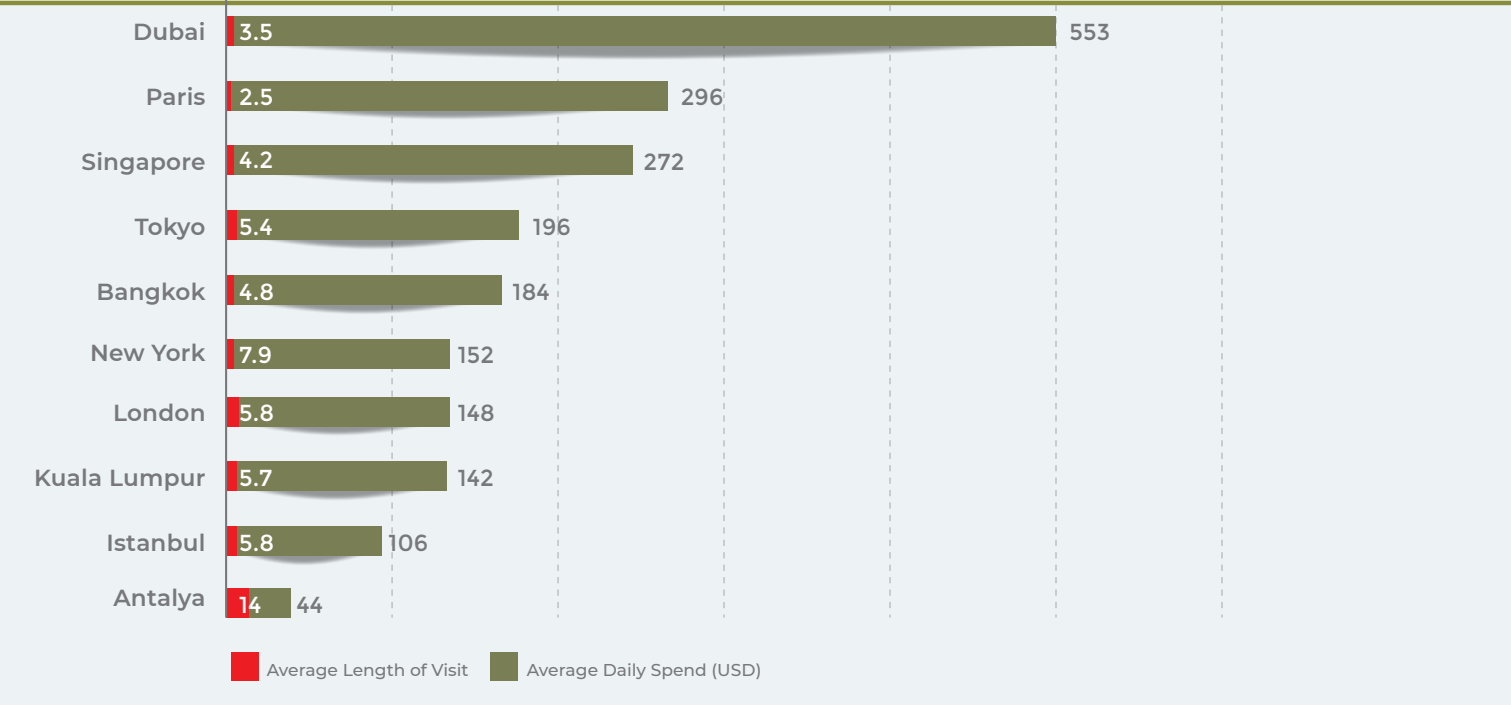
The **Mid-Autumn** Festival

The favored choices of transportation to Penang are via air, with 36.8% using major and low-cost airlines and by personal vehicle and buses at 32.5% and 22.7% respectively. As for transportation used within Penang, 31.2% opted to use public transportation such as bus and taxi, 24.2% choose to walk on foot, and about 20.8% rented vehicles to travel around.

Tourism expenditure in Penang was driven by spending by both domestic and international tourists. **Figure 3.1** illustrates the average daily tourist spending among major tourist destinations such as Singapore, Phuket, New York, Bangkok, London, Kuala Lumpur, and Hong Kong, based on a survey conducted by the Mastercard (2019). It shows that the

average daily expenditure was highest in Dubai (USD553). Penang, however, was not included in this survey. While the Penang Tourist Survey(2019) reported that the average daily tourist expenditure in Penang was only USD64. The spending included for food and beverages (27.3%), accommodation (25.2%), local transportation (18.9%), shopping (13.4%), entertainment (11.2%) and other expenses (4.1%). Expenditure for food and beverages and entertainment components has increased by about 6.64% and 6.67% respectively from the previous year. In contrast, expenditure costs for local transportation decrease by about -9.13%, followed by accommodation at -0.40% from the overall expenditure components as shown in **Table 3.2**.

Figure 3.1  
Average Tourist Spending



Source: Mastercard Global Destination Cities Index, 2019

Table 3.2 Tourist Expenditure Category 2015-2018					
Expenditure Components	2015	2016	2017	2018	% Change 2017-2018
Food and Beverages	27.1%	26.7%	25.6%	27.3%	6.64
Accommodation	21.8%	24.3%	25.3%	25.2%	-0.40
Local Transportation	17.1%	19.4%	20.8%	18.9%	-9.13
Shopping	17.5%	14.0%	13.4%	13.4%	-
Entertainment	12.0%	10.7%	10.5%	11.2%	6.67
Others	4.5%	4.9%	4.4%	4.1%	-6.82

Source: Penang Tourist Survey 2015-2018.

# Domestic and International Markets

A total number of 3.64 million domestic visitors travelled to Penang in 2018 (**Table 3.3**). The estimated average of domestic tourists spending was RM674.34 while the average length of stay for domestic tourists was four days. However, the arrival of domestic visitors in 2019 experienced a slight drop at about -2.7% from the previous year (**Table 3.1**) and followed by a dramatic reduction or almost zero arrival in the second quarter of 2020 especially during the Movement Control Order (MCO).

**Table 3.3**  
Domestic Tourist

**Performance in 2018**

Domestic Tourist Profile	2018
No of Domestic Tourists <sup>1</sup>	3,639,990
Average Length of Stay (Days) <sup>2</sup>	4 days
Average Spending (RM) <sup>2</sup>	674.34

Source: <sup>1</sup>Tourism Malaysia (Hotel Survey) 2018 and <sup>2</sup>Penang Tourist Survey 2017-2018

The government has lifted MCO and replaced it with the Recovery Movement Control Order (RMCO) on 10 June 2020, resulting in loosen internal travel restrictions and domestic tourism reopening. The number of domestic tourists steadily picked up since tourist attractions successfully recorded a 50% increase in admission during weekends (Trisha, 2020). Following the encouraging figures, the state government has taken many initiatives to boost the domestic tourism sector. For instance, the state has launched the Responsible

Tourism campaign to gain domestic tourists' confidence and provide travel incentives through Penang Travel Deals, which offer substantial savings on accommodation, food, tour package, and tourism attractions.

**Table 3.4** describes the profiles of international visitors to Penang. It shows that the number of foreign tourists grew steadily from 2015 to 2018. In 2015, Penang recorded 2.88 million tourists that eventually rose to 3.02 million in 2018. This number, according to the State Authority, continued to grow to 4.16 million in 2019, before it decreased dramatically due to the fear of Covid-19 outbreak worldwide. For instance, the number of tourists from China dropped by almost 40% in February 2020 due to travel restrictions imposed by the Chinese government which had caused significant tour cancellations groups to Penang (Sekaran, 2020).

Despite the increase in the number of arrivals, the international tourists' length of stay had declined slightly from 8 days in 2015 to 6 days in 2018. By 2018, the average spending of international tourists in Penang was RM1189.82. Among the top five tourist activities enjoyed by international tourists are enjoying the culture, heritage and places of interest at 82.9%, sampling



**Boria** performance  
at the Butterworth  
Fringe Festival



**Table 3.4**  
Profiles of International Tourists **in Penang**

International Tourist Profile	2015	2016	2017	2018
No. of International Tourists <sup>1</sup>	2.88 m	2.91 m	2.91 m	3.02 m
Average Length of Stay (Days) <sup>2</sup>	8.0	5.0	6.0	6.0
Average Spending (RM) <sup>2</sup>	1,335.34	1,359.95	1,165.71	1,189.82
Visiting for Culture, Heritage & Places of Interest <sup>2</sup>	67.3%	73.7 %	84.8%	82.9%
Local Cuisine <sup>2</sup>	39.7%	45.8%	51.1%	47.4%
Nature and Adventure <sup>2</sup>	15.5%	21.1%	20.7%	21.0%
Shopping <sup>2</sup>	13.3%	11.3%	11.2%	9.0%
Medical Tourism <sup>2</sup>	4.8%	6.9%	6.5%	5.4%

Source: <sup>1</sup>Tourism Malaysia (based on Hotel Survey) 2018 and <sup>2</sup>Penang Tourist Survey 2014-2018

Table 3.5  
Top 10 International **Tourist Arrivals**

Ranking	Nationality	2018	2019	% Change
1	Indonesia	270,464	302,503	11.8
2	Singapore	110,859	182,612	64.7
3	China	80,110	78,502	-2.0
4	India	43,537	61,847	42.1
5	Australia	25,204	31,155	23.6
6	Taiwan	28,320	29,292	3.4
7	United Kingdom	24,757	28,209	13.9
8	Japan	27,814	27,398	-1.5
9	USA	22,808	26,739	17.2
10	Thailand	20,981	20,236	-3.6

Source: <sup>1</sup>Penang Immigration Department, 2019

<sup>1</sup> This data only captured international visitors who have come through the immigration checkpoints via Penang International Airport and Penang Swettenham Port.

local cuisine at 47.4%, engaging in nature and adventure at 21.0%, shopping and getting health treatment at 9.0% and 5.4% correspondingly (PTS, 2018).

The Penang Immigration Department (2019) reported that the top ten international tourists to Penang (2019) were from Indonesia (25.9%), Singapore (15.7%), China (6.7%), India (5.3%), Australia (2.7%), Taiwan (2.5%), United Kingdom (2.4%), Japan (2.3%), United States of America (2.3%), and Thailand (1.8%) (**Table 3.5**). These

figures were based on arrivals from Penang International Airport and Swettenham Pier and did not consider those coming via the two bridges or ferries from Langkawi. Asian tourists dominated the number of international arrivals with the most significant sources from Indonesia, Singapore, and China, with a combination of share at about 48.3%. Indonesia is the highest contributor, with a total arrival of 302,503, followed by Singapore at 182,612 and China with 78,502. Arrivals from China, Japan and Thailand showed a slight decline in number

**Figure 3.2**  
Passenger Traffic at **Penang International Airport**



Sources: Malaysia Airport Holdings Berhad, 2010-2019

as the growth percentages recorded are -2.0%, -1.5% and -3.6%, respectively, from the previous year. Meanwhile, growth arrival from Singapore and India has increased significantly at 64.7% and 42.1% respectively.

### Passengers Movement via Airport

The number of movements of domestic, international, and transient visitors to through Penang International Airport (PIA) has been increasing for the past ten years registering over 100.09% growth since 2010. The airport recorded 8.34 million of passenger movements in 2019, showing 7.03% of growth from the previous year, which has exceeded its capacity of 6.5 million by over 28%**(Figure 3.2)** (MAHB, 2019).

### Projection of Tourist Arrivals

**Table 3.6** shows the projected numbers of tourist arrivals in Penang. These numbers had taken into consideration the setbacks that we experienced in 2020 as well as in the first half of 2021, that had significantly reduced the tourist arrivals in the State. This projection assumes that by 2022, the interstate Movement Control Order is fully lifted, and international borders are partially open that would allow a small number of international tourists to travel to Penang. It is safe to predict that domestic travelers would continue visiting Penang, with a conservative annual growth of 2% based on previous records. The international tourists, however, are expected to return slowly once the fear of travel subsides. Assuming things are under control, especially with the advancement



in the vaccination drive globally and nationally, mood and motivation to travel especially among regional tourists are expected to drive the tourist numbers. Penang is expected to enjoy significant growth of tourist arrivals in the year 2023 (5.34 million) and 2024 (5.77 million) , before the numbers continue to grow steadily to reach 6.53 million by 2026, and 7.43 million by 2030.

## Tourism Products of Penang

Tourism products can be defined as anything that facilitates the travels of tourists from their homes, to destinations and back to their hometown. It includes tangible and intangible products, tourist infrastructure, services and hospitality and also prices. The tourist product, on the supply side, includes transportation and accessibility, attractions, amenities, accommodation, activities and also information.

## Accessibility

Penang, which is located within the IMT-GT area, is very much accessible from many parts of the country and the region **(Figure 3.3)**. It is connected by 749 weekly flights (in 2019) consisting of 303 international flights and 446 domestic flights. Eighteen international direct air links connect Penang with other major cities. The highest flight frequency is from Singapore, with 107 flights per week, followed by Medan, Jakarta, Bandar Aceh, Surabaya, Hong Kong, and Bangkok. Nine direct air links connect Penang from regional cities. AirAsia is the leading airline for international and domestic flights, offering 113 international flights and 218 domestic flights weekly (Malaysia Airports Holdings Berhad, January 2020). Besides that, Penang is also connected by express buses through the North-South Highway to other major cities in Peninsular Malaysia. Penang is also the host of two major bridges in the country.

Table 3.6  
Forecast of Tourist Arrivals in **Penang 2022-2030**

Year	Domestic Travelers	International Tourists	Total
2022	3.47	1.50	4.97
2023	3.54	1.80	5.34
2024	3.61	2.16	5.77
2025	3.73	2.48	6.21
2026	3.80	2.73	6.53
2027	3.88	2.87	6.75
2028	3.95	3.01	6.96
2029	4.03	3.16	7.19
2030	4.11	3.32	7.43

*Note: These numbers are based on hotel guests only and they should be significantly higher as past studies revealed that almost 30% of tourists to Penang stayed at other forms of accommodation such as Airbnb, homestays, friend's and relative's houses, etc.*

Figure 3.3  
Accessibility to **Penang**



Note: As of 2019

Penang Port offers linkages that connect the island with other major cities such as Phuket, Singapore, Hong Kong, Europe, North America, and India. The Penang ferry terminal hosts the new waterbuses (replacing the iconic ferry) that carries passengers between Penang Island and the Seberang Perai. It takes only 10 minutes to and from Butterworth via the ferry terminal. Penang is also linked by rail, as the Butterworth Railway Station connects visitors to other cities like Haatyai, Bangkok, Kuala Lumpur and Johor Bahru. There is now the Electric Train Service (ETS) plying routes from Penang to Kuala Lumpur that gives an option for tourists to come to Penang.

### Getting Around

As Penang is a destination that is compact in size, traveling around the island and exploring the Seberang Perai is relatively easy, whether you choose to go on public transport or using rental vehicles. The Rapid Penang bus service offers comprehensive routes around the state and it is available for more distant attractions out of George Town such as Penang Hill, Kek Lok Si Temple, Batu Ferringhi Beach, Penang National Park, and Penang Bird Park. The inner city of George Town is best explored either by foot, a trishaw ride or by bicycle. In addition, taxis and e-hailing services, rental cars, motorbikes, and bicycles are also popular means to explore Penang.

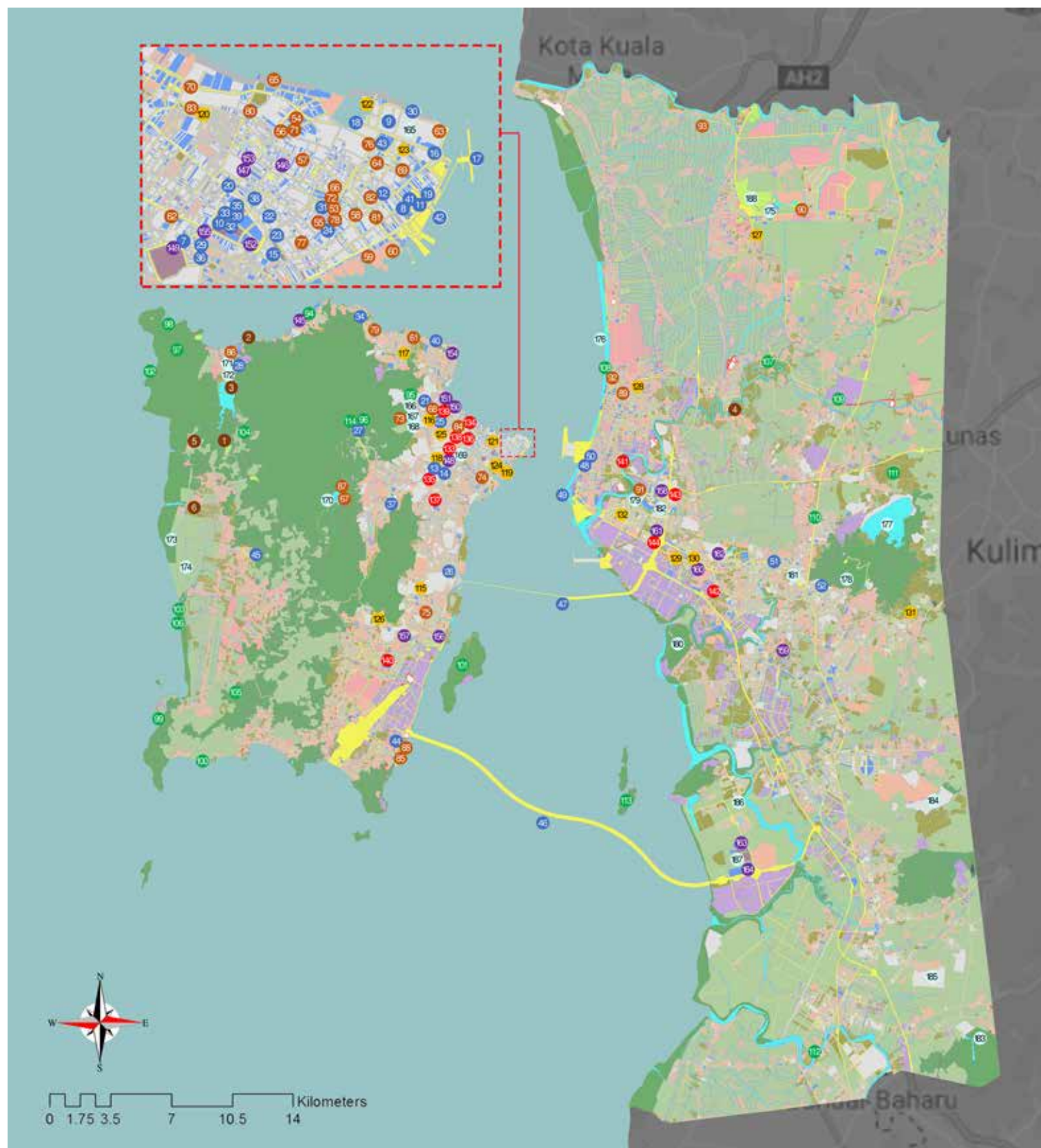
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**Tourism products can be defined as anything that facilitates the travels of tourists from their homes, to destinations and back to their hometown.**

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**Figure 3.4**  
**Penang Tourism Attractions**



## LEGEND

AGRO TOURISM	CULTURE & HERITAGE TOURISM	EDUCATIONAL TOURISM	SPORT & RECREATIONAL TOURISM
<ul style="list-style-type: none"> <li>1 Tropical Fruit Farm</li> <li>2 Tropical Spice Garden</li> <li>3 Penang Forestry Museum</li> <li>4 Kampung Terus</li> <li>5 Comfort Organic Farm</li> <li>6 Audi Dream Farm</li> </ul>	<ul style="list-style-type: none"> <li>54 Armenian Street</li> <li>55 Cheong Fatt Zhe The Blue Mansion</li> <li>56 Sri Mahamariamman Temple</li> <li>57 Acheh Street Mosque</li> <li>58 Benggali Mosque</li> <li>59 Cheah Kongsi</li> <li>60 Clan Jetty</li> <li>61 Chew Jetty</li> <li>62 Dharmikarama Burmese Temple</li> <li>63 Dr. Sun Yat Sen Memorial Hall</li> <li>64 Fort Cornwallis</li> <li>65 Goddess of Mercy Temple (Kuan Yin Temple)</li> <li>66 Istana Kedah</li> <li>67 Kapitan Keling Mosque</li> <li>68 Kek Lok Si Temple</li> <li>69 Nattukottai Chettiar Temple</li> <li>70 Pinang Peranakan Mansion</li> <li>71 Wat Chayamangkalaram</li> <li>72 Hainan Temple</li> <li>73 Yap Kongsi Temple</li> <li>74 Waterfall Hilltop Temple</li> <li>75 Masjid Maqbul</li> <li>76 Snake Temple</li> <li>77 St. George's Church</li> <li>78 Rattan Weaver Penang</li> <li>79 Khoo Kongsi</li> <li>80 Floating Mosque</li> <li>81 St. Francis Xavier Church</li> <li>82 Penang Batik</li> <li>83 Little India</li> <li>84 Penang Malay Gallery</li> <li>85 Wat Buppharam Buddhist Temple</li> <li>86 Penang War Museum</li> <li>87 Penang Batik Factory</li> <li>88 West Lake Temple</li> <li>89 Sam Poh Footprint Temple</li> <li>90 Temple of the Ninth Emperor God</li> <li>91 Masjid Abdullah Fahim</li> <li>92 Arulmigu Karumariamman Temple</li> <li>93 Thean Hock Keong Temple</li> </ul>	<ul style="list-style-type: none"> <li>115 Universiti Sains Malaysia</li> <li>116 Distd College</li> <li>117 Tunku Abdul Rahman University College</li> <li>118 Han Chiang University College of Communication</li> <li>119 Culinary Arts Centre Academy</li> <li>120 Equator College</li> <li>121 KDU College</li> <li>122 SEGi College</li> <li>123 SENTRAL College</li> <li>124 Olympia College</li> <li>125 RCSI &amp; UCD Campus</li> <li>126 INTI College</li> <li>127 Kolej Matrikulasi Pulau Pinang</li> <li>128 Golden Chef College of Culinary Arts &amp; Hospitality</li> <li>129 Universiti Teknologi Mara (UiTM Permatang Pauh)</li> <li>130 Politeknik Seberang Perai</li> <li>131 IPK College</li> <li>132 Stratford International College</li> </ul>	<ul style="list-style-type: none"> <li>165 Penang Hill</li> <li>166 Padang Kota</li> <li>167 Moongate 5</li> <li>168 City Park</li> <li>169 Racecourse and Golf</li> <li>170 Stadium Bandaraya</li> <li>171 Air Itam Dam</li> <li>172 ESCAPE</li> <li>173 Entopia</li> <li>174 Countryside Stables Penang</li> <li>175 ATV Tour Kg. Perlis</li> <li>176 Vision Park</li> <li>177 Pantai Robina</li> <li>178 Mengkuang Dam</li> <li>179 Cherok Tokun (Bukit Mertajam Recreational Forest)</li> <li>180 Penang Bird Park</li> <li>181 Bukit Junu</li> <li>182 Taman Rekreasi PBAPP Bukit D.O</li> <li>183 Taman Tunku</li> <li>184 Taman Negeri Bukit Panchor</li> <li>185 Mountain View Golf Resort</li> <li>186 Bukit Jawi Golf Resort</li> <li>187 Stadium Batu Kawan</li> <li>188 Aspen Park</li> <li>189 Penang Golf Resort</li> </ul>
BUILT ATTRACTION			
<ul style="list-style-type: none"> <li>7 Birch House</li> <li>8 Central Fire Station Central Fire Station</li> <li>9 City Hall Penang</li> <li>10 Kompleks Tun Abdul Razak (KOMTAR)</li> <li>11 Malayan Railway Building (Wisma Kastam)</li> <li>12 Nagore Dargha Sheriff</li> <li>13 P. Ramlee Birth House</li> <li>14 Penang State Mosque</li> <li>15 Sia Boey</li> <li>16 Queen Victoria Diamond Jubilee Clock Tower</li> <li>17 Swettenham Pier</li> <li>18 Penang State Art Gallery</li> <li>19 Made in Penang Interactive Museum</li> <li>20 Glass Museum Penang</li> <li>21 Bee Gallery</li> <li>22 Upside Down Museum</li> <li>23 Ghost Museum Penang</li> <li>24 Studio Howard</li> <li>25 Colonial Penang Museum</li> <li>26 Tuanku Fauziah Museum &amp; Art Gallery</li> <li>27 The Owl Museum</li> <li>28 Toy Museum</li> <li>29 Run Amok Gallery</li> <li>30 Penang 3D Trick Art Museum</li> <li>31 Asian Camera Museum</li> <li>32 Tech Dome Penang</li> <li>33 The TOP Penang</li> <li>34 TeddyVille Museum</li> <li>35 Kidland Penang</li> <li>36 Hin Bus Depot</li> <li>37 Gohkaki Childhood Museum</li> <li>38 Dark Mansion - 3D Glow</li> <li>39 Asia Comic Cultural</li> <li>40 Avatar Secret Garden</li> <li>41 Wonder Food Museum</li> <li>42 Church Street Pier</li> <li>43 PG Gold Museum</li> <li>44 Aquarium Batu Maung</li> <li>45 Winkled Old Fisherman by Julia Volchkova</li> <li>46 Jambatan Sultan Abdul Halim Muadzam Shah</li> <li>47 Jambatan Pulau Pinang</li> <li>48 Dataran Pemuda Merdeka (Butterworth)</li> <li>49 Penang Sentral</li> <li>50 Butterworth Art Walk</li> <li>51 Dewan Dato' Ahmad Badawi</li> <li>52 Stesen Keretapi Lama Bukit Mertajam</li> <li>53 St. Anne's Church</li> </ul>	<ul style="list-style-type: none"> <li>94 Batu Feringghi Beach</li> <li>95 Penang Botanic Gardens</li> <li>96 The Habitat</li> <li>97 Penang National Park</li> <li>98 Monkey Beach</li> <li>99 Pantai Pasir Panjang</li> <li>100 Pantai Gertak Sanggul</li> <li>101 Pulau Jerejak</li> <li>102 Pantai Kerachut</li> <li>103 Pantai Malindo</li> <li>104 Air Terjun Titi Kerawang</li> <li>105 Bukit Genting</li> <li>106 Taman Paya Air Laut</li> <li>107 Education Forest Air Itam Dalam</li> <li>108 Pantai Bersih</li> <li>109 Frog Hill</li> <li>110 Galeri Arkeologi Gua Kepah</li> <li>111 Berapit Hill</li> <li>112 Bukit Suling/ Bukit Langkap</li> <li>113 Fireflies Sanctuary</li> <li>114 Pulau Aman</li> </ul>	<ul style="list-style-type: none"> <li>133 Gleneagles Hospital</li> <li>134 George Town Specialist Hospital</li> <li>135 Loh Guan Lye Specialist Centre</li> <li>136 Lam Wah Ee Hospital</li> <li>137 Island Hospital</li> <li>138 Penang Adventist Hospital</li> <li>139 Pantai Hospital</li> <li>140 Bagan Specialist Centre</li> <li>141 KPJ Penang Specialist Hospital</li> <li>142 Seberang Jaya Hospital</li> </ul>	
		MEDICAL TOURISM	
			SHOPPING TOURISM
			<ul style="list-style-type: none"> <li>143 Batu Feringghi Night Market</li> <li>144 Campbell Street Market</li> <li>145 Chowrasta Market</li> <li>146 Lorong Kulit Flea Market</li> <li>147 Penang Times Square</li> <li>148 Gurney Paragon</li> <li>149 Gurney Plaza</li> <li>150 1st Avenue Mall</li> <li>151 Penang Bazaar</li> <li>152 Straits Quay Marina Mall</li> <li>153 Gama Supermarket &amp; Departmental Store</li> <li>154 Queensbay Mall</li> <li>155 Kompleks Bukit Jambul</li> <li>156 Sunway Carnival Mall</li> <li>157 AEON Mall Bukit Mertajam</li> <li>158 Mydin</li> <li>159 PACIFIC</li> <li>160 UpTown PERDA</li> <li>161 Design Village</li> <li>162 IKEA</li> </ul>



Trishaw is an iconic means of tourist transportation in Penang and must be preserved



## Attractions

The attractions are perhaps the most important component on the supply side of tourism. It creates a sense of place, as well as acts as the main motivation for tourists to visit certain destinations. They are the attributes that influence choices made by particular tourists to visit one particular destination rather than another. They can be classified as cultural, like sites and areas of archaeological interest, historical buildings, and monuments, flora, and fauna, beach resorts, mountains, national parks or events like trade fairs, exhibitions, arts, and music festivals, games, etc., and Penang has plenty of must-see attractions and must-do activities that need to be discovered **Figure 3.4**.

- **Agro-Tourism**

Penang is putting forward efforts to promote the agro-tourism sector. This can be observed in the organization of festivals including the Durian Festival in Balik Pulau (Penang Island) and the

International Paddy Festival in Kampung Terus, Penanti (Seberang Perai), and cruising along Juru River. Penang has many resources in terms of agriculture, aquaculture, and livestock. These agro-tourism activities and attractions could generate income and encourage involvement of the local community in tourism sectors.

- **Built Attractions**

The built attractions include entertainment, events, festivals, museums, and others. Since Penang's inscription as a UNESCO World Heritage Site in 2008, many new attractions have been introduced, such as the Magic World, Penang 3D Trick Art Museum, Wonderfood Museum, Camera Museum, Teddyville Museum, and the TOP. Besides these, there are also many exciting attractions in other parts of the state, such as the Countryside Stables, Durian Farms in Balik Pulau, ESCAPE Theme Park, Entopia in Teluk Bahang, and Archaeology Gallery Gua Kepah in Penaga, and the War Museum and World War II relics.

The **Clan Jetty**





• **Cruise Tourism**

Cruise tourism has always been integral to Penang’s tourism industry, and this sub-sector experienced significant growth from 2015 to 2019. **Table 3.7** shows the number of passengers at the Swettenham Pier increased more than 100% in 2019, compared to 2015. However, the number of

passengers in 2018 decreased by -21.7% from the previous year due to reduced service frequency of international cruises to Penang. It was reported that international cruise passengers spent an average of USD100 in just 8-10 hours, when they boarded off at a destination, making them



**Table 3.7**  
Number of Passengers at Swettenham Pier, **2015-2019**

Year	2015	2016	2017	2018	2019
Number of Passengers	254,814	252,500	530,096	415,232	512,393

Source: Penang Immigration Department, 2020

among high yield tourists (Liew, 2018). Due to the global Covid-19 pandemic and the closure of the country's border since 2020, cruise tourism was one of the tourism sub-sectors that profoundly impacted, which recorded zero international tourist arrivals in the second and third quarter of the year.

The State Government of Penang is aware of cruise tourism's potential and looks forward to more significant spill over effects of it. The planned expansion of the Penang port is then very timely. The Swettenham Pier Port is located within the George Town UNESCO Heritage Zone. It is within walking distance to several tourist spots, including Padang Kota, Fort Cornwallis, Armenian Street, Beach Street, and the Clan Jetties. Furthermore, the cruise liners usually dock between 8 to 12 hours at the Swettenham Pier, which offers the cruise passengers ample time to enjoy Penang Island.

- **Culture and Heritage Tourism**

George Town was accorded the World Heritage Site Status as a living museum that represents the most complete surviving historic city centre in Asia, with a multi-cultural living heritage originating from its trade routes. Culture and heritage tourism has emerged as the important sub-sectors of Penang's tourism that had generated substantial economic impact to the state. Culture and heritage tourism is defined by the National Trust for Historic Preservation in the United States as traveling to experience the places and activities that authentically represent the stories and people of the past and present. Experiencing the culture, history and heritage of George Town is among

the top five main activities enjoyed by tourists to Penang and PTS (2019) reported that 39.7% and 24.2% of the international and domestic tourists came to visit Penang for sightseeing in George Town and visiting historical sites such as Fort Cornwallis, Little India, Armenian Street, and the Clan Jetties. As culture and heritage tourism flourishes, local businesses would benefit from the increased consumption of their products and services. This growth has provided new jobs to the local community but has also led to the issue of congestion and gentrification.

- **Ecotourism**

Ecotourism is defined as responsible travel to natural areas, conserves the environment, sustains the well-being of the local people, and involves interpretation and education (TIES, 2015). A significant number of tourists to Penang rated visiting national parks, hiking, and trekking as among their top 5 main activities when in Penang. Penang Island has several beautiful nature spots such as Penang National Park (Teluk Bahang), Penang Botanic Gardens, and Pantai Pasir Panjang. Some parts of the forested land in Penang have been classified as Permanent Forest Reserves. These forests also cover peat swamps and mangrove areas. Among the popular Forest Reserves are Balik Pulau Forest Reserve, Teluk Air Tawar-Kuala Muda Mangroves, and Bukit Panchor Forest Reserve (Penang Structure Plan 2030). Teluk Air Tawar - Kuala Muda Mangroves are bird watching areas, hosting more than 200 species of birds. The protection of Penang's mangrove forests is also a focal point of ecotourism, and it is beneficial for the local communities that rely on the fishery in the



mangroves as a source of livelihood. Hutan Paya Laut in Balik Pulau is another potential mangrove forests that can be highlighted and improved for eco-tourism purposes. There are also man-made attractions, such as the Habitat at Penang Hill, Entopia, and ESCAPE Theme Park that offer wonderful active nature-based tourism experience.

- **Educational Tourism**

The State Government had established the StudyPENANG to promote Penang as an education destination for prospective international students, by increasing the awareness and recognition of the state's education industry, both regionally and internationally. In 2019, StudyPENANG linked up 14 established colleges, including Wawasan



The **Frog Hill**  
Seberang Perai Utara





The **Gurney**  
**Drive** food  
court

**Nasi Kandar,**  
a must try  
dish when  
visiting  
Penang



Open University, Disted College, Equator College, KDU Penang University College, INTI International University and College, and Sentral College. Other than the private sector, Penang also hosts a few prominent public institutions such as Universiti Sains Malaysia (USM), Universiti Teknologi Mara (UiTM), and the Seberang Prai Polytechnic. Providing a conducive study ecosystem is crucial for Penang as the wonderful experience of living in Penang may entice students to promote the State to their friends and relatives or to revisit their alma mater in the future.

• **Gastronomy Tourism**

Penang is the gastronomic pride of Malaysia, offering different types of local gastronomic cuisines including Nasi Kandar, Nasi Lemak, Hokkien Mee, Curry Mee, Roti Canai, Fried Mee, Cendol, Laksa, Char Keow Teow, Assam Laksa, White Curry and Rojak.

Penang gastronomic offerings are recognized by CNN, Time Magazine and Lonely Planet as one of the best street foods in Asia. Notably, the recognition of heritage foods under the Malaysian Heritage Acts makes Penang a food paradise of Asia.

• **Medical Tourism**

Medical Tourism is an act of one who travels to ascertain country or to another country to receive medical, dental, and surgical care and at the same time engages in the tourism components at the destination. Penang is a preferred medicaltourism destination, especially for Indonesians who seek healthcare, especially with increased frequency of flights from Jakarta, Medan and Surabaya to Penang. The market for medical tourism in Penang has increased in the past ten years. Having more than 40 years of established hospitals such as Lam

**Table 3.8**  
Number of Patients and Revenue Earned from **Medical Tourism**

Year	No. of Medical Tourists	% Change	Revenue (RM)	% Change
2015	302,430	-9.95	390,694,625	5.89
2016	336,732	10.61	458,262,629	17.29
2017	382,164	13.49	550,274,088	20.08
2018	375,235	-1.81	568,037,540	3.23

Source: Penang Centre of Medical Tourism, 2015-2019

Wah Ee Hospital, Penang Adventist Hospital, Loh Guan Lye Specialists Centre, and Mount Miriam Cancer Hospital. Hospitals in Penang have experts in cardiology, orthopaedics, oncology, neurology, IVF, ophthalmology, dentistry and others.

The number of international patients has fluctuated for the past five years, with the biggest decline in 2015 with -9.95% (**Table 3.8**). The number, however, increased in the next two years to reach 375,235 in 2018.

In the past ten years, the revenue gained from medical tourism in Penang has steadily increased, despite a slight decline of -5.16% in 2008. According to PMED, the arrival of medical tourists in 2017, which represented 69% of total

national arrival (382,164 medical tourists) has generated RM550 million revenue that year and reached RM568,037,540 in 2018.

• **Meetings, Incentives, Conventions and Exhibitions (MICE)**

The MICE industry has become one of the niche markets in the Penang tourism industry that always brings in excellent yields to the tourism economy. As shown in **Table 3.9**, the number of events held in Penang for 2017 recorded a 100.72% growth from the previous year, with a total number of 2511 events held throughout the year. The events involved 267,518 number of delegates, with a 24.06% increase, bringing in the estimated economic impact from RM0.81 billion to RM1.00 billion. In 2018, the income from MICE

**Table 3.9**  
Number of Events, Delegates and Estimated Economic Impact **in MICE**

Year	No. of Events	% Change	No. of Delegates	% Change	Estimated Economic Impact (RM)	% Change
2016	1251	-	141,264	-	0.81 bil	-
2017	2511	100.72%	267,518	89.37%	1.00 bil	24.06%
2018	2733	8.84%	327,627	22.47%	1.31 bil	30.92%

Source: Business Events Penang Annual Review (PCEB), 2018



The **SPICE** arena





increased to 1.31 billion as the number of events held rose by 8.84%, involving 327,627 delegates.

Currently, there are five existing convention centers in Penang namely Convention 33, PECC Exhibition & Convention Centre, SETIA SPICE Convention Centre, SP Arena, Straits Quay Convention Centre and the upcoming development Penang Waterfront Convention Centre by a private developer. This shows that Penang has a demand, is strategic, and provides a suitable location for convention and exhibition events. The continuous demand of MICE reflects Penang's strategic location to host mega

events. This state is ranked at 208th for the worldwide ranking on the number of meetings held and placed at 49th for Asia Pacific Ranking of the same category. According to the ICCA Statistics (2018), Penang still has room to improve in terms of MICE tourism compared to other regional cities.

- **Shopping Tourism**

Penang has a great potential to emerge as a premier shopping destination with its retail therapy offering via 3 sectors - street/night markets, independent stores and shopping centres. The street and night markets offer foods cooked in-situ, as well as local products. Tourists may also



find other street market products from homemade handicrafts to vintage products. Some examples are the Batu Ferringhi Night Market, Little Penang Street Market, Campbell Street Market, Gurney Hawkers centre and Up Town Perda Night Market. Independent stores usually offer clothing, bags, pickles, etc. Chowrasta Market is the oldest market in Penang and the market sells almost everything, from fresh livestock and fresh produce to clothing, shoes and secondhand books. Little India, on the other hand, is known for its notable shopping spots for Indian clothing and

accessories, as well as Indian cuisines. Penang is also famous for its shopping centres. Top shopping centres include Gurney Paragon, Gurney Plaza, Queensbay Mall, IKEA, Design Village, 1<sup>st</sup> Avenue, Prangin Mall and Sunway Carnival Mall. These shopping centres often host mega-events; for instance, School Holidays Roadshow, Magnificent Deepavali, and Artisan Bazaar that would indirectly attract and influence people to engage in shopping tourism.



The Penang Bridge  
International **Marathon**



• **Sports and Recreational Tourism**

Penang has contributed to the existing international and national sports, notable sports icons such as Dato’ Lee Chong Wei, Dato’ Nicol David, Dato’ Namat Abdullah, Datuk Shukor Salleh and the late Isa Bakar. Besides, Penang has also hosted international sports events which include the Penang Asia Pacific Masters Games, Penang Bridge International Marathon, Penang International Dragon Boat Championship, Penang Eco 100km Marathon, and Penang E-Sports Festival. Indeed, Penang has the capacity to host a wide variety of sports activities, as it is equipped with the appropriate facilities and venue. Penang also offers a variety of recreational places such as Taman Negara

Teluk Bahang, Cherok Tokun, Bukit Bendera, Bukit Juru, Bukit Suling and Bukit Berapit. Usually these places serve as spots for local and international tourists to do activities such as hiking or jungle trekking.

**Accommodation**

The accommodation and other facilities complement the attractions. Accommodation plays a central role and is very basic to tourist destinations. The World Tourism Organization, in its definition of a tourist, has stated that he/she must spend at least one night in the destination visited, to qualify as a tourist. This presupposes the availability of some kind of accommodation. The demand for

**Table 3.10**  
Number of Hotels in Penang by District and MOTAC Star Rating

District	(MOTAC Star Ranking)					
	1-star	2-star	3-star	4-star	5-star	Total
Timur Laut	12	12	19	19	8	69
Barat Daya	1	2	1	3	2	9
Seberang Perai Utara	1	3	2	0	0	6
Seberang Perai Tengah	0	5	1	3	2	11
Seberang Perai Selatan	0	0	1	0	0	1
Total	14	22	24	25	12	97

*\* Information is correct as of 21<sup>st</sup> October 2019*  
*Source: Ministry of Tourism, Arts, and Culture (MOTAC), 2019*



The **Muntri Grove** Hotel

accommodation away from one's home is met by a variety of facilities. Penang offers a fantastic choice of accommodation and facilities to suit different needs and budgets, from luxury hotels, boutique hotels, and serviced apartments, to budget hostels, beachfront guesthouses, and exciting homestays.

There are numerous options for accommodation for tourists to Penang, with hotels being one of the key choices; most of the hotels in Penang ranged from a three-star rating to a four-star rating, with 12 hotels achieving the top rating of five stars (**Table 3.10**). The hotels are densely concentrated in George Town that is situated in Timur Laut due to the administrative district and the centre

of the island. On top of that, George Town has been inscribed as a UNESCO World Heritage Site since 2008 and supported by other popular tourist attractions such as Gurney Drive, Bukit Bendera, the Penang Botanic Gardens, and Kek Lok Si temple. The other side of the island, mainland Seberang Perai, hosts 18 hotels. It shows the contrast in the number of hotels found in Seberang Perai. The majority of hotels are found in Seberang Perai Tengah, followed by Seberang Perai Utara and Selatan. There is only 1 three-star hotel in Seberang Perai Selatan.

It is clear that the development in the tourism sector has been prioritized on the Island and which

causes Seberang Perai to be less prioritized. Nevertheless, the state government has been giving more attention to Seberang Perai in developing certain sub-sectors of tourism, such as eco-tourism.

Hotels and resorts are the most popular among tourists for accommodations. Besides hotels and resorts, there is the need for convention hotels as an option for tourists that are coming to Penang for convention and exhibition events (**Table 3.11**). Moving forward, Timur Laut once again has the most number of hotels and resorts because of the district’s accessibility to renowned tourist attractions. However, only 48 of Penang’s hotels and resorts are found in Seberang Perai, with 25 being situated in Seberang Perai Tengah and 17 in Seberang Perai Utara. In contrast, Penang Island has

double the number of hotels and resorts compared to Seberang Perai, which hosts a more significant percentage of homestays. As mentioned before, Penang received 6.66 million hotel guests in 2018, with a 4.30% increase from 2017 (Tourism Malaysia, 2019). However, this number does not capture tourists staying at any other accommodation options such as homestays, Airbnb, and others.

**Figure 3.5** shows the number of hotel guests in Penang, which represent domestic and international guests. 2016 was marked as having the highest number of hotel guests in Penang in the past five years, with 6.85 million hotel guests. The number of hotel guests was lower in 2015, at -7.3% but remained stable in 2016 and 2017.

Table 3.11 Number of Other Tourist Accommodations by District and Types					
District	Convention Hotels	Hotels & Resorts	Motels	Guest Houses	Homestay
Timur Laut	1	128	2	0	0
Barat Daya	1	7	0	0	3
Seberang Perai Utara	0	17	2	0	2
Seberang Perai Tengah	1	25	0	1	2
Seberang Perai Selatan	0	6	3	1	4
Total	3	183	7	2	11

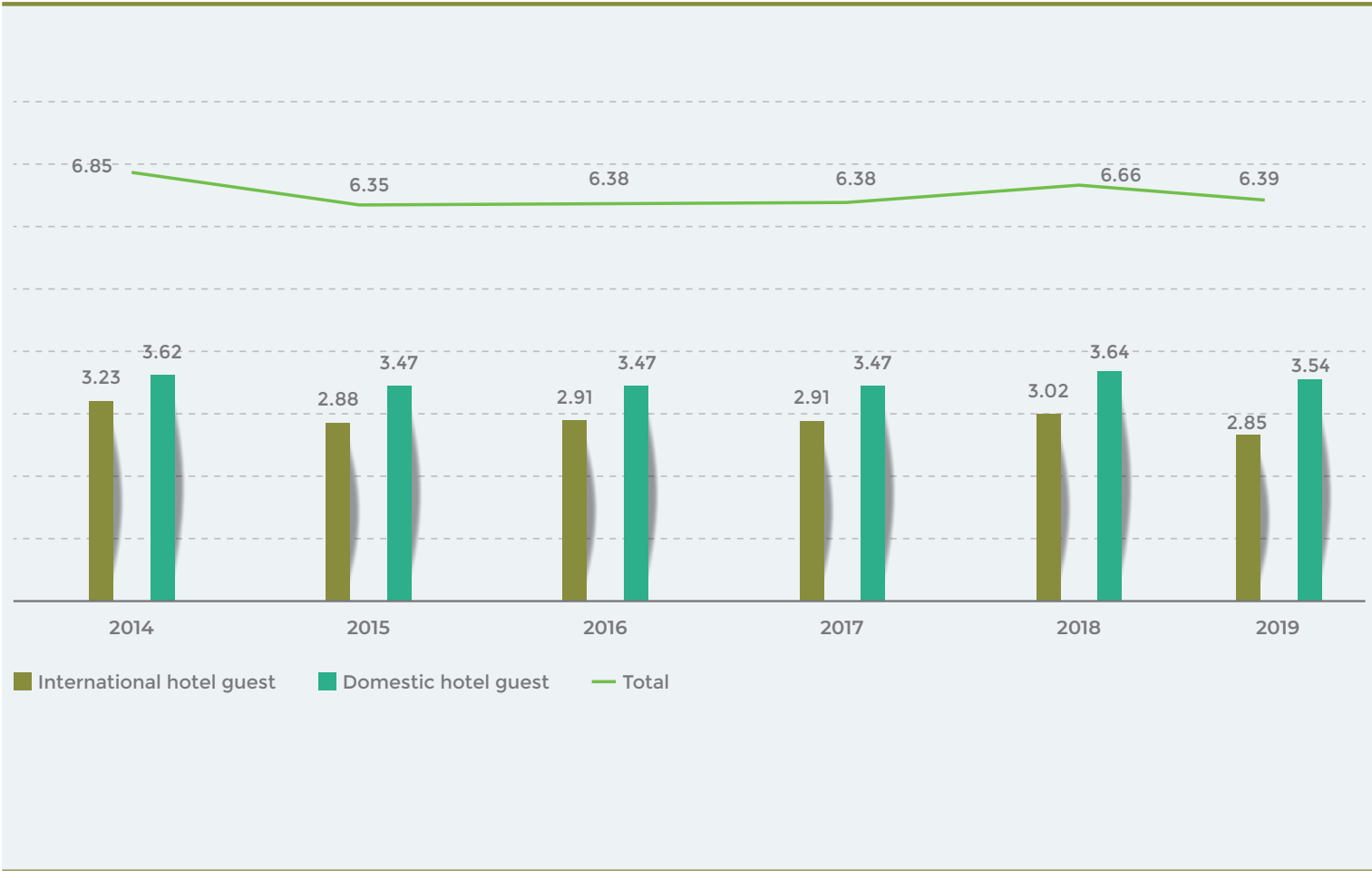
*\*Information is correct as of 21<sup>st</sup> October 2019.  
Source: Penang Meeting Planner Guides 2019-2020 and Penang State Exco for Tourism and Creative Economy.*





The **Gravityz**

**Figure 3.5**  
Number of Hotel Guests in Penang



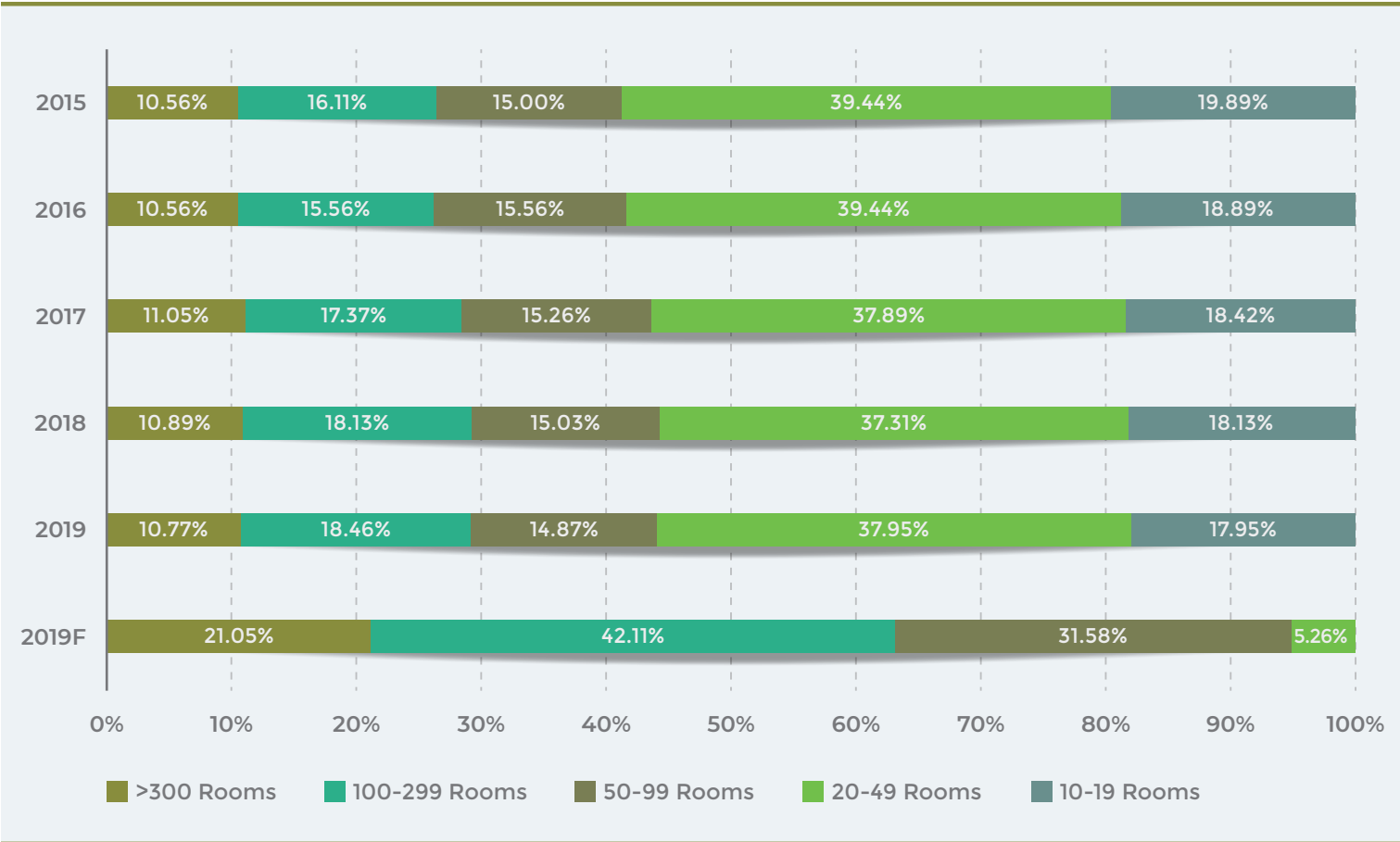
Source: Tourism Malaysia (based on Hotel Survey) 2020. (Figures are in million)

The number of hotel guests increased to 4.3% in the following years, with about 6.66 million hotel guests. The average hotel occupancy rate in Penang has been slowly declining for the past few years, at -2.8% from 2016. In 2018, the average hotel occupancy rate in Penang recorded 62.2%, with an average occupancy rate for a beach hotel, and city hotel at 65.1% and 62.5%, respectively. The emergence of Airbnb and serviced apartments might have

contributed to the drop, as tourists favor the option offered in terms of accommodation selection. The states shall consider taking enforcement measures to ensure the quality of the accommodation services provided is up to standards.

According to the National Property Information Centre (2019), there are about 195 hotels in Penang, offering 19,753 rooms as of quarter two of 2019. 10.77% of the total hotels offered

**Figure 3.6**  
Existing Stock Number of Hotels by **Number of Room**



Sources: National Property Information Centre (based on Property Stock Report), 2015-2019  
\*Note: As of Quarter 3, 2019

more than 300 rooms, 18.46% provided a 100-299 room capacity, 14.87% for a 50-99 room capacity and followed by 37.98% and 17.95% for a capacity of 20-49 rooms and 10-19 rooms correspondingly (**Figure 3.6**). Again, this number does not include other accommodation selections, such as serviced apartments, Airbnb, and legal and illegal homestays. It reported that incoming supply for hotels in Penang is 23 hotels, adding 4834 additional

rooms to the current supply.

### Amenities

Amenities can be facilities that support tourism activities. They include public toilets, public spaces, garbage bins, Wi-Fi connectivity, and transportation hubs. The Penang Tourist Survey (2019) revealed that tourists are dissatisfied with the level of cleanliness of its beaches, sea, public toilets, and other attractive spots. The site assessment at several tourist spots



reconfirms the issues of cleanliness and the availability of public toilets. At the same time, additional signages are needed at strategic locations to guide visitors to attractions across the state. Having a good information centre is crucial in any tourism management. The Tourist Information Centre plays a vital role in providing tourists with data on tourism attractions (brochures, maps, events, and festivals) as well as responding to tourists' inquiries. The Tourist Information Centres for Penang are found at the centre of George Town as well as at the Penang International Airport. It is imperative that Welcome or Visitor Centres be established at strategic entrances into the state. Another important component of tourist amenities is the safety level. To ensure a high level of safety, Penang has established

the Tourist Unit, comprising officers patrolling popular locations in Penang on foot, bicycles, motorcycles, and cars.

## Activities

In line with "Experience Penang 2020", the state provides an ample range of activities in which tourists can participate. Events and festivals are hosted to provide opportunities for visitors to enjoy and participate. Iconic Penang-based events include the Butterworth Fringe Festival, Balik Pulau Festival, Penang Bridge International Marathon, Penang Durian Festival, Penang Hill Festival, International Paddy Festival, and George Town Festival. To celebrate multiculturalism, the state also

The Colourful  
**Thaipusam Festival**



celebrates Hari Raya, Chinese New Year, Christmas, Thaipusam, Bon Odori Festival and Loy Krathong. Penang also offers a variety of activities with regard to adventure, water-based, hiking/trekking, experiencing local food, enjoying nightlife and nature. The ESCAPE Theme Park is one iconic tourism product that offers both physical adventure and water theme park with the world's longest tube water slide. Penang has many spots for hiking and trekking such as the Penang National Park, Juru Nature Park, Frog Hills, Pantai Jerejak, Bukit Panchor State Park, Cherok To'kun Park, and Ayer Itam Dalam. All these places should be preserves, conserves, clarify and classified as biodiversity hot spots for future generations. Ayer Itam Dalam, Teluk Air Tawar, and Sungai Burung offer opportunities for birdwatchers to observe migratory birds. Experiencing local food is another one of a kind experience in Penang. Penang also offers various levels of the shopping experience, from the night markets to high-end shopping malls. Besides shopping, watching theatre and cultural performances in George Town at night would bring a sense of excitement for tourists.

## Managing Penang Tourism

The tourism sector is a complex and dynamic sector where policymakers need to continually monitor and evaluate the performance of tourism performance through a planned strategy to ensure the long-term sustainability of Malaysia's tourism sector. In Malaysia, tourism policies and regulations are designed to enable the formation of sustainable tourism, which

emphasises environmental sustainability and longevity. The strategic implementation of these legal frameworks, in a coordinated fashion, incorporated and synchronised the following: tourism infrastructure, tourism activities, tourism products, promotional and branding programs, technological advancement, and innovation progress. The tourism sector monitoring and management in Penang are brought to a new level by establishing local tourism organisations that are answerable to the State Government. These local tourism organisations make the Penang State's tourism sector more proactive as it has more professional energy, better management and enough funds. Therefore, tourism growth will be further aligned with the mission and vision outlined by the Penang State Government. Hence, success stories of tourism projects could be envisaged, which aligns with the Penang2030 Vision towards improving Penang's livability, economy, civil participation, and balanced growth to become a family-focused, green and smart State.

The tourism management in Malaysia is regulated by both the Federal Government and the State Government. The Federal Government and the Penang State Government put forward great efforts to develop the tourism sector in Malaysia, and their uncompromising attention and intention to boost the industry are evident through the provision of a considerable number of tourism policies. The Federal Government is responsible for driving tourism and culture as one of the nation's values, and at the same time, strengthens, preserves, and conserves the art, culture and heritage elements. The Federal Government provides human capital that is knowledgeable, skilled, creative and innovative



### 3.0 The State of Penang Tourism

as one of the main pillars to build up the tourism sector. The State Government collects data used as the groundwork for policy development and helps to steer the direction of the tourism sector. Moreover, both governments' responsibility covers the provision of efficient tourism-related infrastructure through a robust support system. Both governments give great attention to the tourism industry through a considerable budget allocation for the industry's improvement and promotional purposes. Despite the overlapping in authority, functions, and responsibilities between both governments; persistent promotions are in

full swing, and other marketing strategies are also intensified.

At the Local Government level, the tourism industry is managed by both city councils: Majlis Bandaraya Pulau Pinang (MBPP) and Majlis Bandaraya Seberang Perai (MBSP). The serious efforts to improve, enhance, and boost the tourism industry can be seen through the conferment of the ASEAN Clean Tourist City Standard (ACTC) 2018-2020 to Majlis Bandaraya Pulau Pinang (in 2018). Guidelines of highland accommodation improvement (for ecotourism



**The Street Arts** present interesting cultures of Penang that attract the youths to explore its inner city



category) approved by the State Planning Council in 2016 are evidence of MBPP paying attention to local community well-being, environmental carrying capacity, and environmental sustainability; while maximising the economic benefits. MBSP envisaged the boost of the tourism industry by realising the Seberang Perai Smart and Sustainable City in 2022, another effort to transform the Seberang Perai into a resilient, inclusive, green, competitive and technology-driven city (and tourism destination). The UNESCO World Heritage Site status conferred to George Town in 2008 (together with Malacca City) came with a clear Management Plan, overseen by the George Town World Heritage Incorporated (GTWHI).

The Economic Planning Unit (EPU) is in charge of developing strategies and policies to develop the domestic tourism sector. The Penang State Economic Planning Unit ensures that any tourism policy endorsed by both the Federal and Penang State Governments are in line with the development goals of the State. The plans include privatisation, rural development (mostly related to the Seberang Perai), human resource development, poverty, and squatters eradication (primarily associated with the Seberang Perai), environment and resource management, entrepreneurial and cooperative development, and regional development and IMT-GT (related to ECER). Of importance, the Penang State Economic Planning Unit strikes a balance between the desired development and the much-needed environmental sustainability. The Penang State Exco Office for Tourism and

Creative Economic (PETACE) is the key office that is responsible for overseeing the direction and growth of tourism development in Penang. It has introduced four key pillars in promoting tourism in the State: Restructuring, Rebranding, Remarketing, and Repositioning. The Penang Global Tourism (PGT) is the marketing arm of the State that coordinates tourist activities as well as links the State with the local and international global players. Besides PGT, PETACE also has other agencies under it, namely PCEB, GTWHI, the Penang State Museum, and the Penang Art District (PAD). PETACE is also responsible for preparing a crisis management plan which is an essential element of tourism planning. Preparing for risk or crises requires a strategy that can reduce the uncertainties of actions taken during a crisis. A thorough inventory and analysis of possible risk scenarios are essential so that the State fully understands the tourism business risks. PETACE, in this case, had introduced a Tourism Recovery Action Plan (TRAP) to contain the impacts of the Covid-19 pandemic.

## Position of Penang in the Regional Tourism Map

Effective targeting and positioning are essential in gaining and sustaining Penang in the regional tourism map. Penang is commonly known and portrayed as a great culture and heritage destination due to its UNESCO World Heritage Site status, which at the same time is an excellent gastronomic destination in the Northern part of Malaysia due to its diverse, multicultural society.



The **Penang City Hall**, a landmark colonial building in the heart of **George Town's UNESCO World Heritage Site**, serves as the seat of the Penang Island City Council



The tourism images of Penang have gone through a transformation in the past several years. The strongest image of Penang perceived by tourists in 2018 was in offering a variety of local cuisine (39.5%), as a world heritage site (33.7%), a multi-cultural society (7.6%) and sandy beaches (4.5%) (PTS, 2019)(**Figure 3.7**). Prior to that, the image of Penang was about world heritage sites, with 43.2% and 36.4% in 2015 and 2016 respectively. However, the image has since shifted to local cuisine in 2017 and remains until 2018, with a growth percentage of 8.52%. Managing the yield in tourism is necessary for enhancing competitiveness. Penang has all the attributes to become a preferred regional tourism destination. Environmental analysis involving Strengths, Weaknesses/Challenges, Opportunities and Threats (SWOT), PESTLE, Benchmarking, and Competitive Analysis were undertaken to establish a dynamic and invigorating image strategy that will reposition Penang as a premier regional destination of choice. Systematically addressing the challenges can unlock the full potential of Penang's tourism industry. Strategies have to be devised to address threats and challenges. In order to become a competitive regional tourism destination, Penang has to ensure that challenges are addressed accordingly by taking into consideration impending and future opportunities. Penang needs efficacious tourism strategies and

implementation plans in complementing the Penang2030 (**Table 3.12**). The PESTLE analysis of external factors that affect Penang is shown in **Table 3.13**.

## The Attractiveness of Penang Among Regional Destinations

The strategic development of marketing activities has proven that tourism is a dynamic and competitive industry that requires the ability to constantly adapt to customers' changing needs and desires, as the customers' satisfaction, safety and enjoyment should be the focus of tourism businesses. Most regions and cities across Asia are taking tourism as a serious sector that can generate income for the economy. While the main focus of this master plan is to enhance Penang's ability in attracting tourists and increasing their revisit intention; it is imperative that the attractiveness level of Penang as a tourist destination is measured against selected regional competitors. This section covers the competitive analysis that is done in Penang through online and on-ground surveys. There are about 216 surveys collected from among the tourists and local residents, where respondents were required to evaluate and rate the destination that they visited from nine identified tourism destinations including Penang, and to discuss the level of destination attributes that they find important whenever visiting



Source: Penang Tourism Survey (2019).



a tourism destination. In this case, popular cities such as Bangkok, Singapore, Taipei, Hong Kong, Phuket, Chiang Mai, Guilin and Ho Chi Minh have been selected as the benchmark destinations among selected attributes as shown in **Table 3.14, Figure 3.8, Figure 3.9**. Penang ranked in the Top 2 for attributes of food and beverages, culture and heritage, and beach resorts. As for the friendliness of people and sports facilities, Penang was ranked

third. Penang also excels in natural attractions, medical facilities and local transportation, as Penang is placed fourth among the other destinations. However, Penang is trailing behind and needs enhancement in terms of offering a variety of products, shopping experience, nightlife entertainment and a variety of souvenirs as the state's scores in these attributes are rather lower than other tourism destinations.

**Table 3.12**  
Opportunities, Strengths, Threats and Weaknesses/Challenges of **Penang Tourism**

Strengths of Penang	Setbacks/Challenges
<ul style="list-style-type: none"><li>• George Town is a UNESCO World Heritage Site</li><li>• Arts and multicultural society</li><li>• Gastronomic pride of Malaysia</li><li>• Presence of a strong and vibrant historical and cultural scene</li><li>• Beautiful and varied landscape of beaches and hills</li><li>• The longest bridge in Malaysia and Southeast Asia</li><li>• Regional air connectivity</li><li>• Strategic location within the IMT-GT region</li></ul>	<ul style="list-style-type: none"><li>• The needs for tourism product variations</li><li>• The innovation of tourism products</li><li>• Congestions at tourist spots</li><li>• The state of cleanliness at tourist sites</li><li>• Improvement in tourism infrastructure</li><li>• Tourism crisis preparedness</li><li>• The gentrification of inner-city</li><li>• The shift of tourist spaces</li><li>• Affordable Penang</li><li>• Low tourists yield</li><li>• Increased competition from regional destinations</li><li>• Integrated tourists information hub</li><li>• Imbalance concentration of tourist attraction</li><li>• Changing tourist demography</li><li>• Lack of reliable data</li><li>• Enforcement of laws &amp; regulations</li></ul>
Opportunities for Penang to be a Tourism Hub	Threats for Penang
<ul style="list-style-type: none"><li>• Strategic location</li><li>• Tourism resources which are not explored</li><li>• The rise in preference of millennial tourists which differs highly on experiential tourism</li><li>• A perfect mix of modern city life with heritage and natural beauty</li><li>• Integration of tourism with agriculture, natural eco-system and halal products</li><li>• Shift to a high-yield pattern of tourism, with an emphasis on quality and experience</li><li>• Penang has the potential to emerge as a medical, wellness and aesthetic tourism destination</li><li>• Optimize the potential of 3 surrounding islands which are Pulau Aman, Pulau Kendi, and Pulau Gedung for tourism purposes</li><li>• Seberang Perai has many potentials in eco-tourism</li></ul>	<ul style="list-style-type: none"><li>• Gentrification and displacement of the community at the World Heritage Site</li><li>• Competitive regional destinations</li><li>• The competitive offering of tourism attractions from neighboring states</li><li>• Changing tourist demographics</li><li>• Development and an increase in application of Artificial Intelligence and Augmented Reality at tourist destinations and management</li><li>• Advancement of technology</li><li>• Slow economic growth and volatility of oil prices has reduced tourism demand and spending</li><li>• Hotel rates are too low in Penang compared to cities around the region</li></ul>

**Table 3.13**  
The PESTLE Analysis of **Penang Tourism**

Political	Economic
<ul style="list-style-type: none"><li>1. Stable political environment</li><li>2. Liberal administration</li><li>3. Tourism-friendly policy</li><li>4. Safe and secure state</li></ul>	<ul style="list-style-type: none"><li>1. Tax policies - tourism fund, tourism grant, tax incentive</li><li>2. GDP of RM80bil, half of Penang’s economy is reliant on tourism</li><li>3. Progressive Economic Policy</li><li>4. Budget 2019 - RM34 million will be allocated to promote and boost the tourism sector</li></ul>
Social	Technological
<ul style="list-style-type: none"><li>1. Peaceful and multicultural population - 42% Malay, 39% Chinese, and 10% Indian</li><li>2. Tourism-friendly community</li><li>3. Multilingual society</li><li>4. The existence of a dynamic human resource</li><li>5. Inter-racial tolerance</li><li>6. Multi-ethnic culture and arts</li></ul>	<ul style="list-style-type: none"><li>1. Modern technology and communication infrastructure</li><li>2. Technology incentives</li><li>3. Effective and adequate technological legislation</li><li>4. Adoption of digital technology in tourism industry</li></ul>
Legal	Environment
<ul style="list-style-type: none"><li>1. Well-regulated employment legislations</li><li>2. Protection of National Heritage - (National Heritage Act 2005)</li><li>3. Attractive Foreign Investment Policy and Regulations</li><li>4. State of Penang Heritage Enactment (2011) and State of Penang Heritage Regulations (2016)</li><li>5. George Town Historic Cities of the Straits of Malacca Special Area Plan (2016)</li></ul>	<ul style="list-style-type: none"><li>1. Sustainable Environmental Policy</li><li>2. Green and Sustainable Tourism</li><li>3. Climate and weather</li><li>4. Environmental legislation</li></ul>

Table 3.14  
Comparative Performance Indexes of **Regional Destinations**

No	Benchmark Attributes	Average Performance Index for Regional Tourism Destination								
		#9	#8	#7	#6	#5	#4	#3	#2	#1
1	Food & beverages	SIN 3.79	CNX 3.83	SGN 3.92	HKT 3.97	HKG 4.00	BKK 4.04	KWL 4.23	<b>PEN 4.42</b>	TPE 4.43
2	Culture & heritage	SIN 3.43	HKG 3.67	HKT 3.71	CNX 3.86	BKK 4.04	TPE 4.13	SGN 4.15	<b>PEN 4.23</b>	KWL 4.46
3	Beach Resorts	HKG 3.13	CNX 3.17	TPE 3.46	BKK 3.48	SGN 3.52	SIN 3.57	KWL 3.75	<b>PEN 3.86</b>	HKT 4.56
4	Friendliness of people	HKG 3.23	SGN 3.38	SIN 3.48	HKT 3.80	CNX 3.83	BKK 3.89	<b>PEN 3.96</b>	TPE 4.20	KWL 4.42
5	Sports facilities	CNX 3.04	SGN 3.30	KWL 3.31	BKK 3.49	HKT 3.55	TPE 3.58	<b>PEN 3.60</b>	HKG 3.74	SIN 3.76
6	Natural attraction	BKK 3.51	SIN 3.62	SGN 3.62	HKG 3.67	CNX 3.95	<b>PEN 4.03</b>	TPE 4.13	HKT 4.26	KWL 4.69
7	Medical facilities	SGN 3.21	CNX 3.30	HKT 3.38	KWL 3.46	BKK 3.49	<b>PEN 3.90</b>	SIN 4.02	HKG 4.08	TPE 4.08
8	Local Transportation	CNX 3.43	SGN 3.44	HKT 3.57	KWL 3.62	BKK 3.74	<b>PEN 3.84</b>	HKG 4.22	SIN 4.29	TPE 4.40
9	Architecture & urban landscape	CNX 3.35	HKT 3.56	SGN 3.73	BKK 3.76	<b>PEN 3.97</b>	KWL 4.00	HKG 4.04	TPE 4.14	SIN 4.29
10	Tourist Accommodation	SGN 3.88	HKG 3.88	HKT 3.91	CNX 3.96	<b>PEN 3.97</b>	BKK 4.13	KWL 4.15	TPE 4.21	SIN 4.29
11	Global status	KWL 3.58	CNX 3.78	SGN 3.85	HKT 3.88	<b>PEN 3.90</b>	BKK 4.04	TPE 4.14	HKG 4.24	SIN 4.42

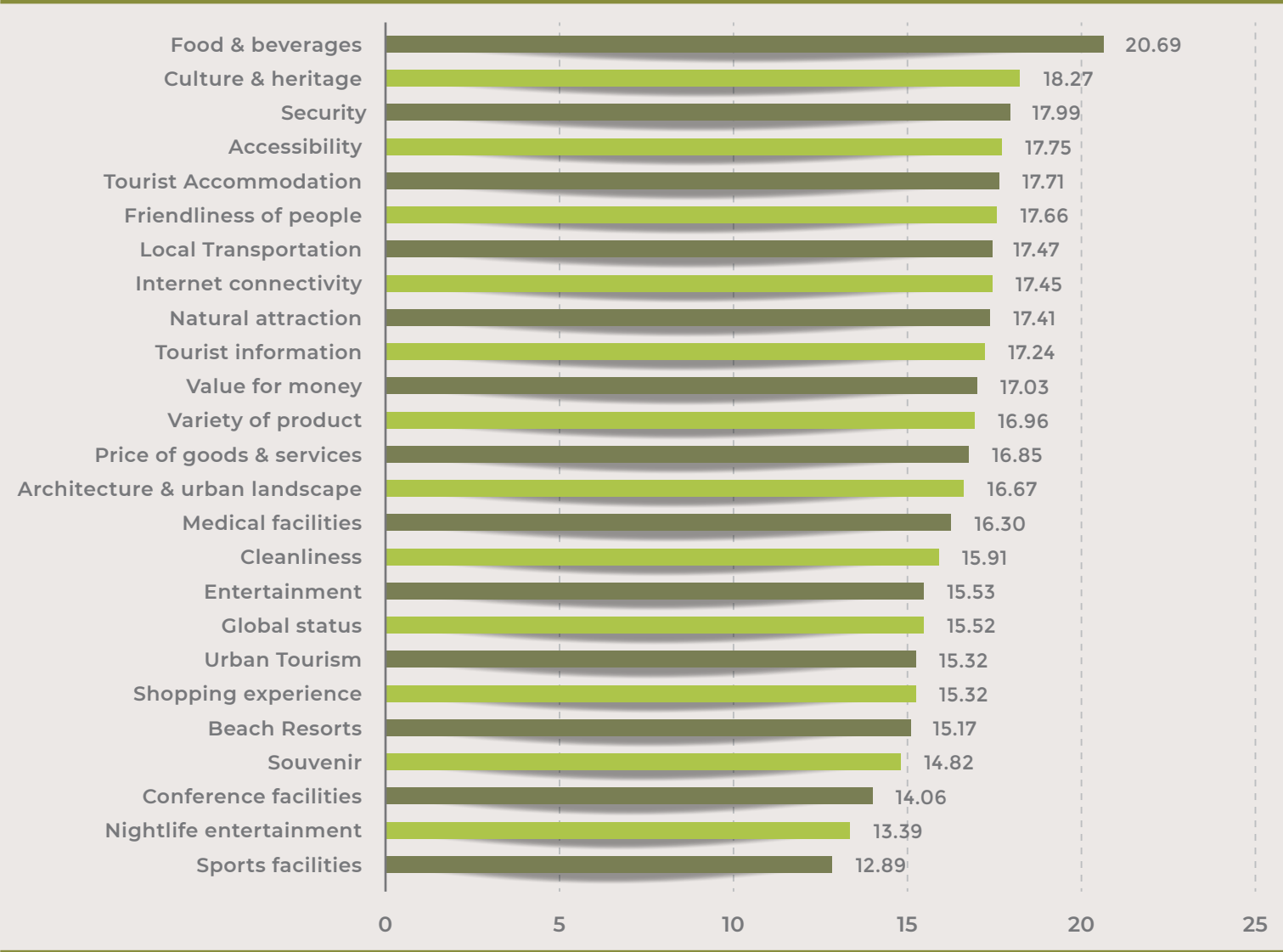


**Table 3.14**  
Comparative Performance Indexes of **Regional Destinations**

12	Tourist information	KWL 3.62	CNX 3.65	SGN 3.77	BKK 3.87	<b>PEN</b> <b>3.90</b>	HKT 3.91	HKG 4.12	SIN 4.19	TPE 4.21
13	Conference facilities	CNX 3.19	SGN 3.35	HKT 3.47	BKK 3.59	<b>PEN</b> <b>3.81</b>	KWL 3.92	SIN 3.98	TPE 4.00	HKG 4.17
14	Security	CNX 3.26	SGN 3.35	BKK 3.35	HKT 3.51	<b>PEN</b> <b>3.78</b>	HKG 4.15	SIN 4.44	TPE 4.47	KWL 4.50
15	Price of goods & services	SIN 3.25	HKG 3.54	HKT 3.57	KWL 3.62	<b>PEN</b> <b>3.68</b>	BKK 3.85	CNX 3.91	TPE 3.93	SGN 4.00
16	Accessibility	CNX 3.52	SGN 3.69	HKT 3.80	<b>PEN</b> <b>3.91</b>	KWL 3.92	BKK 4.00	HKG 4.12	SIN 4.21	TPE 4.50
17	Urban Tourism	CNX 3.33	HKT 3.53	SGN 3.62	<b>PEN</b> <b>3.83</b>	BKK 3.87	TPE 4.00	HKG 4.08	KWL 4.15	SIN 4.22
18	Value for money	SIN 3.33	HKG 3.42	HKT 3.74	<b>PEN</b> <b>3.81</b>	CNX 3.83	TPE 3.87	SGN 3.92	KWL 3.92	BKK 3.98
19	Internet connectivity	CNX 3.23	HKT 3.71	BKK 3.72	<b>PEN</b> <b>3.76</b>	KWL 3.77	SGN 3.77	HKG 4.12	SIN 4.26	TPE 4.36
20	Cleanliness	SGN 2.85	CNX 3.00	BKK 3.26	<b>PEN</b> <b>3.40</b>	HKT 3.49	HKG 3.92	KWL 3.92	TPE 4.00	SIN 4.54
21	Entertainment	CNX 3.43	SGN 3.69	<b>PEN</b> <b>3.76</b>	KWL 3.92	TPE 3.93	HKT 3.97	SIN 4.18	HKG 4.19	BKK 4.26
22	Variety of product	HKT 3.83	<b>PEN</b> <b>3.89</b>	CNX 3.91	SIN 3.97	KWL 4.00	HKG 4.00	SGN 4.12	BKK 4.27	TPE 4.40
23	Shopping experience	CNX 3.74	<b>PEN</b> <b>3.84</b>	KWL 3.85	HKT 3.94	SIN 4.06	SGN 4.12	HKG 4.27	BKK 4.43	TPE 4.64
24	Nightlife entertainment	KWL 3.58	<b>PEN</b> <b>3.75</b>	HKG 3.84	CNX 3.87	SGN 3.92	HKT 4.06	TPE 4.08	SIN 4.16	BKK 4.28
25	Souvenir	<b>PEN</b> <b>3.78</b>	SIN 3.80	TPE 3.86	HKT 3.91	HKG 4.04	SGN 4.12	CNX 4.13	BKK 4.22	KWL 4.33

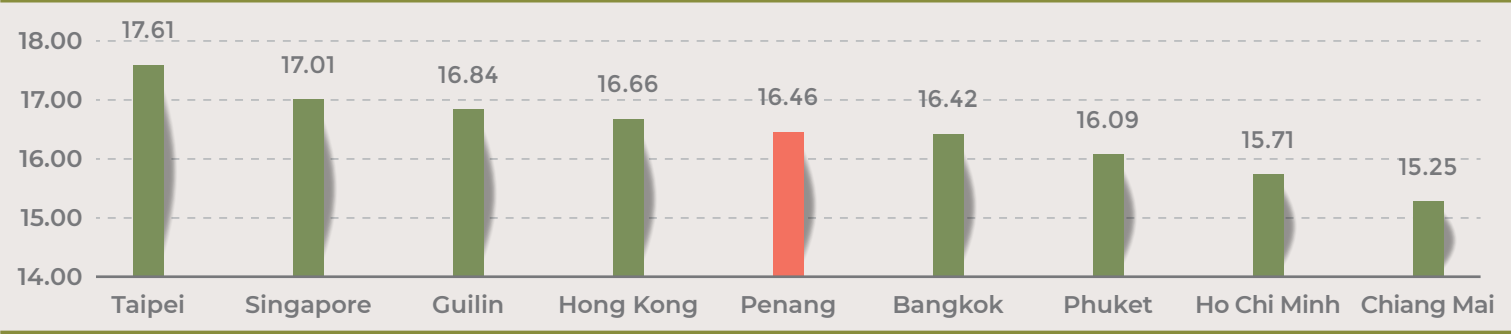
Note: PEN – Penang, SIN – Singapore, HKG – Hong Kong, KWL – Guilin, TPE – Taipei, BKK – Bangkok, CNX – Chiang Mai, HKT – Phuket, SGN – Ho Chi Minh.

**Figure 3.8**  
Penang Average **Performance Index**



Note: from maximum point of 25

**Figure 3.9**  
Comparative Destinations **Performance Index**







Penang is famous for  
its **street food**



# 4.0

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CHALLENGES FACING  
PENANG TOURISM

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## The **Penang Bridge**



# 4.0 CHALLENGES FACING PENANG TOURISM

While the State is trying its best to develop the tourism sector sustainably, there are many challenges that it has to overcome from time to time. This section discusses some critical issues and challenges discussed and agreed during the Focus Group Discussions (**Figure 4.1**).

## Increased Competition from Regional Destinations

As tourism grows into an important economic sector to the global economy, more and more countries across South East Asia take this sector more seriously and improve their tourism infrastructure and products to lure many tourists to their shores. The Mekong River countries, especially Vietnam, Laos, Cambodia, and Myanmar, are mobilizing their resources to enhance their attractiveness to

capture the markets that had shifted to this region. While their culture and customs are not that different from those found in their ASEAN counterparts, but tourists regard them to be more authentic, nostalgic, and pure. Thus, these countries experience an influx of backpackers or allocentric travelers, getting away from destinations found in more established countries (in the tourism sector) like Indonesia, Malaysia, and Singapore. On the other hand, Thailand continues to step up its product delivery, improving facilities to entice a greater number of the Halal tourism market. These developments have somehow affected Penang tourism. Thailand continues to improve its islands like Koh Lipe, Krabi, and cities like Haatyai, directly attracting potential tourists from Penang. Thus, Penang should not rest on its laurels and needs to keep on improving its deliverables.



## Tourism Crisis Preparedness

Tourism is a fragile sector and vulnerable to global, regional and local crises, demanding disaster mitigation strategies and high level of preparedness. Previous and recent crises, disasters and epidemics such as terrorist attacks, bombings, wars, earthquake, tsunami, flooding, airline crashes, political and financial crises, SARS, H1N1, MERS and Covid-19 have hampered visitors from travelling to affected and nearby destinations. The crisis not only severely affects visitor arrivals but also hotel occupancy, local businesses, reservation and tour guide services. Penang is not an exception in this scenario, demanding for a holistic tourism resilience plan for the state. Crisis mitigation and preparedness should include getting ready (readiness), anticipating consequences or impacts of hazards or emergencies (foresight), planning for a variety of scenarios (anticipatory planning), and taking the necessary measures to avoid or reduce risk (precautionary action).

## The Need for Variety in Tourism Products

Penang is a state blessed with a variety of unique tourism products. While there are many potential tourism products in Penang, some are yet to be fully developed or promoted. Many of the products are located in Seberang Perai on the Seberang Perai. Notwithstanding

these areas are readily available for tourism industry consumption, the low number of tourist visitation is perhaps due to limited promotion, unintegrated tourism agency networking, and limited business operation. Many of these products are being promoted in a silo; thus, an integrated promotional effort is highly needed. Despite having various tourism activities that are actively doing business during the daytime, there are still complaints that Penang lacks nightlife entertainment. Taking into consideration that night time is reserved for enjoying the light-and-easy shows, which require minimal physical movement, and showing cultural performance programs/events showcasing the uniqueness of multiracial values that will offer tourists a better sensory experience.

## The Innovation of Tourism Products

Penang needs to continue innovating its product offering in order to remain competitive and sustainable. Bali and Chiang Mai are two good examples of successful destinations in Asia that have managed to sustain their competitive edge by continually introducing new and innovative products to retain high repeat tourist visitations. Creative destinations need an integrated product development ecosystem in order to generate new products for tourists' consumption. The concept such as One Tambora One Product (One Village One Product) or OTOP is a good example of how local-level products are being upgraded for global consumption. Product innovation should be extended to the strength and uniqueness of

**Figure 4.1**  
Challenges Facing **Penang Tourism**



Penang, such as being a heritage site, the various food offerings, and elements of murals found in George Town. The innovation skills embedded into the tourism products should be able to flaunt the identity of Penang, and more importantly, it must also involve the people of Penang, where this will give birth to a sense of belonging.

Besides incorporating product innovation in tourism product development, there are needs for the innovation skills to be employed in the form of tourism activity. While the process of tourism product development may require technology-based innovation skills (such as 4IR elements incorporated in tourism packaging, website

development and internet provision), the tourism activity formation may only need a more straightforward solution.

The Penang trishaw has been the icon of Penang tourism. Despite the change in the demand for trishaw rides among the population, Penang trishaws still attract rides by the tourists as it is considered a unique form of transportation. This form of local transportation thus must be enhanced and improved in line with changes in technology. One good example is by introducing the green trishaw – the electric trishaw. Tourism product and activity innovation in Penang should be embraced by all parties, including strong partnerships

between the government and the private sectors. The Penang Structure Plan 2030 (RSNPP) shows the commitment of the State Government to innovate local tourism products through the policy under the document “Competitive Economy, High Value, and Global Positioning.”

## Congestions at Tourist Spots

The arrivals of tourists, especially during the weekends and long holidays, have caused congestions at popular sites across the state. Simultaneous entries of vehicles via the two Penang bridges, as well as those arriving via Penang International Airport, would create traffic jams and unwanted queues. George Town is especially jammed starting from Friday to Sunday, when visitors and tourists alike would arrive in great numbers to visit the city. The situation is made worse when the tourist buses began ferrying travellers from cruise ships into the inner city, especially to popular streets like Armenian Street that hosts many iconic Penang street arts. One of the famous ones is the ‘Little Children on a

Bicycle’ which attracts thousands of visitors weekly and creates congestion at the junction.

Among the causes of congestion in Penang are the high volume of tourist traffic, the placing of planter boxes that block the traffic flow, limited parking spaces to cater to the volume of traffic at tourist spots, limited signages to show the location of available parking spaces, narrow pedestrian walkways, and improper tourist bus loading areas. Another congested area is the foot of Penang Hill, especially during weekends and long holidays such as the school holidays when the funicular trains that transport visitors to the top of the Hill reach its full capacity. The popularity of the clan jetties has also resulted in the settlement being thronged by visitors throughout the day. There have also been complaints of overcrowding at the fragile jetties, encroachment on the privacy by the visitors while the residents are busy with their day to day routines. At the same time, huge number of visitor arrivals to the jetties, especially during festive seasons, could pose a risk to the structure of the old jetties.

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**“Overconcentration of tourists in the inner city of George Town calls for a balancing act to spread the economic impacts of tourism to the second-tier or peripheral areas.”**

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## State of Cleanliness at Tourist Sites

Tourists are found to be dissatisfied with the cleanliness of public toilets, the hawker food sites, and the beaches. Concerns were raised on the limited enforcement, low awareness level among the locals and visitors, and corrupted cleanliness mindset. More dustbins need to be positioned in tourist spaces. However, cleanliness issues should not be the sole responsibility of the local authority but must be shouldered by all stakeholders. This collective responsibility is very much in line with the Responsible Tourism drive propagated by the state government. A special initiative

such as a street or area adoption program can instil a sense of belonging and responsibility toward making our streets and spaces a pleasant environment.

## Improvement in Tourism Infrastructure

Tourism infrastructure is an essential component of Penang regional touristic products. It relates to the essential elements like accommodation, gastronomy facilities, transportation at the destinations, and services within the range of active leisure, retail network and other services. In Penang, the main fundamental element is tourist transportation. Penang has it all in terms of



transportation modes such as air (flight), road (car, bus, motorcycle), rail (train), and maritime (waterbuses), but Penang still struggles in overcoming traffic congestion issues. In order to reduce traffic congestion issues, Penang should have diversified transportation modes. Penang should utilize the transportation mode based on its unique demographic, which consists of an Island and the Mainland. Penang can have a new transportation mode such as water taxis to connect between the Island and Mainland, LRT and Monorail for the whole of Penang, and trishaws plus pedestrian walkways in the George Town inner city area.

This measure would improve the accessibility and connectivity around Penang and reduce traffic congestion. It creates a more liveable Penang and sustainable in its transportation connectivity. In the Penang Transportation Master Plan, Penang

has taken one step ahead, which includes LRT and Monorail in the plan that connects both Island and Mainland. This most significant project infrastructure could lead to a booming tourism sector. Connectivity to the tourist spots need to improve, and tourists can even create their own trails using a variety of available transportation modes. This measure is in line with the Penang 2030 strategic initiatives to strengthen mobility, connectivity and digital infrastructure and to create a variety of quality tourism products across the Island and Seberang Perai on the mainland.

## Gentrification of Inner City

Gentrification is not an isolated issue facing popular destinations across the globe, including



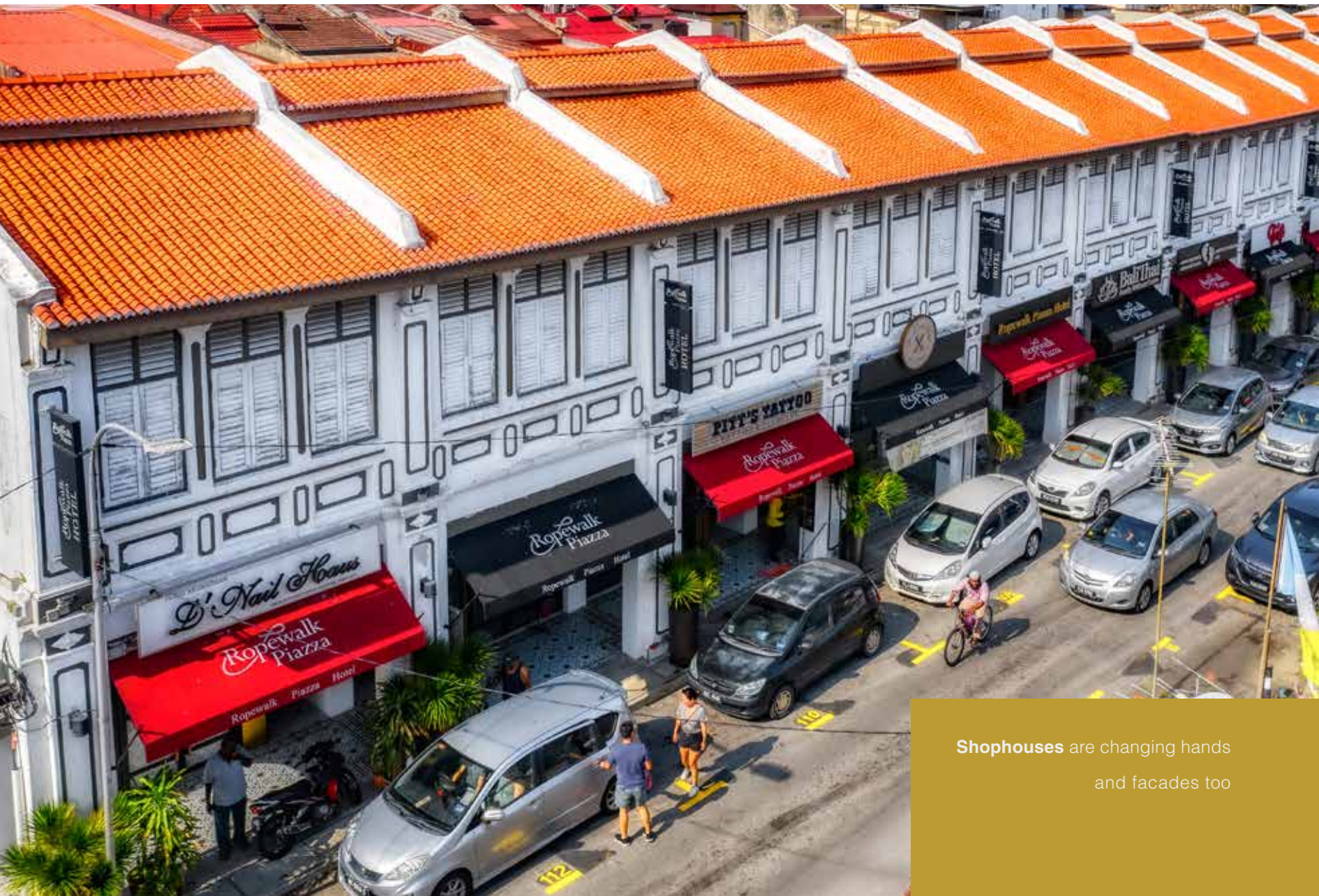
The **Clan jetties** can be crowded at times



#### 4.0 Challenges Facing Penang Tourism

George Town. The increase in tourist activities and demand in the inner city have resulted in many shophouses in George Town being converted into tourism-related businesses. The lifting of the Rent Control Act in 1997 (and enforced in 2002) had resulted in the rise of rentals of heritage buildings in the inner city and the purchase of pre-war buildings by foreigners. The new owners who purchased rows and rows of shophouses would then renovate the assets and eventually rent them out 7 to 10 times higher than before, making them unaffordable to the local people. This has

resulted in many traditional trades and also local artisans having to move out from the inner city to venture into new businesses. To manage these changes, in 2016, the state government had even pondered the possibility of reintroducing the Rent Control Act. To note, Penang has endorsed the George Town Heritage Special Area Plan (SAP) to regulate development in the inner city. This SAP sets zoning, guidelines, rules, and regulations to control the types of business buildings in George Town.



**Shophouses** are changing hands  
and facades too



## Shift of Tourist Spaces

For the last 10 years, the images of Penang have shifted from offering beaches to multiculturalism, heritage, and eventually to food. The latest Penang Tourist Survey (2018) confirmed this transformation when the main image of Penang is of its cuisines such as Nasi Kandar, Laksa, Char Kuey Teow, and Cendol, among others. The next strong image to follow is of the heritage assets, especially those found within the boundary of the UNESCO World Heritage Zone. The change in the images of Penang comes with the shift of tourist activities from the Ferringhi beaches to the inner city as well as to Penang Hill and its surroundings (Kek Lok Si temple). The listing of George Town as a World Heritage Site in 2008 had indeed replaced the notion of Penang as 'the Pearl of the Orient'. Tourist enterprises are mushrooming along famous streets in the inner city, together with the introduction of more and more street arts, some of which do not represent the Penang culture or sense of place. The concentration of popular eateries such as the Teo Chew Cendol at Lebuh Keng Kwee, the Hutton Lane Roti Bakar, Mee Sotong Hameed at Padang Kota, Laksa at Penang Road (Picture) to name a few have attracted gourmet tourists to concentrate onto such areas. The inner city has also experienced higher growth in boutique hotels, and in general, the inner city hotels experience higher occupancy rates compared to hotels along the Ferringhi beach stretch.

## Affordable Penang

Accommodation options in Penang are not only limited to hotels, resorts, and budget accommodations, but also the offerings by Airbnb and service apartments. The main issue about tourist accommodations in Penang has been the low hotel rates due to this competition. A five-star hotel in Penang can be booked at less than USD60, which is much cheaper than those found in regional tourist sites such as Singapore, Phuket or Bali. The competition between a hotel and other accommodation providers might be affecting the survival of the hotel industry in Penang, especially in the Batu Ferringhi area. Besides, there are concerns voiced by the hoteliers regarding Airbnb and serviced apartments, that the facilities may not fulfil the standards of safety and fire which are required in case of emergency as no proper regulation of licensing is provided to the owners.

At the same time, the cleanliness of these serviced accommodations is also an issue as it might affect the image of Penang accommodation and hospitality as a whole. Thus, the government needs to enforce proper regulations and provide standardized guidelines for Airbnb and serviced apartment providers to ensure that they benefit all, as well as to be in line with the Penang2030 strategic initiatives that focus on improving public safety and cleanliness.





Until 31<sup>st</sup> December 2020, the  
**Penang ferry** served as an iconic  
means of tourist transportation



## Low Tourist Yield

The average amount that a tourist spends in Penang is considered low compared to other destinations. On average, tourists to Penang only spent RM934.88 (in 2018). Among the issues that might have contributed to this matter are; the low average length of stay and limited tangible and intangible products offered. In 2018, the average length of stay in Penang was 6 days for international tourists and 4 days for domestic tourists. Comparable to 5 years ago, where the average length of stay for international and domestic tourists is 12 days and 6 days, respectively (PTS, 2015-2018). One of the main concerns arising from this issue is the image of Penang that is considered as a 'cheap destination.' Other than that, the variety of tangible and intangible products such as handicrafts, Penang signature souvenirs, cultural performances, heritage items, and art products are limited, giving lesser options for the tourist to shop.

## Integrated Tourist Information Hub

Providing a clear and updated information on tourism activities and attractions is crucial to facilitate visitors to a destination. The growth of social media and internet has transformed the way information is gathered and 41% of visitors to Penang relied on social media to gain information about Penang. Thus, the dissemination of Penang tourist information requires improvements in terms of visibility, accessibility, and also quality. It is thereby

crucial to have a one-stop digital information hub that would manage all the Penang tourism information. Despite the fact that visitors are very much dependent on digital information, the need to have a physical visitor welcome center at strategic places is just as essential to provide first-hand information to certain segments of tourists, especially those in their golden years. In line with Visit Penang Year 2020, the current information centers need to be aligned with the smart state notion in the Penang 2030 network by strengthening the availability, mobility, connectivity, and digital infrastructure initiatives. At the same time, the provision of signages (especially multilingual signages) at tourism destinations also need to be improved and increased to facilitate travels. Local tourism industry players must also be included as part of the tourism promotion ecosystem of the state.

## Imbalance in Concentration of Tourist Attractions

An imbalance in the attractions between Penang Island and Seberang Perai is another issue of concern in Penang. In fact, most tourists are focusing on George Town, which is well-known and well-promoted as a World Heritage Site and a gastronomic city which needs no further introduction. Imbalances in the distribution of tourism spots in the Seberang Perai scenario could possibly be due to poor Unique Selling Proposition (USP) and a limited number of core attractions when compared to George Town and Batu Ferringhi. In other



The **PIFF** enhances Penang's position as a **gastronomic destination**





words, attraction spots in Seberang Perai are not well integrated with one another. In addition, many places of attraction are still insufficiently explored. According to FGD, stakeholders find it difficult to promote their places because of the accessibility of public transportation. In fact, there are no buses in some of these areas. And also, many potential tourism sites have not been properly maintained and restored, in addition to inadequate promotional activities. This has resulted in the influx of tourist to the city of George Town and other areas of Penang Island.

## Changing Tourist Demography

The current demographic trends are changing due to the influence of technology, interest, trends, and lifestyle changes. These trends have emerged ever since the existence of social media platforms a decade ago such as Facebook, Instagram, Twitter and etc. As reported by the Penang Immigration Department in 2018, close to 50% of tourists visiting Penang are mostly from Indonesia, Singapore and China. According to a Penang Tourist Survey (2019), 40.5% tourist arrivals to Penang are mostly comprised of male tourists and 59.5% are female, implying that Penang is more popular among women travellers. Furthermore, 36.7% of tourists hold professional jobs and 33.9% are students. Additionally, 82.6% of tourists are between 18-35 years old while 72.1% are unmarried. All these imply that the demographics of tourists have changed since the advent of technology, whereby the Gen Y generation who have turned into millennials and flashpackers dominate

the trend compared to backpackers. Indeed, Penang should be ready for the changing of tourism trends if it wants to be among the best tourism destinations for both domestic and international tourists.

## Lack of Reliable Data

Reliable data, such as tourist arrivals and expenditure, is crucial for tourism decision-making. While there are many sources of data related to tourism activities, most of them are very much segmented and collected for a particular use. Sources of international tourist arrivals for example, are based on the number of hotel rooms occupied, arrivals via Penang International Airport, and also those coming through the Penang port. There are gaps among the statistics and some even overlap. Other than the annual tourist survey by Penang Global Tourism, there is a lack of another reliable source of data that captures the real background of tourists visiting Penang. Therefore, there is an urgent need for more reliable, integrated data that would present the numbers on Penang tourism in totality.

## Enforcement of Laws and Regulations

Many of the problems facing Penang tourism have resulted from the lack of enforcement of existing laws and regulations. They are the result of blatant ignorance of the laws and regulations or perhaps the lack of enforcement officials stationed onsite. Besides ignoring the laws and regulations, the attitude of both local tour operators and the tourists



could also contribute to this issue. The problems of dirty and shabby public toilets, for example, are the results of a lack of civic mindedness among the users, as well as the lack of a good maintenance culture on the management side.

Entopia by Penang  
Butterfly Farm





George Town  
welcomes **United  
Buddy Bears**



# 5.0

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MITIGATING DISASTERS,  
SUSTAINING  
FUTURE TOURISM

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Listen to the story of the  
**Baba and Nyonya** at the  
**Pinang Peranakan Mansion**



## 5.0 MITIGATING DISASTERS, SUSTAINING FUTURE TOURISM

From time to time, several crises, both natural and humanmade, hit the tourism sector. Tourism would always be the first sector directly impacted by disasters like haze, earthquakes and tsunami, and pandemics like SARS and the Covid-19. The Covid-19 pandemic is said to be an unprecedented calamity. The effects are felt by almost every corner of the world and by all sectors of the economy. Penang is not spared from the wrath of this pandemic. The Movement Control Orders (MCO), started on 18 March 2020, limits both interstate and international travel marks. This date marked the start of the decline in travel and tourism for the country. The impacts were real and drastic. Some hotels were closed, some permanently.

Cruise ships stopped making their stops in George Town, and travel agents and tour guides had to look for alternative income sources. The Penang International Airport was quiet. The Penang state, however, did not take this pandemic hand down. Various measures were introduced to combat its spread. The State started the campaign 'Penang Lawan Covid-19', even before the Federal government announced the first MCO. Social media platforms, especially Facebook, were heavily used to disseminate the latest and current information about Covid-19. The Crisis Preparedness and Response Centre was also ready with updated information about the pandemic.



# 1. Phases of Pandemic Mitigation

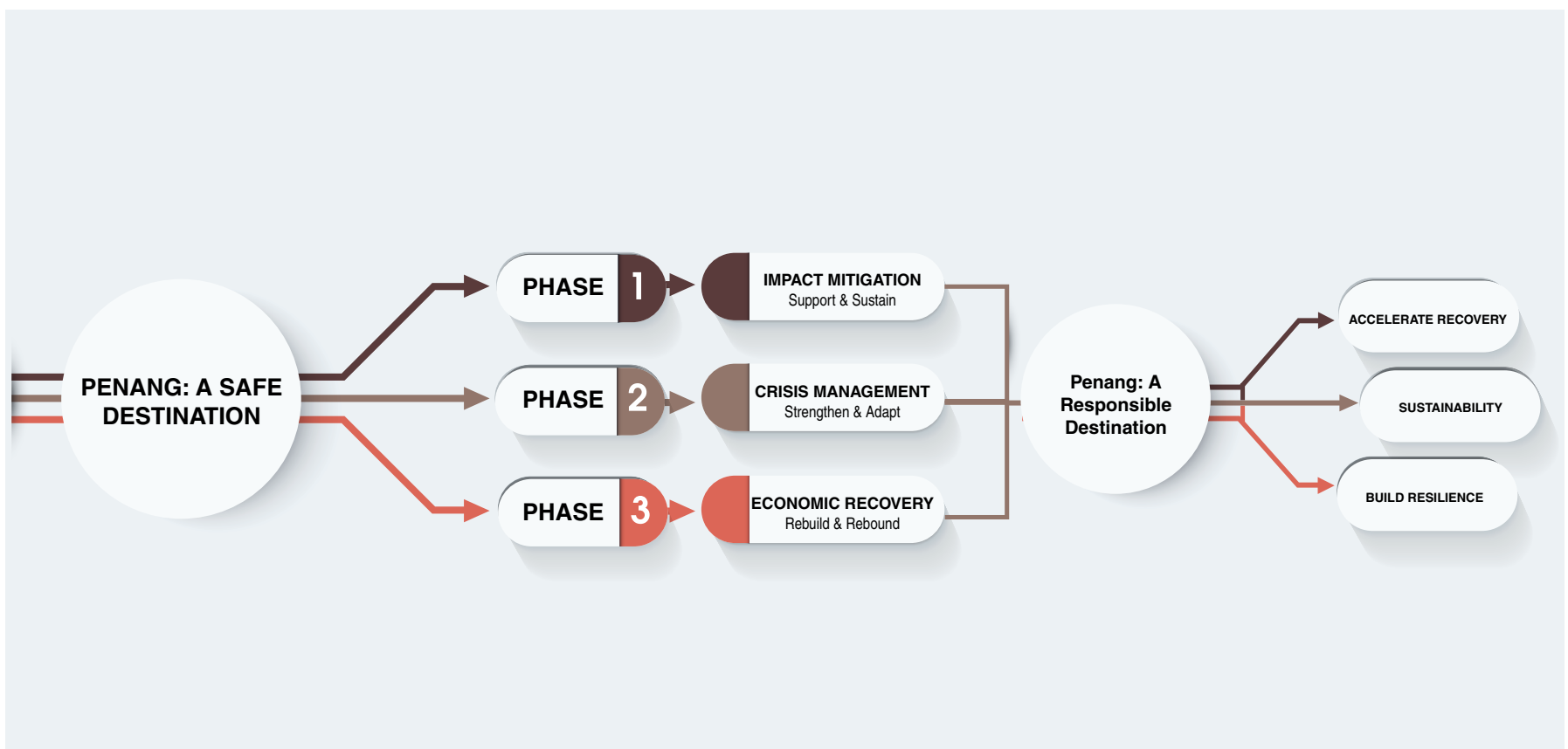
Penang had initiated drastic measures through its Tourism Recovery Action Plan (TRAP) to mitigate the pandemic's impacts through several strategies under **Penang's positioning theme: a safe destination**. The strategies prescribed in the plan are divided into three phases.

Phase 1: Impact Mitigation; Phase 2: Crisis

Management; and Phase 3: Economic Recovery (**Figure 5.1**). Strategies identified in these three phases are based on three main thrusts, namely (1) Accelerate Recovery, (2) Sustainability, and (3) Build Resilience.

**Figure 5.1**

Phases of Covid-19 **Crisis Management**



## PHASE 1 IMPACT MITIGATION

Phase 1 consists of strategies to integrate the pandemic's socio-economic impacts and accelerate the recovery of the tourism industries. Among essential features of this phase are the introduction of stimulus and urgent mitigating packages required to sustain the tourism, arts, culture, and heritage sectors as they are the most affected during this pandemic. It includes setting up an immediate plan of action to provide timely relief to the most affected people. This phase also spells out the new norms and

Standard Operating Procedures (SOP) to be adopted by the local industry according to the national guidelines. It also helps the industry to revitalize the future tourism economy, in line with the new norms.

Phase 1 also involves immediate impact mitigation measures to support and sustain the self-employed and protect vulnerable groups by providing Incentives and Cash Aids. The groups include trishaw peddlers, tourist guides, tour bus drivers, horse stable operators, water sports operators, taxi drivers, E-hailing drivers, and hawkers. The state government also supports affected companies' liquidity by offering a waiver of lease rentals for tourism players operating on



AirAsia and Penang Global Tourism launched a new collaboration that offers more travel options and value added services to domestic tourists visiting Penang

Mr Ooi Chok Yan



state-owned properties. Dedicated schemes like Zero Interest Loans were also provided to battling businesses. In total, the Penang State Government had allocated RM75 million for Covid-19 Economic Stimulus Packages. Under this incentive, those affected received a one-off payment of RM500. More than RM10 million was set aside for two schemes, namely Skim Peka 1.0 and Skim Peka 2.0.

## PHASE 2 CRISIS MANAGEMENT

Phase 2 involves strengthening the core of the tourism ecosystem and assisting the industries in adapting to the changes and the new norms that come with the post-pandemic era. This phase consists of ten critical steps: -

### 1. Destination branding

One of the essential and instant measures in this plan is promoting Penang: A Safe Destination. This step is important as tourists and visitors alike are experiencing travel fear and lack of confidence in tourist attractions' safety and hygiene.

### 2. Impact assessments

Assessments are carried out with tourism stakeholders to mitigate risks and manage the crisis to ensure that sustainability and responsibilities are prioritized. Various round-table engagements with different

sectors were conducted. The State also carried out an online survey on the impact of COVID-19 and carried out market intelligence. This measure includes meeting with the local arts community.

### 3. Establishment of Tourism Recovery Committee

The Tourism Recovery Committee was established to coordinate actions and to set action plans with objectives and responsibilities, including monitoring implementation. Some special sub-committees such as the Task Force Next Norm, PETERAB, and BE Task Force, were formed to handle specific actions of some niche segments of tourism.

### 4. Specifying roles and responsibilities

To reinforce the State's tourism governance, the roles and responsibilities of Penang tourism's primary stakeholders are spelled out clearly. This step involves formulating SOPs for different sectors of the industry.

### 5. Development of crisis response strategies

The 5R approach has been introduced and implemented to mitigate the impact and accelerate recovery. The 5R approach involves redeployment, repatriation, reemployment, reconciliation and reskilling, which are essential steps in cushioning the effects of the MCO on tourism industries.

## **6. Continuous review and assessment on travel restrictions**

The State closely reviews and assesses travel restrictions and works closely with the neighbouring states in compliance to the safety protocols. The GTWHI Infections Disease Outbreak Response Plan was also being prepared as a measure to manage risks.

## **7. Diversification of tourism products through online platforms**

The setbacks experienced during the pandemic had called for more innovations and diversifications in the way products are realized and promoted. Online platforms (e.g. SHOW Penang) are put to full use to support local artists (as a One-Stop Centre and integrated online platform for tourism in Penang).

## **8. Identification of specialized market strategies**

The pandemic has called for a quick review of the target markets for short and mid-term periods and calibrate market segmentation and prioritization. Identification and redesigning of promotions to attract specific markets are part of the Penang Gradual Recovery Strategy, starting with identifying “Travel Bubbles” or the “Green Bubbles” to reignite demand from domestic, regionally and internationally. The Travel Bubble concepts identify regions that have been declared

free from the pandemic, making inter-regional travels possible, to be supported by complementary SOPs on both sides.

## **9. Enhanced state support**

This measure involves extending support and enhancing government subsidies program for exhibitors using the state art gallery. Special Penang Art Sector Aid Package was introduced, covering 3 phases, i.e. during Covid, post-Covid and for the year 2021. The first phase encourages individual artists and art groups to hold art activities and programs online during the MCO period. The state also created “Show Penang” Facebook to support artists and art scene in Penang to showcase and air their works online. Penang also offers a special grant of 200,000 for online art events. Additionally, the state government, through GTWHI, has also initiated the George Town in the New Normal Project to regenerate and assist Penang’s cultural heritage sector’s transition to the New Normal.

## **10. Harness the potential of social media to promote travels**

The influential role of social media in enhancing travel confidence after any disasters is well recognized and capitalized. The state recognizes this potential and has taken initiatives to harness its power to influence hosting various virtual events.





## PHASE 3 ECONOMIC RECOVERY

The third phase of this plan focuses on measures for rebuilding and sustaining the tourism sector. This phase consists of eleven essential steps.

### **1. Understand and diversify the market**

The first and foremost step in recovering the economy is a better understanding of the market change and its diversification. This

step is significant as the pandemic may have altered the significance of particular markets or market segments. New marketing and promotional strategies are devised to stimulate demand and reposition Penang competitively. The pandemic has also highlighted the importance of domestic tourists. For this reason, Penang had launched the 'Penang Travel Deals' platform (<https://penangtraveldeals.com>) to lure domestic travellers to visit Penang upon the lifting of the travel restrictions within the country.

## **2. Introduce accreditation system to restore tourist confidence**

Penang is the first state in Malaysia to develop accreditation certification to industry players successfully complying with the standard operating procedure (SOPs) during the Covid-19 pandemic. This certificate boosts greater confidence among tourists visiting public hotels, tourist spots and shopping malls. This program enhances Penang's branding as a safe destination as it emphasizes on the adherence to strict safety & hygiene. The standards were set by the local authorities and agencies, namely the State Health Department, Penang Island City Council (MBPP), Seberang Perai City Council (MBSP), PETACE and Penang Global Tourism. On top of this, the State also launched the Public Health Safety Operations Guidelines for Art and Culture spaces in Penang. As the MICE industry is one of the key segments of the State's tourism sector, Penang has introduced the SOP for business events, and is the first state in the country to do so.

## **3. Launch tourism incentives to spur demand for tourism**

Besides various financial incentives introduced in Phase 1, the State had also come out with various tourism packages to spur travels to and within the State. Special attention was given to Penangites in the special "Penang-Lang 50% off" to encourage Penangites and those residing in the State to enjoy attractions in the State. About 20 attractions in Penang – including Entopia, Penang Bird Park and Audi Dream Farm – offer visitors a discount of up to 50 per cent (until the end of 2020). The State also expresses its appreciation to the frontliners involved in managing Covid-19 pandemic by offering the 'Thank You Frontliners' campaign. A total of 18 members of the Association of Tourism Attractions of Penang (ATAP) had come forward to provide free admission tickets and irresistible deals to reward the frontliners.

## **4. Embrace market intelligence systems and digital transformation**

The State acknowledges and embraces digital platforms' role in galvanizing data



for decision making, which is crucial during crises. Focuses were given to the use of big data, e-travels, virtual reality, online exhibitions, seminars and tours, and various digital platforms to the local tourism players to continue to display their products.

### **5. Strengthen public and private partnership for tourism recovery via Heritage rejuvenation**

Rejuvenation of heritage was deemed an essential step towards recovering the tourism sector, especially within the George Town inner-city. Several hashtags in support of this drive were created namely #Support Local Business; #GTH Documentation; and #GTH e-conservation.

### **6. Provide innovative solutions to support local creative business**

Being innovative is vital to surviving the testing period. For this rationale, the State had embarked in multiple entrepreneurship programs to assist local entrepreneurs.

### **7. Sustain small businesses, self-employed and entrepreneurs**

The State offers targeted grants to provide additional liquidity in support to small businesses, self-employed, and entrepreneurs severely hit by the pandemic to ensure they manage to survive this crisis.

### **8. Promote Responsible Tourism**

Solidarity, courage and trust is the new currency for travel and tourism that require all stakeholders and tourists to take collective responsibility and actions to make tourism more sustainable.

Penang launched a Responsible Tourism campaign to encourage tourists and other stakeholders to comply with the Standard Operating Procedure (SOP) of COVID-19 when conducting activities at local sites. This campaign, the first in Malaysia, focuses on fundamental responsibility that has to be followed by the people and advises people to seek medical attention if they have any symptoms besides practising social distancing, sanitizing hands and wearing a mask at public spaces and gatherings.



## 9. Establish mechanisms and ensure coordination for the implementation

This pandemic requires close cooperation and coordination among the state tourism stakeholders. Mechanisms for the successful implementation of health-related protocols were established.

## 10. Assist tourism players to adapt new norms

Assistance rendered to local tourism players in adapting to the new norms in the post Covid-19 era. This assistance is to ensure health, hygiene and safety to be new indicators and procedures to be adhered to.

## 11. Build resilience through tourism governance

Building up resilience for future crisis management is planned through collaborative efforts by strengthening the tourism ecosystem and governance. Lessons learnt in this pandemic experience shall act as the guiding measures for the future sustainability of Penang tourism.



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**“International travel can return safely – we have seen this first-hand through the return of in-person events. And we are working closely with airlines, airports and tourism accommodation providers to make clear that tourism is proactively leading the way in adapting to our new reality.”**

- Zurab Pololikashvili, UNWTO Secretary-General

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## Conclusion

The Covid-19 pandemic had severely affected Penang tourism when all related tourist activities and establishment came to a halt. Tourism, however, was also the first sector to respond and to recover. The lifting of domestic travels had indeed blown a thin air of hope to the struggling

tourism enterprises. The Tourism Recovery Action Plan, introduced and implemented by Penang, had successfully helped the tourism industries navigating the impacts of the pandemic and continuing to grow stronger in years to come.





# 6.0

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THRUSTS OF FUTURE  
PENANG TOURISM  
GROWTH

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# Tech Dome



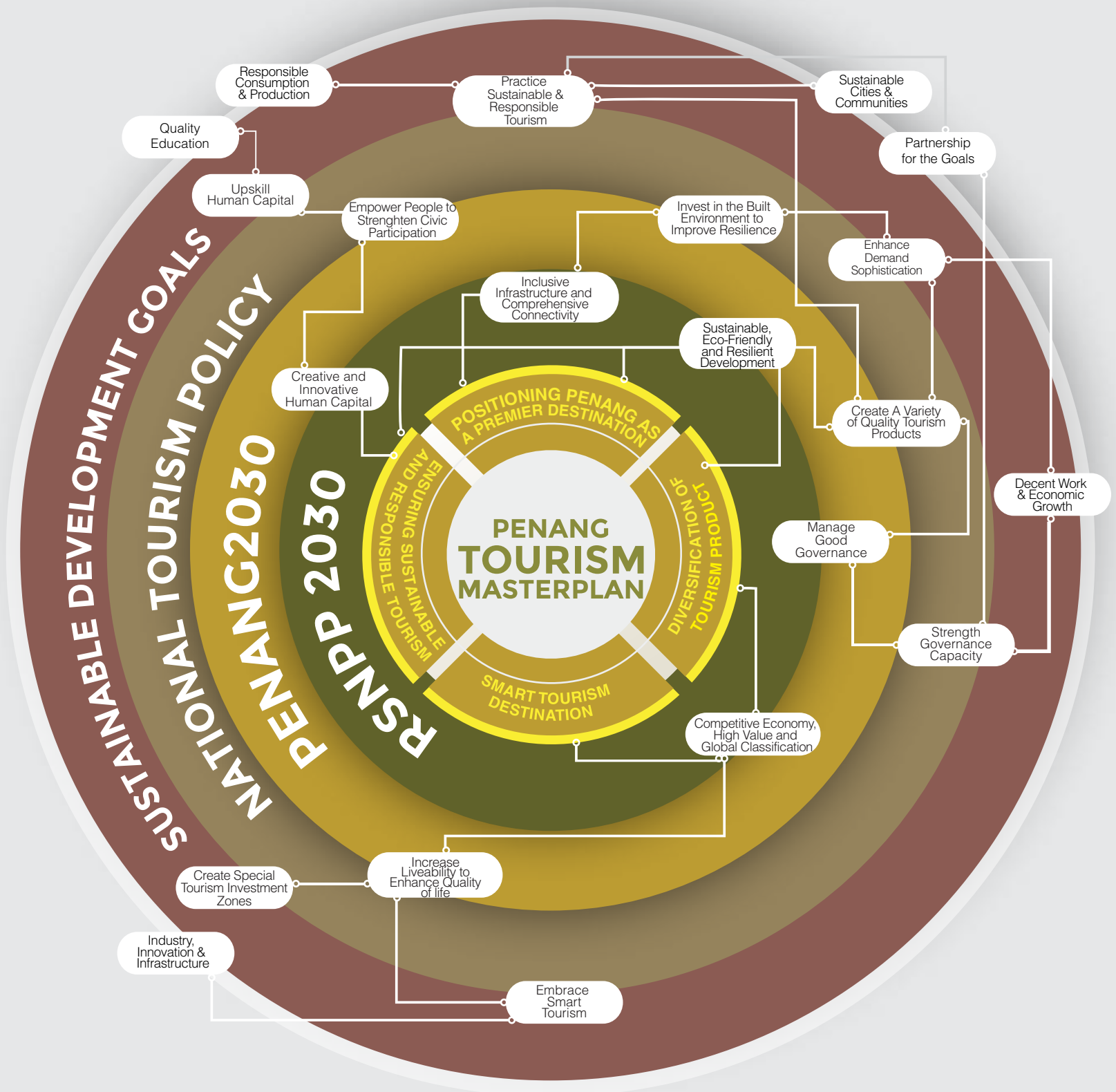


# 6.0 THRUSTS OF FUTURE PENANG TOURISM GROWTH

## Thrusts and Sub-Thrusts

The key elements of any master plan are the clusters of themes, thrusts, or strategies that lead the direction of the master plan. For this Master Plan, thrusts are developed based on trends, need analysis, challenges, and issues facing Penang tourism, as well as the directions of future

tourism of the state envisioned by all stakeholders participated in the process of developing this Master Plan. All thrusts of this Master Plan have taken into considerations of the vision, directions, aspirations and gist of other umbrella Plans, such as the United Nation's Sustainable Development Goals, the National Tourism Policy (2020-2030), Penang2030, as well as the Rancangan Struktur Negeri Pulau Pinang 2030 (**Figure 6.1**).



**Figure 6.1**  
Aligning the **Thrusts** with **Major Plans** and **Policies**



This Master Plan has four thrusts, supported by eleven sub-thrusts, i.e. pillars that support the thrusts. Four main Thrusts have been identified namely:

**Thrust A:** Diversification of Tourism Products

**Thrust B:** Positioning Penang as a Premier Destination

**Thrust C:** Ensuring Sustainable and Responsible Tourism

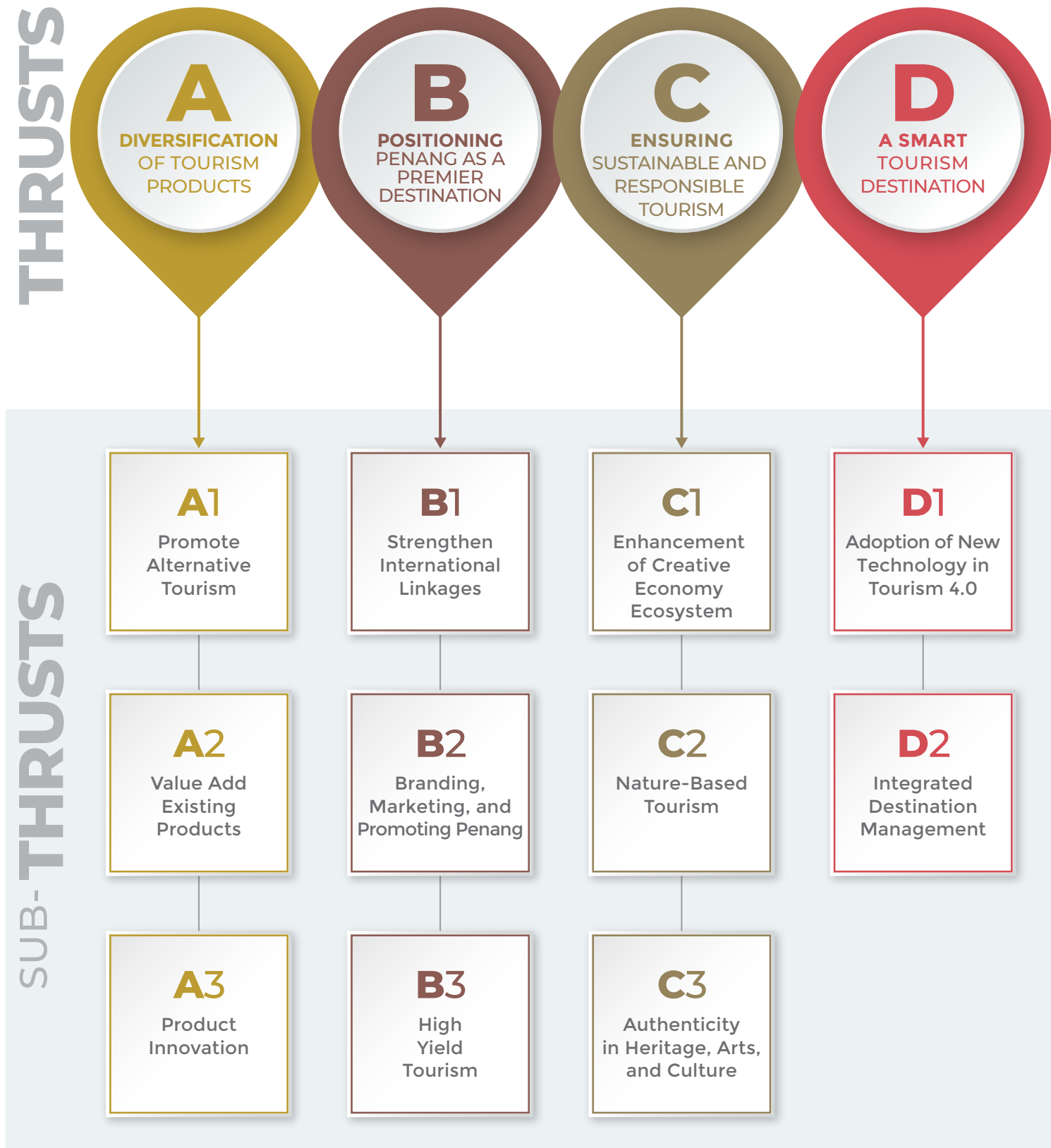
**Thrust D:** A Smart Tourism Destination

The Silat Master by Julia Volchkova in Balik Pulau



## THRUSTS

## SUB-THRUSTS





## Rationales and Strategies

The thrusts and sub-thrusts are supported by various relevant strategies, which are based on rationales carefully developed based on a synthesis of assessments on the findings of the study, recommendations from Focus Group Discussions, site assessments and others. Strategies are connected to rationales to give sound reasoning on why specific initiatives are designed or proposed.

## Initiatives and Projects

Specific initiatives in the forms of physical development and programs are identified to ensure strategies identified in the thrusts can be realized and implemented. The process of proposing the initiatives went through several rounds of inputs and screening. The State Government through PETACE had initially requested written proposals from all State Assemblymen to submit tourism initiatives they deemed suitable to be developed in their areas. Initiatives were also garnered from multiple Focus Group Discussions, in-depth interviews, as well as, from the ground assessments by the consultants. Initiatives identified in this Master Plan must be related to tourism, implementable, and in line with the thrusts and strategies identified.

## Signature Projects

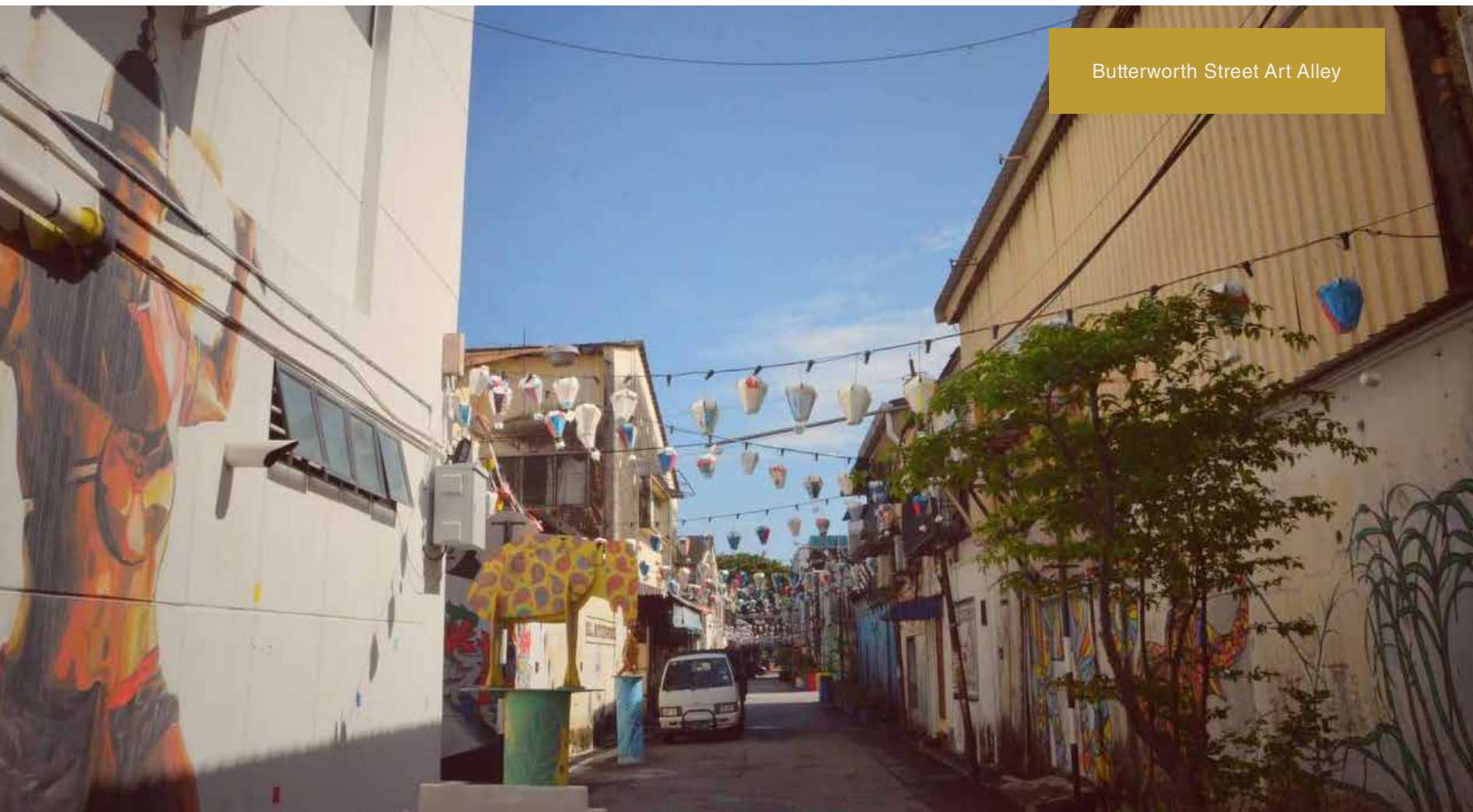
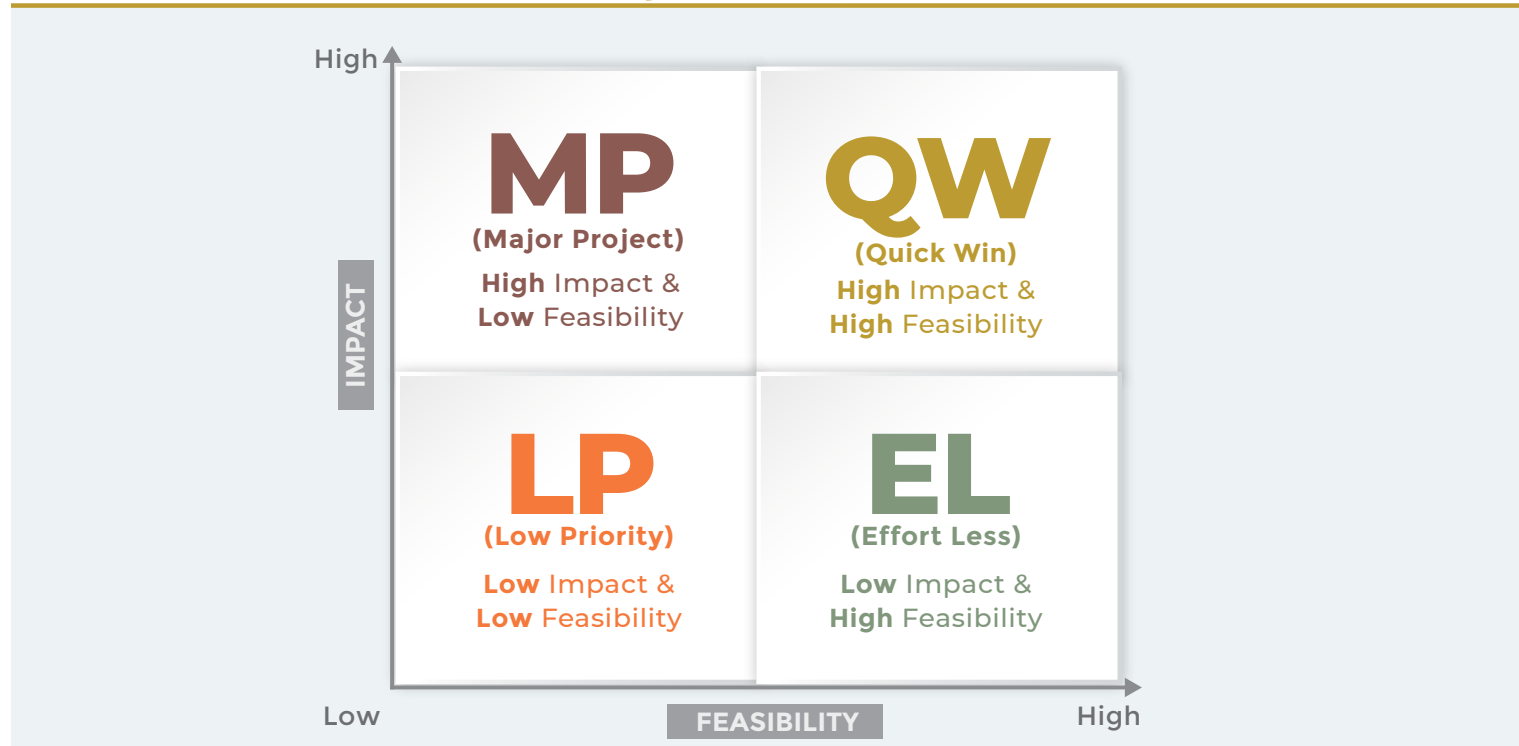
Signature projects are special projects that are transformational and impactful. They are selected

based on their unique ideas, originality, and their impacts on the economy, social well-being of the people as well as the environment. Some of the Signature projects are clusters of supporting initiatives that are conceptually connected. While most of the initiatives are future projects, there are some which are the continuation of the present initiatives. Besides Signature Projects, this Master Plan also identifies some Quick Win Projects. Quick Wins are low hanging initiatives ready to be implemented. Some are projects that are already being identified or in the implementation stage.

## Prioritization of Initiatives

To lead proper implementations of the initiatives, this Master Plan also locates the initiatives on two spectrums, namely (1) Feasibility of the initiatives (High-Low) and (2) Impacts (High-Low). Feasibility includes three major dimensions, namely economic feasibility, technical feasibility, and operational feasibility. The Impact Spectrum, on the other hand, measures the impacts of the initiatives on the economy, social well-being of the people and the environment. For example, a project at an environmentally sensitive area that requires huge investment and has a low impact on the local economy shall be placed at the 4th quadrant. Based on the assessments above, this Master Plan proposes 4 quadrants namely Quick Wins (QW); Major Project (MP); Effort Less (EL) and; Least Priority (LP) (**Figure 6.2**). The initiatives are planned for the period between 2021-2030 and depending on availability of resources; the state is encouraged to prioritize initiatives listed as Quick Wins.

**Figure 6.2**  
The Feasibility Quadrants for **Project Implementation**





The ESCAPE  
Theme Park

# THRUST A:

## DIVERSIFICATION OF TOURISM PRODUCTS



## THRUST A: DIVERSIFICATION OF TOURISM PRODUCTS

Penang is one of the top destinations in Malaysia that offers diversified tourism products all over the island and mainland. The state has abundant cultural and heritage resources, well-known street foods, nature-based offerings, beach resorts, tourism services, and well-developed infrastructure. There is also an increase in MICE, sea cruises, sports, and medical tourism. Due to UNESCO's recognition, George Town has now become popular, and tourist activities have shifted to the inner-city. Penang has many natural reserves and green spaces that are still undiscovered, especially those in Seberang Perai. However, some of the tourism products in Seberang Perai are still underdeveloped or not well promoted. Despite the tourism boom in recent years that is putting pressure on the infrastructure and amenities at tourist spots, the average tourist spending and length of stays

among visitors to Penang is still relatively low compared to the regional destinations.

There is a need for Penang to enhance the length of stay and also the expenditure among its tourists. It is therefore crucial for the state to expand its product offerings other than heritage and foods to increase visitations among the tourists. Thus, one of the main focuses of Penang tourism in the next decade shall be on the diversification of its tourism products. This Thrust is aligned with Penang2030 strategic initiatives: to diversify recreation, sports, and arts facilities and create a variety of quality tourism products across the island and mainland. This Thrust is supported by three sub-thrusts, namely:

- (A-1) Promote Alternative Tourism
- (A-2) Value Add Existing Products
- (A-3) Product Innovation

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**“Sustainable tourism is unquestionably the prime future of the industry as resources continue to deplete in the face of growing global population”**

- Sustainable Tourism Strategy Document,  
GTWHI, 2017

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**Kampung Agong** evokes  
memories of **yesteryears**





## Sub-Thrust A-1: Promote Alternative Tourism

### Rationales

Penang has a variety of unique alternative tourism products or sites that have the potentials to be further developed and promoted. Among them are Kampung Terus, Pantai Bersih, Pantai Malindo, Hutan Paya Laut, Pantai Pasir Panjang, Pulau Jerejak, Gua Kepah, Kampung Agung, Frog Hill, Cherok To'kun, Bukit Juru, Pulau Aman, and Educational Forest Air Hitam Dalam.

Diversifying tourism products can attract greater tourist segments. With its agrotourism and ecotourism potentials, Seberang Perai should be developed to position Penang as a nature-based destination. There is also the need to offer more

experiential tourist products such as kayaking, boating, cruising, and reinventing traditional games, arts, and crafts that are fast disappearing from the local communities' social environment.

### Strategies

- Create a variety of tourism products
- Develop space for community and products
- Increase spending opportunity for tourists
- Create a variety of experience-based tourism programs
- Enhance existing value of heritage, arts and culture
- Promote community-based tourism



Pasar Bisik in Penaga



Initiatives of **Sub-Thrust A-1 Promote Alternative Tourism**

Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>• <b>Create a variety of experience-based tourism programs</b></li><li>• <b>Increase spending opportunity for tourists</b></li></ul>	World E-Sports Championship	To host Asean/world E-Sports tournaments in Penang. To nurture Penang based E-Sports teams. To organise annual event for professional gamers and spectatorship with live streaming involving international players from all over the world.	Penang Youth & Sports Exco/ PETACE/PYDC	MP	Penang
	Extreme Sports Centre & Adventure Sanctuary	The provision of extreme indoor and outdoor activities.	Private sector/ MBSP/PDC/ Penang Youth & Sports Exco/ Perbadanan Stadium dan Kawasan Lapang	EL	Batu Kawan
	Sailing Sports Centre	Providing zones for yacht racing, windsurfing, kitesurfing, boat racing, and etc.	Private sector/ MBPP/ MBSP/ Penang Youth & Sports Exco	LP	Penang
	Pasar Bisik Penaga	Marketing and Promoting Pasar Bisik as a unique place to experience local culture in buying and selling fresh marine catches.	Local Associations/ MBSP/State Assemblyman, Penang Health, Agriculture, Agro-based Industry & Rural Development Exco	QW	Penaga

Initiatives of Sub-Thrust A-1 Promote Alternative Tourism					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Floating Market	To develop Penang style floating market that reflects the past and present culture of the people, providing opportunities to visitors to enjoy a different form of shopping experience.	Local State Assemblyman/ Cooperative/ MBSP/ PETACE/ PGT	MP	Sungai Kerian (Nibong Tebal)
<ul style="list-style-type: none"><li>Develop spaces for community &amp; tourism products</li><li>Increase spending opportunities for tourists</li></ul>	Penang Tourist Night Market Model	Remodelling of existing selected night markets into tourist-friendly markets like those found in Chiang Mai which provides plenty of local products including local foods as well as arts and crafts.	Local Associations/	EL	Batu Kawan
	Tourism Products Plaza	Develop spaces assemble tourism products from its vicinity. Include products for demonstrations, workshops on craftsmanship, cultural performances, and local businesses.	Local Cooperative, MBSP/State Assemblyman/ PETACE	LP	Sungai Dua/ Kepala Batas/ Tasek Gelugor/ Seberang Perai Utara
	Penang Grand Bazaar	To create a Penang one stop local tourism products mega centre for tourists to buy souvenirs and to enjoy cultural experience.	PETACE/ PGT/ MBPP/ MBSP/ GTWHI	MP	George Town



Initiatives of Sub-Thrust A-1 Promote Alternative Tourism					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Fruit Farm Lodging	To encourage fruit orchard owners to offer accommodation facilities to cater the growing trend in agro tourism. These establishments must be properly licensed for them to operate as Eco resorts.	Private sector/ MBPP/MBSP/ MOTAC	MP	Balik Pulau/ Seberang Perai
<ul style="list-style-type: none"><li>Enhance existing value of heritage, arts and culture</li><li>Promote community based tourism</li></ul>	The Colonial Bungalows Project	To turn the bungalows in Penang Hill into boutique hotels, family-lodge and affordable accommodation to host visitors who wish to spend the night on the hill while leveraging on its tropical rainforest.	Private sector/ Penang Hill Corporation	EL	Penang Hill
	Penang International Paddy Festival	To promote and elevate the status of Penang International Paddy Festival to global audience. Penang International Paddy Festival is a cross-cultural event spanning visual arts, dance, music, performance, food, and involvement of tourists and local participants.	State Assemblyman/ PETACE/PGT/ MBSP	EL	Kampung Terus, Penanti
	Traditional Games Cottage Industry	To provide opportunities and incentives for individuals or local establishments to redevelop traditional games, products and organize events for tourist consumption.	Private sector/ State Assemblyman/ PETACE/ PGT/ MBSP	QW	Nibong Tebal

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)

## Sub-Thrust A-2: Value Add Existing Products

### Rationales

Strengthening existing tourism products, infrastructure, and amenities is needed to enhance tourists' satisfaction level, increasing their loyalty to Penang as a destination. While focusing on innovating new initiatives, the State must also improve its existing products, attracting visitors from all over the world. The Unique Selling Propositions (USP) of Penang must be conserved and enhanced. The sense of place of the State must also be protected and promoted. At the same time, the levels of safety, cleanliness, and comfort must not be compromised.

### Strategies

- Enhancing safety and security
- Revitalizing night life
- Upgrading recreational infrastructure
- Promoting green tourism corridors
- Providing special routes for visitors with special needs



Penang Chief Minister enjoying local delicacies at the **Penang International Paddy Festival**



Initiatives of Sub-Thrust A-2 Value Add Existing Products					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>Enhancing safety and security</li><li>Revitalizing night life</li></ul>	Public Beach Upgrading & Zoning	Upgrading existing public beaches by improving basic amenities like parking spaces, signages, toilets and safety measures. Designing special zones for specific activities. This is especially crucial for popular beaches along Tanjung Bungah-Ferringhi stretch that requires clear division of beach zones.	MBPP/ MBSP	QW	Pantai Bersih/ Batu Ferringghi/ Teluk Asam/ Teluk Bayu
	Facial Recognition CCTV Surveillance	Installing more CCTVs at tourism hotspots, or places with a high frequency of crimes and busy main roads for safety purposes, for better traffic control and enforcement.	MBPP/MBSP/ PDRM	QW	Penang
	Tourist Police Box	Installing tourist police boxes, ala Koban in Japan, at selected tourist spots that act as an information corner, and for safety measures.	PDRM/ MBPP/ MBSP	QW	Penang

Initiatives of Sub-Thrust A-2 Value Add Existing Products					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Lit Up George Town	<p>To encourage residents and business owners to install lights or lanterns in front of their premises to enliven selected areas in both George Town and Butterworth to attract visitors to enjoy the downtowns at night, which increases business activities after dark.</p> <p>Installing more lights at strategic tourist spaces improves safety and enhances a sense of security among visitors to Penang.</p>	Local State Assemblyman/ Cooperative/ MBSP/ PETACE/ PGT	MP	Sungai Kerian (Nibong Tebal)
<ul style="list-style-type: none"><li>Upgrading recreational infrastructure</li><li>Promoting green tourism corridors</li><li>Providing special routes for visitors with special needs</li></ul>	Cherok To'kun Nature Park	Enhancing and promoting Cherok To'kun or also known as Bukit Mertajam Recreational Forest as a place for family-based activities such as picnic, hiking, camping, swimming, etc.	MBSP/State Assemblyman/ PETACE	QW	Bukit Mertajam
	Pantai Malindo - Hutan Taman Paya Laut, Balik Pulau Green Corridor George Town PWD Heritage Routes	Connects nature-based attractions and to turn this area into a green corridor. Provision of facilities for People with Different Abilities along the main heritage routes in George Town	State Assemblyman/ MBPP/Forestry Department/Local Universities MBPP/ NGO/ Jabatan Kebajikan Masyarakat/	MP	Balik Pulau



Initiatives of **Sub-Thrust A-2 Value Add Existing Products**

Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	George Town PWD Heritage Routes	Provision of facilities for People with Different Abilities (PWDA) along the main heritage routes to turn George Town into PWDA friendly city.	MBPP/ NGO/ Jabatan Kebajikan Masyarakat/	MP	George Town
	Cycling Routes	To Provide more cyclist- friendly routes in the State to promote Cycle Tourism.	MBPP/MBSP	QW	Penang

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)





## Sub-Thrust A-3: Product Innovation

### Rationales

Sustainable destinations require constant product innovation. New products must be introduced to induce repeat visitations and loyalty among tourists to Penang. Penang enjoys high repeat visitation among its domestic travellers while welcoming a high percentage of first-time international visitors. Thereby, continuous improvisation of existing products is a must. At the same time, exciting and more Unique Selling Propositions must be introduced to the changing market. A product development ecosystem must be put in place to drive innovation.

### Strategies

- Transformation of tourism spaces
- Product innovation and branding
- Enhance existing value of heritage, arts and culture

Durian is one of the star attractions of Balik Pulau





Initiatives of Sub-Thrust A-3 Product Innovation					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>Transformation of tourism spaces</li><li>Enhance existing value of heritage, arts and culture</li></ul>	Penang Bay Waterfronts	To redevelop existing waterfronts located both at the island and mainland into tourism spaces.	CMI/ Private sector/ PETACE/ MBPP/ MBSP	EL	Weld Quay - Butterworth
	Penang Legend Sports & Entertainment City	To develop an integrated sporting and entertainment enclave that hosts a stadium for games and concerts, MICE.	Perbadanan Stadium dan Kawasan Lapang, PCEB	MP	Batu Kawan
	Fort Cornwallis 2.0	To introduce an adaptive use of this iconic building after its restoration and expansion. To turn it into a venue for performing arts and cultural diversity.	PETACE, GTWHI, CMI, ThinkCity	QW	Penang
<ul style="list-style-type: none"><li>Product innovation and branding</li></ul>	Made in Penang brand	To produce and improve local products by promoting products under the brand: 'Made in Penang'. To encourage and facilitate more local entrepreneurs to create more Made in Penang products.	PETACE/PGT/ Private sector	MP	Penang

Initiatives of Sub-Thrust A-3 Product Innovation					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Electronic Trishaw	To equip Penang trishaws with modern amenities (such as Wi-Fi and electronic pedalling system) while retaining their traditional outlook. To rebrand Penang trishaw and to improve their hospitality level (through training), image and outlook (uniform, decorations etc), hygiene, health, welfare and also security.	Private sector/ Trishaw Association/ PTGA/GTWHI	QW	Penang

Note: QW (Quick Win)| MP (Major Project)| EL (Effortless) | LP (Low Priority)



The green campus of  
Universiti Sains Malaysia  
(Courtesy of MPRC USM)



### *Summary*

Tourism products must be diversified to attract more and repeat visitors to Penang and to extend their length of stay. These measures shall overcome current issues such as low expenditure of tourists and the imbalance in attraction offerings between Penang Island and Seberang Perai. The sub thrusts, strategies, and signature projects proposed in this Thrust promote the potential tourism products, to achieve a balance in tourism development. Tourist infrastructure must be provided and improved to enhance the feeling of sophistication and satisfaction among visitors to Penang. Tourism products must also drive expenditure to churn out more significant spill-over effects to the local economy. Decisions to develop tourism products and activities must also be based on excellent and reliable data and research to form feasible initiatives.

Knowledge transfer  
through tourism



**THE TOP** at Komtar

# THRUST B:

**POSITIONING PENANG** AS A  
PREMIER DESTINATION



Positioning is an effective strategic decision to attract tourists (Tkaczynski, Rundle-Thiele, and Beaumont, 2008) and create an image in the mind of target tourists (Chacko, 1997; Gartner, 1989). Therefore, Kotler et al. (2003) suggested that a destination should position itself based on the advantage that is different from its competitors. Hence, being a premier destination, Penang can increase the expenditure of tourists and encourage tourists to stay longer due to tourists spending in Penang is relatively low, with average spending of RM 1,252.90 for 4-7 days length of stay (PTS 2019). In other words, Penang needs to position itself to create a competitive advantage. The purpose of the positioning is to attract tourists and position Penang as a premier destination that can discard the image of 'affordable destination'. The premier destination is a world-class and exclusive tourism destination with luxurious and high-quality standards regarding accessibility, attraction, amenities, accommodation, activities, and experience. Tourists can experience the best of the island, and the Seberang Perai of Penang state offers. Creating creative ideas and unforgettable,

exceptional experience on local attractions and services shall elevate Penang to be a premier destination. Penang is also set to become a premier tourism destination in nature, medical, education, cultural, heritage, historical, MICE, gastronomy, arts, sports, and shopping. The upcoming development of the cable car at Penang Hill, expansion of the Penang Airport, the Light Rail Transit, coastal resort and spa at Batu Ferringhi and Penang South Islands, and the water taxi are expected to renew interest in Penang. With all these, Penang is poised to position itself as a must-visit destination.

Hong Kong and Singapore are two other rival destinations that Penang can benchmark to be a premier destination. Making Penang a premier destination in the region can transform the tourism industry into a prime contributor to socioeconomic development. This Thrust is supported by three Sub-Thrusts, namely:

- (B-1) Strengthen International Linkages
- (B-2) Branding, Marketing, and Promoting Penang
- (B-3) High Yield Tourism



The **Penang Golf Club** at  
Bukit Jambul

## **Sub-Thrust B-1: Strengthen International Linkages**

### **Rationales**

Penang is easily accessible by air, land, and sea. The Penang International Airport is the third busiest airport in Malaysia in terms of passenger traffic and the second busiest in terms of cargo tonnage. It serves as the central transportation hub with direct links to major regional and international cities such as Kuala Lumpur, Singapore, Dubai, Doha, Bangkok, Jakarta, China, Taipei, Hong Kong, Xiamen, Hanoi, and Medan. Direct air linkages with Dubai and Doha provide a gateway to Middle East and Europe markets. Penang Island is connected to the mainland by ferry and two bridges. Ferry services also connect Penang to Langkawi while the double-track railway in Butterworth provides a linkage between the northern part of the Peninsular and Southern Thailand and the southern cities down to Gemas (Negeri Sembilan-Johor border). The Swettenham Pier Cruise Terminal is one of the busiest harbour in Malaysia for cruise shipping with more than 1,942 vessels (Buletin Mutiara, December, 2018) make a call at the port and has welcomed Cunard Line's ultra-luxury Queen Mary II and Queen Victoria ocean liners, the UK's Arcadia cruise liners, as well as passenger vessels such as Costa Allegra, Diamond Princess, Pacific Sun and Europa in recent years (Tourism Malaysia, 2017). Penang is also accessible to the arterial road network of Peninsular Malaysia via the North-South Highway (PLUS highway). The sister cities connection is also essential to enhance international linkages. For this matter, George

Town must capitalize its sister city connections with Adelaide, Xiamen, Xi'an, Arles, Bangkok, Phuket, Taipei, and Medan. Seberang Perai, on the other hand, establishes sister city relations with Yokohama, Gwangju, Seoul and Fremantle. Penang must position itself as a leading tourism destination and attain a competitive edge with regional competing destinations within the Asian region such as Bangkok, Bali, Phuket, Hanoi, Medan, Ho Chi Minh, and Haatyai. A proper infrastructure to welcome visitors is a must. Penang International Airport is already operating beyond its current capacity, which resulted in traffic congestion, while the tourist arrivals are projected to grow further in the coming years. Thus, to stay competitive in tourism, Penang should enhance its international linkages via direct short and long-haul air connections.

### **Strategies**

- Improve accessibility and tourist transportation system
- Develop special interest tourism
- Establish Penang as the regional Halal tourism hub





The **Extravaganza**

Initiatives of Sub-Thrust B-1 Strengthen International Linkages					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
• <b>Improve accessibility and tourist transportation system</b>	Penang Airport Expansion	Existing Penang International Airport is already operating beyond its capacity with current tourist arrivals 2018 (6.66 million) and target tourist arrivals 2030 (12 million). Regional tourist flows are expected to grow; thus, Penang must increase its airport capacity. The airport must also be equipped with international standard services and facilities.	State Government/ Private sector/ Federal Government	EL	Island
	Harbour Cruise	To offer harbour cruise that takes visitors to embark on a journey that offers a different perspective on Penang. It connects jetties and attractions at Penang Island and Seberang Perai. Proposed jetties to be made stopovers include Bagan Ajam, the Clan Jetties, Pantai Jerejak and also Pulau Aman.	Private sector/Local Cooperatives	QW	Penang



Initiatives of **Sub-Thrust B-1 Strengthen International Linkages**

Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li><b>Improve accessibility and tourist transportation system</b></li></ul>	River Cruise	To offer river cruises along selected rivers in Penang, showcasing flora and fauna of the state. The operations of these cruises must comply with all requirements in terms of licensing and safety precautions. Among potential departing or stopping points for this cruise are Kampung Labuh Banting and Kg Terus.	Cooperative/ MOTAC	MP	Juru and Perai Rivers
	Yacht Cruise Marina	To develop a marina to attract yacht cruises to make a call in Penang and spend their holidays here. This project includes making improvements to the existing marina.	Private sector/ State Government	EL	Island
	Water Taxi	To offer an alternative form of transportation to on-the-ground system. This water taxi system connects popular stopovers and jetties which include the Straits Quay, the Clan jetties, the E&O hotel and also Teluk Bahang.	Private sector/ State Government	MP	Island

Initiatives of Sub-Thrust B-1 Strengthen International Linkages					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Penang Hill Cable Car	To provide another alternative form of transportation to and from Penang hill which can enhance the travel experience, while serving as a backup to the funicular trains. To link up the ecotourism of Penang Hill and Teluk Bahang.	Private sector/ PHC	LP	Penang Hill
	Penang Sentral Transport Hub	To serve as an integrated hub for buses, trains and water based transports. As an entry to the state, this transport hub will be equipped with a tourist information kiosk, and serves as the one stop centre for accessibility and linkage to Seberang Perai.	Private sector/ Penang Sentral Sdn. Bhd	QW	Butterworth
<ul style="list-style-type: none"><li>Develop special interest tourism</li></ul>	Wedding/ Honeymoon Tourism Destination	To facilitate newlyweds and actively promote wedding receptions, honeymoons, and wedding photoshoot due to Penang’s scenic locations, rich culture and heritage, and local gastronomic cuisine. Examples of wedding settings include Bamboo Garden wedding (Penanti), Batu Ferringhi, George Town, Penang Hills, and also Kampung Agong (Seberang Prai).	State Government/ PGT	QW	Penang



Initiatives of Sub-Thrust B-1 Strengthen International Linkages					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Edutourism City	To provide an enclave of education institutions both public and private institutions that offer twinning programs, training centre, culinary/ art, exchange students, tour guide courses, and summer camp.	Private sector/State Government/ MBPP/MPSP/ StudyPENANG/ PGT	LP	Penang
	Film Tourism	To encourage producers, film makers and studios to make Penang as the setting of their movies and documentaries, to showcase Penang to the world. These would drive and inspire people to experience Penang in real life after watching them in films, dramas and documentaries. Film tourism serves as a vehicle for destination marketing and also creates opportunities for product and community entrepreneur development.	Private sector/ PGT/ MBPP/ MBSP/PETACE	QW	Penang

Initiatives of Sub-Thrust B-1 Strengthen International Linkages					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Religious Tourism	To promote and highlight religious tourism attractions such as a St. Anne Church, Masjid Abdullah Fahim, Temple of Nine Emperors.	Religious Institution/ PGT/ PETACE/ travel agencies	QW	Penang
<ul style="list-style-type: none"><li>Establish Penang as the regional Halal tourism hub</li></ul>	Regional Halal Tourism Hub	To promote Halal tourism by highlighting halal cuisines and Muslim friendly tourist facilities. Also to capitalize on Malaysia's Halal Brand (logo) that is well recognized throughout the world.	State Government/ PIHH/PGT/ PETACE	EL	Penang

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)

### Sub-Thrust B-2: Branding, Marketing, and Promoting Penang

#### Rationales

Branding is not only a logo, name, or slogan; it's the entire experience tourists have with the destination, product, or service, or in other words, its image tourists have in mind when thinking about Penang. Whereas marketing and promoting are how tourists will hear

about Penang, such as through advertising, campaigns, trade shows, and social media. The brand is about the idea, but marketing is about the execution. Implementing a good marketing strategy involves three actions: market segmentation, targeting, and positioning. Penang Experience Year 2020 with the tagline “The Diversity of Asia” was launched by the Penang government to strengthen the tourism brand of the State. The tourism offerings should



also be diversified beyond the available ones in line with this new marketing tagline and branding. As revealed by the PTS (2019), most tourists considered local cuisine, World Heritage Site, and multicultural society as essential aspects of Penang's tourism. Furthermore, natural resources like beaches and hills are also critical in attracting tourists to visit Penang. However, the percentage of repeat visitors among international tourists are very low at 20.3%, and most of them (79.7%) are first-time visitors. Comparatively, 77.2% of domestic tourists in Penang are likely to be repeat visitors. Hence, strategic branding is crucial for tourism products to attract more repeat visitors by overcoming many challenges, as discussed in the previous section. To transform the Penang tourism industry from high volume to high yield, it needs to re-strategize the branding, marketing, and promotion to align with Penang2030's vision of ensuring viable growth of a green and smart State. With the right brand, marketing, and promotion strategies, it will position Penang as a premier destination in the mind of prospective tourists..

### Strategies

- Encourage and grow quality events based on needs, demands, and capacity.
- Brand Penang as health, spa, and wellness destination
- Expand markets and promotion via multiple channels

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**In order to become a competitive regional tourism destination, Penang has to ensure that challenges are addressed accordingly by taking into consideration impending and future opportunities by mitigating threats.**

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Initiatives of Sub-Thrust B-2 Branding, Marketing, and Promoting Penang					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>Encourage and grow quality events based on needs, demands, and capacity</li><li>Brand Penang as health, spa, and wellness destination</li></ul>	MICE-New Convention Centre	To offer comprehensive and state of the art exhibition and convention facilities to expand business events (or Business Events) in the state.	Private sector/State Government/ PCEB	MP	Penang
	Wellness & Medical Tourism City	To enhance the capabilities of Penang as a medical tourism destination and to deliver the best level of hospitality	Private sector/P.MED, associations, hospitals	MP	Penang
	Wellness & Aesthetics Resort Enclave	To develop modern wellness and aesthetics enclave, offering premium services.	CMI/Private sector/P.MED/ PETACE/ associations, hospitals	EL	Tanjong Bungah (Ferringhi)
	Penang Traditional Healing Centre	To leverage on the growth of traditional healing medical practices. Herbs and traditional ingredients can be promoted to attract tourists coming to Penang for Wellness Tourism.	Local Cooperatives/ Ministry of Entrepreneur Development, Ministry/MOTAC/ Spa Association	MP	Balik Pulau



Initiatives of Sub-Thrust B-2 Branding, Marketing, and Promoting Penang					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
• <b>Expand markets and promotion via multiple channels</b>	Digital Marketing and Social Media	To intensify digital marketing efforts to attract the millennials especially, through social media and influencers.	PGT	QW	Penang
	Penang Tourism Student Ambassadors	For the state to elect foreign students studying in Penang, from strategic countries to serve as volunteer tourism ambassadors of Penang.	PETACE/ StudyPENANG	QW	Penang

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)

### Sub-Thrust B-3: High Yield Tourism

#### Rationales

Many tourist destinations have shifted their marketing focus away from simply increasing the number of tourists to enhancing the ‘quality’ associated with tourism growth. The method of increasing quality is often articulated as moving away from mass tourism with low expenditure per person and moving towards quality tourism with high per capita spending. Despite being regarded as one of the top holiday destinations to visit in Malaysia, Penang is often associated with the images of ‘cheap and affordable destination’ as well as the street foods and low hotel rates. High yield refers to high spending and long-staying tourists, while high yield tourism

involves offering high quality and high-end products. As mentioned previously, the average tourist spending in Penang is considered low compared to other regional destinations. In 2018, the average length of stay in Penang was 6 days for international tourists and 4 days for domestic tourists. The average stay duration for international as well as domestic visitors is 12 days and 6 days (PTS, 2015-2018), compared to 5 years ago.

Among issues that might have contributed to this matter includes the low average length of stay and limited opportunities to spend among tourists due to limited local products, both tangible and intangible. Nevertheless, the state is steadily developing its ecosystem to cater the

growth in the higher yield tourist segment - the Medical tourists. In 2017, Penang's healthcare industry generated RM500 million in revenue and Island Hospital, for example, received 21% of Indonesian medical tourists in 2018 (MHTC, 2019). To further expand the health tourism sector, the State Government intends to co-develop an 'international-standard' wellness resort off the coast of Batu Ferringhi to meet the demand for spa and wellness. Health and wellness tourism are likely to become a source of income for the tourism industry, with receipts of RM20.5 billion and 8.3 million trips reported in 2018.

Wellness or health tourism has the potential to become a revenue earner for the tourism sector, recording receipts of RM20.5 billion and 8.3 million trips in 2018. High yield

tourism approach is about encouraging tourists to spend more and stay longer. This priority redefines approach to drive shoulder arrival growth and regional dispersal from targeted high-yield market segments. Penang tourism will also need to assess future geopolitical and geohealth risks in target markets and shift its activities accordingly, to mitigate the effects of sudden drop-offs in arrivals thereby supporting long term stability for the industry.

### Strategies

- Develop an ecosystem for high yield products
- Develop more high-yield products
- Encourage Social Entrepreneurship Tourism
- Attract high-yield tourist segment





## Initiatives of Sub-Thrust B-3 High Yield Tourism

Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"> <li>• <b>Develop an ecosystem for high yield products</b></li> <li>• <b>Develop more high-yield products</b></li> <li>• <b>Encourage Social Entrepreneurship Tourism</b></li> </ul>	High-yield Tourism Product Program	To start a special program to develop an ecosystem that can train new and existing tourism entrepreneurs to produce high yield and high end products. The framework of this program includes product innovation, repacking, pricing, branding and marketing.	PETACE/ Private sector	MP	Penang
	Penang Signature Food Galore	To open up a high-end one stop centre that offers all signature foods of Penang. This centre is the answer to the time constraint among visitors to Penang who wish to sample Penang's top cuisines. It retains the street food sense of place, with the highest level of hygiene.	Private sector/ MBPP/ MBSP	QW	Penang
	Penang Arts and Cultural Festivals	<p>To coordinate yearlong series of arts and cultural galore featuring indigenous and international culture.</p> <p>Interest in cultural events in other countries is on the increase, and experiencing festivals is perceived by tourists as one of the most authentic ways of immersing themselves in local culture. State government to incentivize local arts and culture entrepreneurs to create more innovative and contemporary products with new packaging and presentation.</p>	Private sector/State Government /GTWHI/ Penang Art District (PAD)	MP	Island

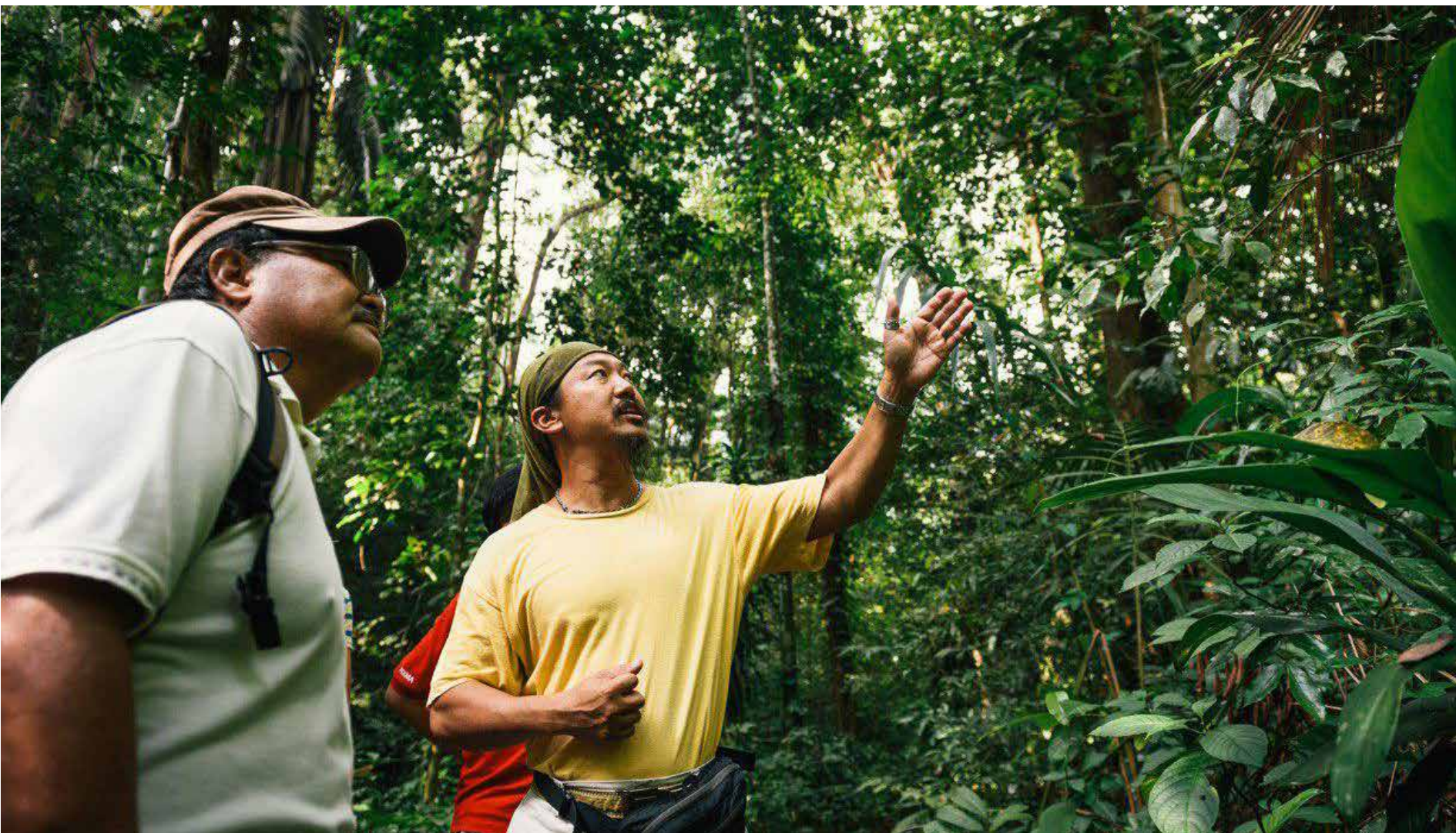
Initiatives of Sub-Thrust B-3 High Yield Tourism					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>Attract high-yield tourist segment</li></ul>	Market segmentation to focus on high-yield tourist markets.	To focus tourism marketing on high-yield tourists from medium and long haul markets such as Japan, New Zealand, European nations (especially France), Saudi Arabia, and the USA as well as BRIC and ME. There will be a shift from marketing and promotion based on geographical segmentation, to targeted marketing and promotion based on niche markets. Focus will be given to ecotourism, shopping, festivals and MICE segments to capture high spending tourists.	PETACE/PGT/ Major Airlines/ PCEB /Private sector	QW	Penang

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)



### *Summary*

Other than gastronomic, historical and cultural, Penang has plenty of natural attractions that are promoted as additional tourist products. Full of activities and festivals with warm-hearted people, Penang must position itself as a premier destination. It should focus on enhancing both local, regional and international linkages, branding, marketing, and promoting, as well as high yield tourism as the Unique Selling Proposition (USP). Penang must portray an exclusive and luxurious image to get away from the image of an affordable destination. The state is located in the IMT-GT region with an international airport and port that connect to significant market sources across the globe. The image of a Premier Destination shall have a great influence on tourist's intentions to revisit and disseminate positive-word-of-mouth for those who want to travel luxuriously.





The **rattan maker** in George Town

# THRUST C:

ENSURING **SUSTAINABLE AND RESPONSIBLE** TOURISM



Sustainability in the tourism sector is essential. The sustainability paradigm is not only defined from an environmental point of view but also considers economic sustainability. UNWTO has identified 12 key pillars for sustainable tourism. The key pillars catalyze tourism development to make sure that the local community enjoys tourism development spill over. The benefits include economic viability, local prosperity, employment quality, social quality, visitor fulfilment, local control, community wellbeing, cultural richness, biological diversity, resource efficiency and environmental purity. Penang's direction in terms of sustainability encompasses environmental sustainability, social sustainability, and economic sustainability. It views ecological sustainability as ideal for safeguarding natural resources, which acts as a fundamental asset in creating a comfortable living environment for the present and future generations. The social and cultural sustainability context involves preserving cultural beliefs, cultural practices, heritage conservation and culture as its entity. In contrast, the social aspect includes systems, structures, and relationships that are actively supporting current age groups and the ensuing generations to create healthy and liveable communities. Socially sustainable communities are equitable, diverse, connected and democratic towards attaining good quality life.

The Covid-19 pandemic has severely affected Penang tourism. Penang Hill, for example, registered 80% drop in visitors (The Star, 2020). The pandemic highlighted the importance of economic sustainability and resiliency among tourism businesses. Thus, diversification of the economy is crucial. Penang tourism must

stay vibrant, resilient, and dynamic and not too dependent on tourism as the state's sole economic sector.

This indeed speaks volume of the urgency in building a resilient, sustainable tourism for Penang to stay in the survival mode when any untoward situations happen. Besides diversifying the tourism products, it is imperative to (1) empower the stakeholders via close networking and engagement that are focusing on identifying the stakeholders and scrutinizing how all these stakeholders can complement each other in the tourism product development cycle, (2) initiate the platform for localization of tourism product development cycle to ensure that SMEs are well fused into the system, (3) address the domestic tourism market by working closely with all tourism players to boost the industry and mitigating the financial impact caused by a decrease in international tourist arrivals, (4) accentuate the importance of striking a balance in economic concerns and liveability relationship by finding ways to achieve a longer lifespan for fragile tourism products, and (5) emphasize on sanitation and safety protocols as the new norm not only for the tourism service providers but also the tourists.

Resilience must be looked at from the perspective of regional development. Penang's context is more related to building a bridge between community needs, competitiveness, and sustainable tourism development. It is either an essential part of sustainable development or a better alternative—more community-focused—to the traditional paradigm of sustainable development' (Bogdan-Constantin Ibanescu et

al., 2020). The paradigm is to turn sustainable tourism into a resilient economy that first can be built back. Second, it possesses the potential to be rebuilt in better shape, and third ensures more significant shared economic and social benefits (Louise Twinning-Ward et al., 2017). Responsibly commercializing tourism can be achieved via understanding how people and the environment interact to ensure a sustainable and resilient supply of the essential ecosystem services (Cheer & Lew, 2017). Responsible tourism is a critical pillar of sustainable tourism. It essentially emphasizes the effects of tourism activities (refers to products consumption, ecological footprint and carbon footprint) and pays attention to increasing benefits received by host communities and the environment. In detail, Responsible Tourism expresses the commitment to sustainable tourism. It demands constant awareness of the legal, environmental requirements and regulatory requirements, designing an Action Plan within the framework of policy and plan-awareness training (Biosphere Tourism, 2020). The spread of the disease like the Covid-19 calls for a different and additional framework of responsible tourism when travelling. As explained in the previous section, Penang had promoted the Responsible Tourism drive to inculcate responsibility among all stakeholders of its tourism to abide by the health and safety Standard Operating Procedures. The procedures and requirements are expected to continue to be enforced even after the dust of the pandemic has settled down. This thrust is supported by three thrusts, namely:-

(C-1) Enhancement of Creative Economy Ecosystem

(C-2) Nature-Based Tourism

(C-3) Authenticity in Heritage, Arts, and Culture

### **Sub-Thrust C-1: Enhancement of Creative Economy Ecosystem**

#### **Rationales**

The Creative Economy is an evolving concept based on creative assets, potentially generating economic growth and development. The concept describes an economic system that manipulates values of traditional resources (land, labour and capital) by interjecting ideas, knowledge and technology into the equation. Creative Economy is developed through Creative Industries which is evolving around multimedia, innovation, knowledge economy and technology (Siti Salwa Isa et al., 2011). As a state that is blessed with a melting pot of unique values, Penang envisages culture, arts and heritage as an asset both to economic development and social enrichment. To further align the existing culture, arts and heritage products and activities into the mainstream economy with great potential for wealth and job creation, Penang ought to weave skills, knowledge and technology into the equation. Hence, PETACE, the acronym for Penang State Exco for Tourism and Creative Economy, which was an improvisation of PETACE (Penang State Exco for Tourism, Arts, Culture



and Heritage) is going to implement the Penang Creative Economy Agenda (PCEA) to pave the way for economic dynamism to the industry and to contribute to the Penang State's GDP.

The idea is to leverage the creative economy sector. At the same time, it is a directional plan in ensuring that key players understand the needs to decrease the dependency on manufacturing and service industry (Alexander et al., 2019). For the past many years, the Penang State Government put forward efforts in culture, arts and heritage products including the George Town Heritage Celebrations, George Town Festival, George

Town Literary Festival, Butterworth Fringe Festival, Balik Pulau Arts Festival and Penang Paddy Festival. To ensure that these products continue to contribute to the Creative Economy, stimulating long-term networking between different platforms and stakeholders is imperative. It requires the establishment of practical, cultural policy, bottom-up and two-way discussions between all stakeholders level, and incorporating creative industry into education curriculum (which directly helps in retaining and developing high skilled talents) (Alexander et al., 2019).



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**Creative economy is a rapidly growing industry with plenty of potential to progress. In this 21<sup>st</sup> century, especially during the times of pandemic, I envision the creative economy as a sector that will expand and transform into an economic powerhouse that can significantly contribute to the state's economy."**

**Yeoh Soon Hin**

Penang State Exco for Tourism and Creative Economy

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Human capital development that utilizes the locals' strengths is crucial to help communities to plan, identify prioritized development direction within their needs, determine strategies to address the needs and concerns in tourism, conservation, and preservation. It is also crucial that both community and local government working closely together to address their needs. The empowerment of locals is aimed to provide an active-effective platform that supports local communities through means of networking and to equip the local communities with skills to conserve and manage their areas and to be an active player in the creative ecosystem. The empowerment is to ensure that tourism values and benefits are distributed locally. A well-

planned resource alignment is envisaged to optimize and maximize the benefits that shall be enjoyed by the local people. A successful resource alignment is achievable when the locals are educated and well-trained in managing the resources and innovative in creating unique selling points. Sustainability of tourism products involves the ability to maintain a unique product as a tourism product, and enhance it accordingly (without jeopardizing its outstanding value) to suit the tourism industry demand. Penang does have some of its cultural products (such as Ghazal Parti, Boria, Chingay and Bharata Natyam). Unfortunately, these cultural assets are struggling and only admired by the older generation. The lack of interest among the younger generation



**Batu Feringghi Beach**



is influenced by their perception of the limited economic opportunity in carrying out the performances. Therefore, it is vital that a comprehensive ecosystem to be developed to ensure the whole mechanism and tools that create, enhance, and market the products are there and working.

Strategies

- Provide tourism trade hub
- Empower art, culture and heritage
- Train the trainers/trainees
- Instil the value of heritage appreciation in the new generation
- Inculcate green practices and entrepreneurship

Initiatives of **Sub-Thrust C-1 Enhancement of Creative Economy Ecosystem**

Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
• <b>Provide tourism trade hub</b>	Butterworth Creative Centre	To establish a collection and sales centre for handicraft products. It provides entrepreneurs with a means to broaden their networking and platform for them to display their arts and products. The products may be grouped into ready-made souvenirs ( to promote the local culture values), and souvenirs that are designed and made by the buyers.	Local Assemblyman/ MBSP/ PETACE/ Business associations	MP	Butterworth
	Seafood Hubs	To promote hubs of seafood restaurants that offer value-for-money seafood dishes, equipped with local traditional performances. Popular areas that can be promoted include Pulau Aman, Balik Pulau, Gertak Sanggul, Pasar Bisik, etc. These hubs shall strengthen the image of Penang as the gastronomic heaven of Malaysia.	Private sector/ Business associations/ PGT/MPPP/ MBPP/PCEB	QW	Penang

Initiatives of Sub-Thrust C-1 Enhancement of Creative Economy Ecosystem					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Tasek Gelugor Agro Tourism Hub	To promote a centre for local product exchanging and selling. This initiative fits the aspiration of Tasek Gelugor to become an Agro-tourism destination.	Local Assembly/State Government	MP	Tasek Gelugor
	Seberang Perai Tourism Trails	This project provides an opportunity to learn about what Seberang Perai has to offer. These trails connect various points of interests found in the region. The trails must be guided with interesting interpretations and stories of local history and folklore.	MBSP/Local Assemblyman/	QW	Seberang Perai
• Empower art, culture and heritage	Exhibition for Local Artists	Functions as space or art district for local artists to showcase their artistic talents. This space could be utilized as a platform for developing budding talents.	PAD/ Private sector/ MBPP	QW	George Town
	Penang Heritage Award	To host an annual award ceremony recognizing the contribution of individuals/ groups/institutions toward the development of arts, culture, heritage and natural heritage of Penang. This recognition shall encourage people to keep on championing cultural, arts and heritage preservation.	PETACE/ GTWHI, PAD/ Private sector/ NGO/ThinkCity	QW	Penang



Initiatives of Sub-Thrust C-1 Enhancement of Creative Economy Ecosystem					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Penang Local Mini Culture Festivals	Penang has many communities that have their unique celebrations. This initiative is to encourage local communities to host festivals that represent their local culture and to bring them to a mainstream festival. This initiative is a platform to enhance active engagement by the local people.	Local Associations/ Local government/ GTWHI/PAD	QW	Penang
<ul style="list-style-type: none"><li>• <b>Train the trainers/trainees</b></li><li>• <b>Instil the value of heritage appreciation in the new generation</b></li></ul>	Cultural & Arts Academy	This academy serves as a training and capacity-building centre for arts and culture. The initiatives can be linked to the GTWHI apprentice program.	Private sector/ GTWHI/PAD	EL	George Town
	Arts and Crafts Workshop & Training	To offer workshops and training on traditional arts must continuously be conducted to create awareness and interest, especially among the younger generation. These programs are essential to overcome the issue of succession among local artisans. Active engagement between government, NGO, private sector and education institutions can help in strengthening the syllabus and the expected outcomes.	Private sector/ GTWHI/PAD	QW	George Town

Initiatives of Sub-Thrust C-1 Enhancement of Creative Economy Ecosystem					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>Empower art, culture and heritage</li></ul>	Bumbong 5 Living Museum	To establish a sample of traditional living based on the existing village. One or two suitable traditional villages can be selected as case studies. These villages can be further equipped with necessary infrastructure, information centre, venue for cultural performance, and to allow visitors to sample local lifestyle. It is recommended that this model is developed in existing villages that offer homestays or Kampung Stays.	Local Community/ Local Assemblyman/ Homestays Association	EL	Kepala Batas
	Penang Green Hotels	One of the targets of Penang2030 is to have 100% of hotels in Penang to be green by 2030. This measure generally means greening both the building (such as low carbon, renewable energy, energy and water-efficient) and the hotel operation (such as flood waste reduction, energy-saving practices, healthcare Standard of Operation). This initiative is one of the main components of Penang Green Tourism.	Penang Green Council (PGC), Local council/ Private sector/ Malaysian Association of Hotels (Penang Chapter) / MyBHA	MP	Penang

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)



## Sub-Thrust C-2: Nature-Based Tourism

### Rationales

Nature-based tourism is an environmentally friendly tourism activity that focuses on practical and tangible environmental management techniques. In a more straightforward idea, the term 'nature-based' tourism is exchangeable with 'green tourism' where the ideation of green tourism involves enjoying tourism activities without jeopardizing the tourism environment. Overconcentration of tourists in the inner city of George Town calls for a balancing act to spread the economic impacts of tourism to second-tier areas or into the peripheral areas. The Seberang Perai areas have the potentials for nature and agro-based tourism which have not been fully utilized. The State government acknowledges Seberang Perai as an area with abundant natural assets such as mangroves, mudflats, migratory birds, and the river but yet, some of these places are receiving lesser attention. Bukit Juru is one of the sites that the State Government has identified as an ecotourism product (other than Penang Hill). The establishment of a select committee helps in identifying the common ground between stakeholders, of which, fundamental in the development of the practical framework

and effective strategies. Practical framework and effective strategies do not only refer to the management of resources and the optimal utilization of the resources; they also cover risk management (structure, governance, process and operation) of a particular tourism destination and tourism activity.

This committee shall be further efficient when combined with a solid foundation of nature-based knowledge among the stakeholders. Visualizing the Seberang Perai as Penang's future, the state is committed to flaunt the Seberang Perai's unique attractions.

### Strategies

- Identify and promote agro-tourism and ecotourism sites in Seberang Perai
- Develop potential nature-based tourism places
- Provide education on nature and nature tourism

Initiatives of Sub-Thrust C-2 Nature-Based Tourism					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>Identify and promote agro-tourism and ecotourism sites in Seberang Perai</li></ul>	Bukit Juru Nature	This is distinctively different from other ecotourism products, as it incorporates the ‘forest bathing’ concept that stimulates eco-therapy experience. A more refined ecotourism experience can be gained through a green approach practice implementation.	Local Assemblyman/ MBSP	QW	Juru
	Kelip-Kelip Tour	To promote existing trips to enjoy firefly. In order to bring this offering into the main-stream tourism products of the state, the operation must abide with all requirements of MOTAC and other relevant authorities.	Private sector/State Government/ MOTAC/ PETACE/MBSP	QW	Sungai Kerian
	Robina Eco Park	Other than preserving the state’s heritage for the ensuing generations, this project is a retreat that is ideal for those who are seeking quality time spent with families and friends. This initiative is about the improvement of existing facilities and the provision of new facilities suitable for educational, entertainment, and leisure purposes.	MBSP	QW	Butterworth



Initiatives of Sub-Thrust C-2 Nature-Based Tourism					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>Develop potential nature-based tourism places</li></ul>	Ecotourism at Bukit Bendera	This project is in line with Penang Hill Corporation's objective of maintaining the hill as an ecotourism site, aims to provide an exquisite nature-based tourism experience that is carefully packaged and driven by the environment. Multi-sensational tourism experience is made possible by magnificent lush greenery with pristine fresh ambience, enjoyable activities and attractions, and well-connected facilities and accessibility.	Penang Hill Corporation (PHC) / Penang Green Council (PGC)	MP	Penang Hill
	Archeo-Corridor Guar Kepah	The Archeo-Corridor Gua Kepah is one of the gems of the state that is known globally. This site attracts tourists with specific interests in areas such as Archeo-tourism to experience the other facet of Penang. With all its potential, this project requires well-designed marketing and promotional strategies to ensure long-term success, to bring in more special interest tourists.	State Government/ MBSP/PGT	MP	Guar Kepah

Initiatives of Sub-Thrust C-2 Nature-Based Tourism					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Agro Tourism Belt	To connect chains of orchards and farms across Pekan Darat and Balik Pulau to open up to visitors to enjoy fruit picking experience and other agro-tourism activities. Members of this belt can jointly offer their packages (all you can eat for example) across multiple farms or orchards. They are also encouraged to produce fruit-based products for visitors to take home.	MBSP/ Local Agro Association	QW	Seberang Perai (Pekan Darat)/Balik Pulau
	Penang eco Islets	Other than the main island, Penang has some wonderful islets around its waters; many remained untouched. Depending on their size, islands such as Jerejak, Kendi, Aman, Gedung and Batu Payung can be developed and promoted as ecotourism attractions to welcome visitors with certain carrying capacity. These islands must be enhanced with suitable infrastructure to facilitate the visit.	Forestry Department/ Marine Department/ Local State Assemblyman/ PETACE	LP	Jerejak, Kendi, Aman, Gedung and Batu Payung



Initiatives of Sub-Thrust C-2 Nature-Based Tourism					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>Provide education on nature and nature tourism</li></ul>	Educational Forest Ayer Itam Dalam, Nyior Sebatang	Already a well-known ecosite that offers visitors trekking and bird-watching experience, this project is about revitalizing this site and promoting it as an educational forest. Besides for bird lovers, this initiative will be a perfect place for industrial training for graduates majoring in environmental biology and agrobiology.	MBSP/Forestry Department	MP	Ayer Itam Dalam
	Penang Hill Rainforest Research Centre	Aims to bring an ecotourism system that upholds the unique wilderness and conservation values while educating the Penang Hill stakeholders concerning evidence-based decision-making to address the threats and challenges currently faced by the wilderness and natural environments. This project is to provide research facilities that can attract nature enthusiasts to research the tropics in the high-class resort setting.	PHC/ Federal Government/ State government	MP	Penang Hill

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)





### **Sub-Thrust C-3: Authenticity in Heritage, Arts, and Culture**

#### **Rationales**

The heritage, arts and culture elements may be expressed as the whole corpus of quantifiable signs, either one being artistic or symbolic and tendered by the past to each culture and, consequently, to the whole of civilization. By way of the affirmation and enhancement of

cultural uniqueness, as an inheritance fitting to all humankind, the cultural heritage offers each place its identifiable characters and is the storehouse of human familiarity. The conservancy and presentation of cultural heritage is consequently a cornerstone of any cultural policy. The tangible cultural heritage has faded during recent years as a result of dynamic and rapid changes in industrialization and urbanization; which, made worse by the increase in atmospheric pollution, various climatic factors and mass tourism. Much of the



non-physical heritage is vanishing out because of the interference of economic structures. In the context of intangible cultural heritage, the jeopardization of this value is contented by fluctuations in lifestyles, which have resulted in a dominant culture that is negatively influencing the social or economic entity. Today, Penang is offering a limited number of cultural, heritage and art performances. Continuity of this situation may lead to the extinction of valuable assets. Penang is among the states that have begun to sustain the arts, heritage and culture ecosystem since the 1990s through the cooperation of the State Government with various associations such as the Penang Heritage Trust, Arts-ED, and the Nanyang Folk Culture. This form of synergy

should be further utilized and improvised to ensure Penang's arts, culture, and heritage survivability. The imbalance of tourism offerings between the Seberang Perai and the island calls for urgent attention and intervention by all tourism stakeholders in enhancing the competitiveness of Penang's tourism sector.

### Strategies

- Provide platform for heritage, culture and arts stakeholders
- Enhance existing value of heritage, arts and culture
- Incorporate arts, culture, and heritage in local planning



The Little India

Initiatives of **Sub-Thrust C-3 Authenticity in Heritage, Arts, and Culture**

Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
<ul style="list-style-type: none"><li>• <b>Provide platform for culture and arts stakeholders</b></li><li>• <b>Enhance existing arts and culture</b></li><li>• <b>Incorporate arts, culture, and heritage in local planning</b></li></ul>	Penang Art Week and Festival	For the state to organise annual Art Week. This initiative will inspire local art lovers and will impact the art sustainability. Vibrant arts industry symbolizes a premier destination. Other than physical festivals, this initiative shall also look at options of having virtual festivals and events.	State Government/ PETACE, PAD	QW	Penang
	Bukit Mertajam Cultural and Heritage Centre (Pasar Lama BM)	Bukit Mertajam is a small town that is rich with historical values. This project is about revitalizing its inner-city with initiatives that are in line with the project initiated by the City of Yokohama, Japan International Cooperation Agency (JICA), Yokohama City University (YCU), Universiti Sains Malaysia, and MBSP. It is about designing the city with inputs from the local community, to present a space for visitors and locals can interact. This initiative should be complementing the PACE initiative (Exhibition for Local Artists, Penang Heritage Award, and Penang Local Mini Culture Festivals).	MBSP/Local Community/ Local Assemblyman	QW	Bukit Mertajam

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)



## Summary

Ensuring sustainability is one key pillar of tourism development. It should not only be about preserving the authenticity of the local culture and heritage, but also the environment. Sustainability must also mean that tourism businesses are feasible and would benefit the community at large. It prescribes that tourism must involve the local community since its inception. At the same time, rapid urban development happening across this state may also affect its natural environment, which requires a balancing act between the conservation of nature and sustaining economic gains. Sustainable tourism also means that the authenticity of the local arts and culture needs to be preserved and revitalized. Intensive tourism development may demand commodification of the product offerings, but Penang must drive towards bringing back the lost traditions and heritage into the mainstream of global tourism.



The colourful meeting of **Armenian Street** and **Ah Quee Street**



Karpal Singh Drive



THRUST D:

A **SMART TOURISM**  
DESTINATION



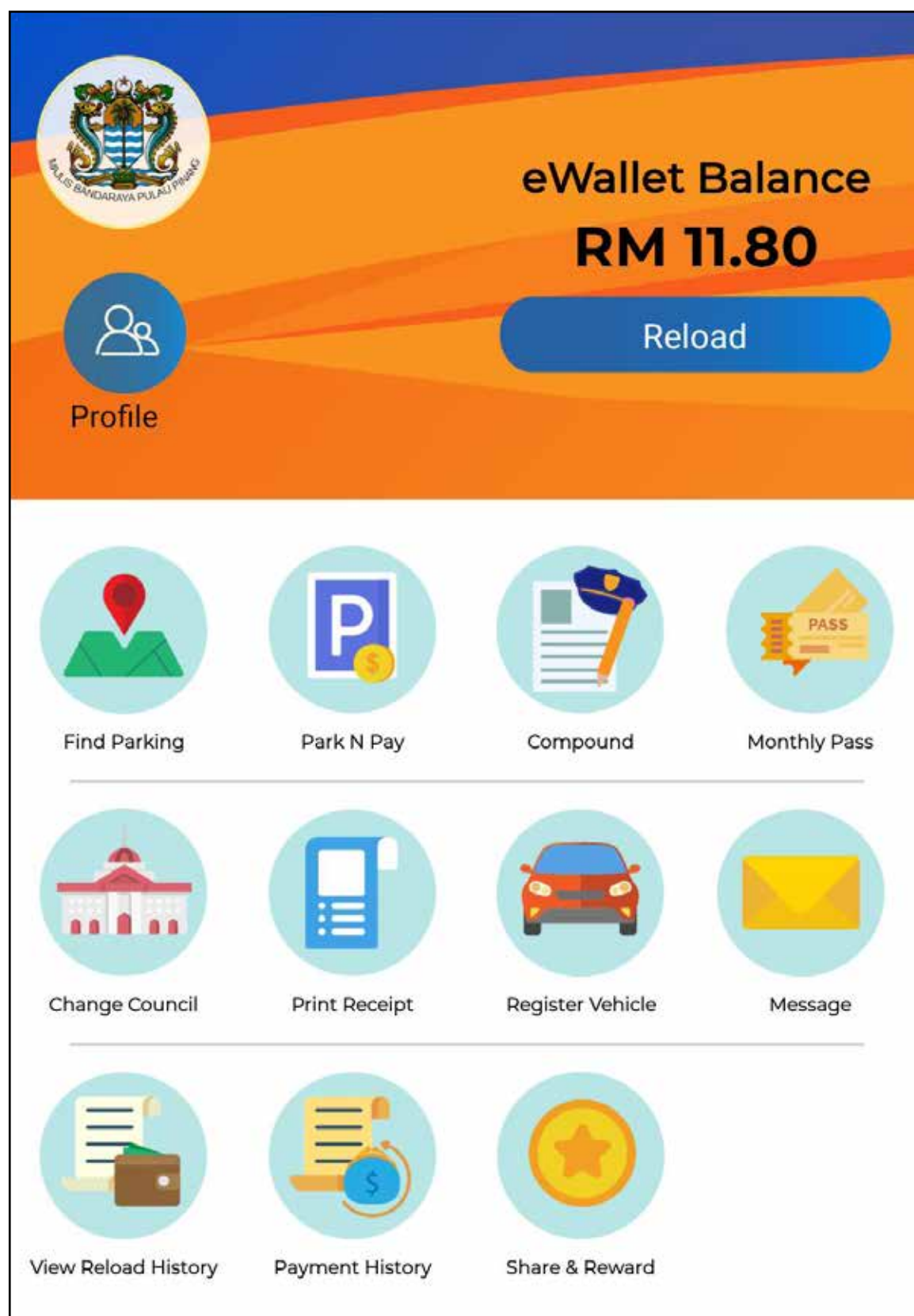
The term 'Smart' is another catchphrase commonly used to describe the technological, economic and social developments driven by technologies and the knowledge that rely on sensors, big data, open data, new ways of connectivity and exchange of information, as well as abilities to infer and reason as defined by Gretzel, Reino, Kopera and Koo (2015). When the terms are added to cities, they become 'smart city,' which intensifies technological innovations to attain resource optimization, effective and fair governance, sustainability, and quality of life. Applying the same concept to a smart tourism destination leads towards efforts to incorporate the traditional tourism approach with digital tourism by utilizing the usage of technology and innovations. A Smart Tourism Destination is divided into three mechanisms: smart experience, smart business ecosystem, and smart destination. Having the culture and heritage aspects as Penang's main forte, Penang needs to step up the game by adopting smart tourism approaches, especially in improving the tourist experience and aligning it with modernization and current travel trends driven by seamless travels and connectivity. It is reinventing the tourist interpretation by infusing digital experience, smart tourism benefits the industry as a whole. It creates a digital ecosystem that would be accessible virtually while maintaining the authenticity of Penang hospitality.

Preparing Penang as a smart tourism destination will jive with the target of the Penang2030 vision. It is also in line with the Penang Connectivity Master Plan and the National Tourism Policy (2020). The development of telecommunications infrastructure in Penang in line with the Penang 2030 vision of family-friendly, green and smart state to inspire the nation. A well-developed and robust telecommunications network infrastructure are necessary to support smart city and tourism

initiatives. According to MCMC, Penang has achieved 100% penetration in 3G network coverage and 97.7% in 4GLTE, above the national average of 81.6% and 79.6%. In terms of broadband coverage and average download speeds, Penang is among the highest in the country and currently a digital front-runner in Malaysia. The state government needs to encourage tourism key stakeholders to engage with the smart tourism approach, supervise the progress, and bring in more potential investors to support the technological alliance. Going towards the digitalization era, the Penang government is investing RM23.2 million for 5G demonstration projects with seven major telecommunications companies (Mok, 2020). The project includes initiatives to introduce 5G live streaming at the Penang International Airport and enhance ultra-high-speed internet access. Simultaneously, the collaboration improves the virtual tourism experience at Penang Hill and promotes a smart building approach in KOMTAR. Besides that, the project introduces smart safety and security, enhances the intelligent traffic light and smart parking around the Komtar area, and fixes the wireless access at the ferry terminal. With smart technologies, Penang can further enhance visitors' interactions with various attractions, which directly increases the quality of experience and satisfaction. This initiative also ensures that Penang collects more reliable visitor data that would be critical for more successful analysis and utilization of big data is a critical factor for success in various business and service planning domains, including the smart city domain. This Thrust consists of two sub-thrusts, namely:

- (D-1) Adoption of New Technology in Tourism 4.0
- (D-2) Integrated Destination Management





The Penang Smart Parking App is an example of visitor management in Penang

## Sub-Thrust D-1: Adoption of New Technology in Tourism 4.0

### Rationales

Tourists are getting savvier as technology has become an essential part of their daily routine. To adapt to the changes, digitalization of tourism destination management and service delivery need to be done. Malaysia recorded 87.4% internet users, with 93.1% use smartphones to stay connected (Malaysian Communications and Multimedia Commission, 2018). The travel trend is changing and shifting towards a smarter way of travelling. Incorporating the new technology into tourism practices has been done at destinations across the globe. It has helped to ease the travel operation. Penang needs to adopt smart tourism approaches to facilitate travels to and within the state and enhance the travel experience, including the digital experience. The travel industry has changed tremendously in the last five years alone with a move from desktop searches to those almost entirely performed on applications, now used as the primary source of info. Popular tourism and hospitality services have also capitalized on the ease of app use and have made them as efficient and bug-free as possible. The major digital travel experience trends that have arisen in the travel industry to date are moving to mobile apps, the use of artificial intelligence in the form of chatbots, and social media marketing. It also helps gather tourist information through their digital journey on tourist arrivals, demographic data, length of stay, expenditure, and travel patterns.

These data help to study the market profile and plan proper marketing plans. Simultaneously, incorporating technology into historical interpretation would present the attractions more appealingly, especially to the millennials besides establishing a digital relationship between attractions and visitors. There is the need to have a 24-hour digital-incorporated information kiosk that tourists could access which will be equipped with safety technology. This welcome centre would provide tourists with current updated information and packages, particularly concerning the events, risks and products associated with tourism in the state. The key enabler of sustainable smart cities is that all participants in the complex ecosystem share information and combine it with contextual data analysed in real-time. This is how informed decisions are made in real-time, and the multiple stakeholders must cooperate to achieve better, sustainable outcomes by analysing real-time contextual information, which is shared among sector-specific information and operational technology systems. There are four essential elements necessary for thriving smart cities: pervasive wireless connectivity, Open data, the security you can trust in and flexible monetization schemes.

### Strategies

- Digitalize tourism products and service delivery
- Introduce smart and friendly infrastructure

Initiatives of Sub-Thrust D-1: Adoption of New Technology in Tourism 4.0					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
• Digitalize tourism products and service delivery	Smart Tourism Portal	To develop a one-stop digital portal (data integration facilities) that is accessible to both tourism providers and tourists, which holds all the latest updates of Penang tourism, rules, and regulations, information on all tourism services, safety & security, health and others.	PETACE/ State Government/ MBPP/MBSP/ Private sector	MP	Penang
	Penang Tourist Apps	The mobile apps version of the Penang Tourism Portal with AI features for easy access through smartphones and tablets to establish tourist digital relationship with destination. Users are rewarded with bonus points and discounts on attractions and purchases.	Private sector/ PGT	MP	Penang
	E-Payment	To introduce and develop an integrated smart tracking system through apps or online survey to track the visitor’s digital journey and capture information on their demographic profile, travelling activities, length of stay, location and other related information. At the same time, this effort will be able to cut the cost of having the annual survey.	Private sector	QW	Penang



Initiatives of Sub-Thrust D-1: Adoption of New Technology in Tourism 4.0					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Visitor Tracking System	To introduce and develop an integrated smart tracking system through apps or online survey to track the visitor's digital journey and capture information on their demographic profile, travelling activities, length of stay, location and other related information. At the same time, this effort will be able to cut the cost of having the annual survey.	Private sector/ PGT	MP	Penang
	Augmented Reality & Virtual Reality (VR) Products	To develop augmented reality markers and VR products with AI features at tourism hotspots and at points of entry to enhance tourist's digital experience.	Private sector	MP	Penang
• Introduce Smart and friendly infrastructure	Integrated Digital Tourist Pass	To introduce an integrated discounted tourist pass for bundle purchases with access to most of the tourist destinations which will be incorporated with the Penang tourist apps	Private sector	MP	Penang

Initiatives of **Sub-Thrust D-1: Adoption of New Technology in Tourism 4.0**

Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Tourist Welcome Centre	To revamp the existing tourist information centre into a full-fledged visitor centre that offers information on events and festivals, tickets, maps, local souvenirs, travel advice with public lounge area equipped with tourist amenities such as charging ports and water stations to welcome tourists from all over the world. The centre is equipped with safe technology to adopt the new travel norms.	PETACE/PGT/ MOTAC	QW	Penang

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)



Campbell  
Street Market



## Sub-Thrust D-2: Integrated Destination Management

### Rationales

Tourism destinations play a significant role in maximizing the tourist experience. One of the essential qualities of a good destination is that it must be clean and user-friendly. Thus, the cleanliness of public places and tourist attractions need to be monitored from time to time, in line with Penang2030 strategic initiatives in continuing to improve public safety and cleanliness. In addition, better coordination

between federal and state agencies are required to monitor the tourism destination management and to guarantee the quality of service. Other than that, information and data on the economic contributions from tourism must be recorded for future market references and to monitor Penang's market performance from time to time.

### Strategies

- Promote smart economy
- Encourage smart governance
- Promote clean and hospitable Penang



Locals participating  
in the **Heritage  
Celebration Day**

Initiatives of Sub-Thrust D-2 Integrated Destination Management					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
• <b>Promote Smart economy</b>	Penang Tourism Satellite Account	To develop an integrated system with a standardized framework for inbound, outbound and domestic tourism used to measure the economic contribution of tourism in Penang.	PETACE	MP	Penang
	Tourism Funding and Incentive Program	To introduce a funding and incentive program to fund and give incentives to new and existing tourism business owners. Matching grant for innovative tourism products.	PETACE	EL	Penang
• <b>Encourage Smart governance</b>	Tourist Attraction & Services Grading System	To develop a system that uses to assess and grade the tourism attractions performance and service quality. Listing of accredited tourist attractions and services.	PETACE	MP	Penang
	Tourist Monitoring System	To develop an integrated monitoring system to oversee the industry as a whole in ensuring the services rendered are complying with the right standards. This system should be integrated with the Tourism Attractions and Service Grading System.	PETACE	MP	Penang

Initiatives of **Sub-Thrust D-2 Integrated Destination Management**

Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
	Risk and Disaster Mitigation	To create a tourism special task force (Penang Tourism Safety and Security Committee) overseen by Penang State to identify and evaluate potential crisis/ risk/disaster/issues that might occur and affect the tourism industry in Penang. The task force shall come up with Standard Operation Procedures (SOP) in response to any potential disaster and introduce recovery and preparedness plans to minimize the impact on tourism.	State Government/ PETACE/ PGT/ PDRM/GTWHI/ Tourism associations	QW	Penang
	Penang Tourism Research & Development (PTRD)	To appoint an organization or committee to develop continuous research and development to cater to the needs of having reliable tourism data of the tourism sector in Penang	PETACE/ PGT/ Private Research Institution	MP	Penang



Initiatives of Sub-Thrust D-2 Integrated Destination Management					
Strategy	Initiatives	Description	Key Driver/ Strategic Partners	Phase	Site
• <b>Promote clean and hospitable Penang</b>	5-Star Public Toilets	To improve the availability of the existing public toilet, and to upgrade selected toilets to 5-star. To impose star rating in all public/private toilets across the state. Deploying Smart Washroom Monitoring (with AI technology) to alert city council for cleaning.	MBPP/MBSP	QW	Selected Tourist Sites at George Town & Bukit Mertajam
	Clean and Safe Penang	To promote cleanliness in public and eatery space and educate the food providers on the importance of food hygiene and safety. To facilitate visitors to make instant complaints on the level of cleanliness and hygiene via Smart Application connected to City Council.	MBPP/MBSP PETACE/PGT/ Private sector	QW	Penang
	Smile Campaign	To upgrade the service quality delivery at a tourist spots, premises, and entry points by continuously conducting staff training and promote friendly service and hospitality	Private sector/ MAH/MyBHA/ ATAP/MATTA/ MCTA/PCEB	QW	Penang

Note: QW (Quick Win) | MP (Major Project) | EL (Effortless) | LP (Low Priority)

## Summary

Penang tourism needs to be elevated by introducing a new level of services, infusing the essence of technological value while still maintaining the human touch and authenticity of service deliverance. Adopting the smart tourism approach brings benefits to both residents and tourists in bridging the traditional and modern approaches for seamless travel and lifestyle. Besides, the application of smart tourism brings added value to the destination itself and enhances destination management. At the same time, it promotes a lively neighbourhood, bringing socio-economic benefits and upgrades in the living quality of the local community. As a summary, the advancement in information technology should not be taken for granted. It shall be adopted in tourism planning to ensure that Penang is on par with other regional countries and major destinations that have achieved success in implementing smart tourism in line with Sustainable Development Goals.



The **Butterworth**  
**Art Walk**



## Entopia by Penang Butterfly Farm







# 7.0

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SIGNATURE  
PROJECTS

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George Town at night





# 7.0 SIGNATURE PROJECTS

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Signature projects are special projects that are transformational and impactful. They are proposed due to their uniqueness, originality, impacts on the economy, social well-being of the people, and the environment. Many Signature Projects are clusters of initiatives, coming from different thrusts and sub-thrusts but conceptually connected. Some are Quick Win projects, low hanging initiatives ready to be implemented. There are, however, initiatives that are already in the implementation stage.”

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The **Songkok** Maker  
at Lebu King





Kampung Terus has hosted various village-based tourism activities. One of its signature projects is the International Paddy Festival that positions this area in the Penang tourism map. The natural and cultural setting of Kampung Terus that connects to Air Hitam Educational Forest provides multiple opportunities for a combination of village tourism, water-based activities as well as ecotourism.

### Concept

A comprehensive planning is needed to come out with a careful management plan that links up present activities at Kampung Terus to nature-based activities at Air Itam Educational Forest. Kampung Terus has the potential to offer activities such as daily village tour package, centring around the farming community and their daily activities. The Perai River that connects these two sites provides a good setting for kayaking and boating or event, fishing trips. It is also suitable for boat races. Trip along the river shall take visitors to Air Itam Dalam where bird lovers can enjoy bird watching activities.

# KAMPUNG

## *Air Itam Dalam*



Kampung  
Terus



# TERUS-

*lam Wetland*



## **Approach**

Requires special development planning to develop and manage this corridor that can be initiated by the office of the local representative, to be supported by the State Government, MBSP, as well as MOTAC.

## **Key Driver**

Local Assemblyman

## **Strategic Partners**

Cooperatives, MBSP, MOTAC, Jabatan Perhilitan

## **Prioritization**

Quick Win



# NORTHERN PENANG IS

## *Coastal*

Visiting national parks, hiking and jungle trekking are the top 5 main activities among tourists when they travel to Penang (Penang Tourists Survey 2019). These activities do not only enhance a tourist's travel experience but which are also vital to local people for them to generate their household income. Furthermore, there are many beautiful natural spots in Teluk Bahang such as the Light House, Teluk Kampi, Meromictic Lake, Turtle Conservation Centre, Penang National Park, Monkey Beach, and Pantai Kerachut that need to be integrated through the Northern Penang Island Coastal Corridor. In fact, several new tourism products have been found in Balik Pulau, such as the Countryside Stables, Taman Paya Laut and Pantai Malindo.

### Concept

The concept of the Northern Penang Island Coastal Corridor is to integrate all eco-tourism products in Balik Pulau and Teluk Bahang by using boats for accessibility and transportation mode. The boat tours which would serve as the main product will be supported by the Floating Market in Pantai Malindo as an added value of this project. The idea of the Floating Market at Pantai Malindo is similar to the Haatyai Floating Market, which aims to enhance encourage local people to participate in the tourism industry for their economic benefits. This project would produce job opportunities for the local people through various activities such as boat tours, watching the sunset, jungle trekking, riding, hiking, fishing and shopping.



The Penang  
National Park

# N LAND *Corridor*



The main aim of this initiative is to integrate the eco-tourism products through local community involvement in the tourism industry. This project is in line with the Penang2030 theme which aims to upgrade the local economy and to raise the household incomes.

## **Approach**

Initiated by State Government with the concept and ideas above.

## **Key Driver**

State Assemblyman

## **Strategic Partners**

Cooperatives/MBPP/Forestry Department/Local Universities

## **Prioritization**

Major Project





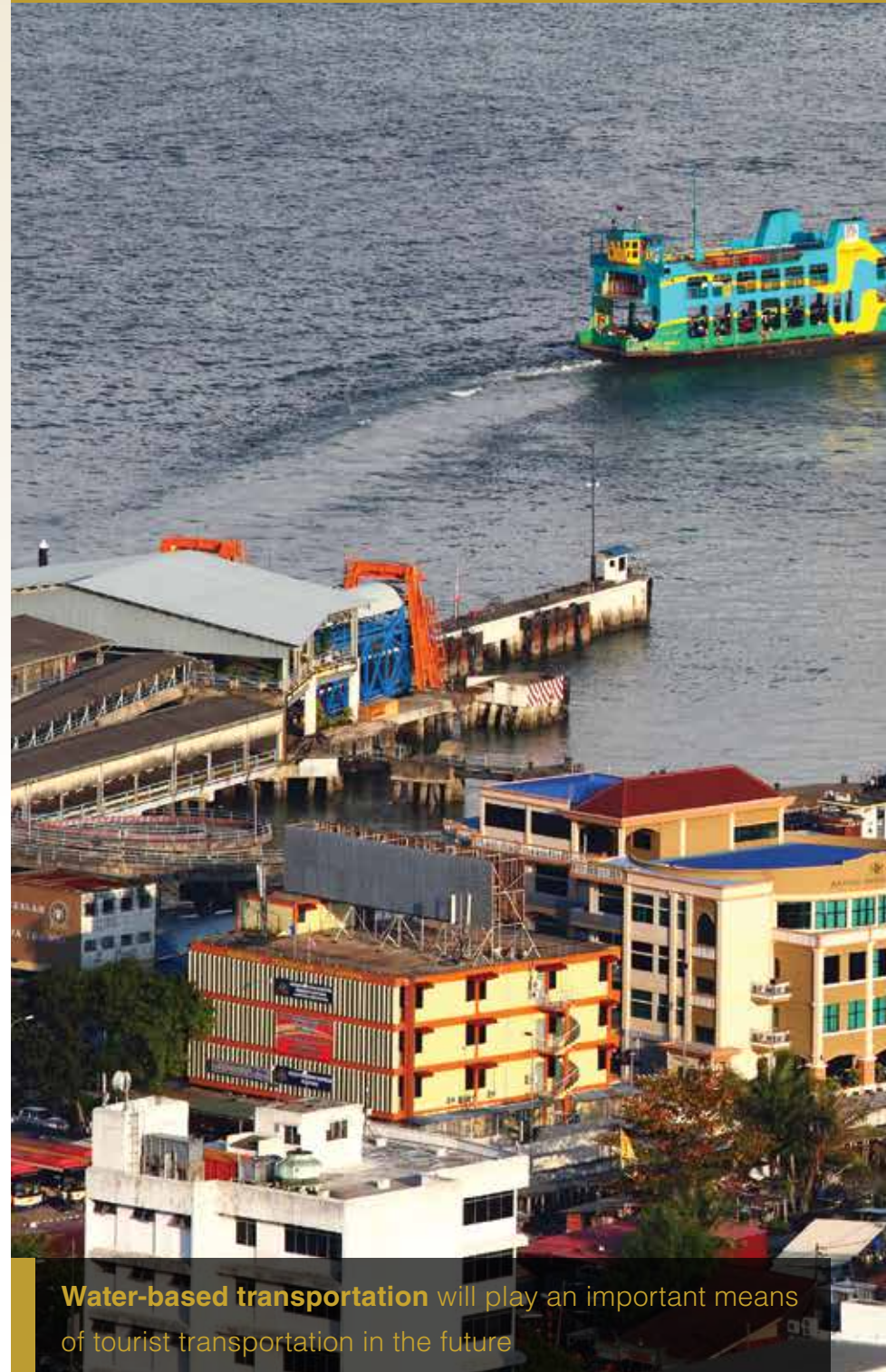
# Penang Smart Transportation and Mobility

Penang Smart Transportation and Mobility System

Rapid urbanization combined with the active tourism industry has resulted in heavy traffic in Malaysia, and the situation is worse for a small-size Penang Island. Penang Smart Transportation and Mobility System is a combination of several transportation modes envisaging smoother travel mobility for visitors via enhanced features (smart traffic flow analysis: route suggestion, real-time travel time calculation, and traffic congestion solution; smart tracking applications: public transportation vehicles, private vehicles, accident reporting, parking spaces, and healthcare facilities; smart risk management analysis: travel time delay, and air pollution index), and more flexible physical mobility options (ETS/KTM, taxi, bus, ride-sharing, trishaw, funicular train, water taxi, LRT, cable car, and Harbour Cruises), between the island and the mainland. The Penang Smart Transportation and Mobility System aims to disperse the on-road vehicle volume, which could result in road carrying capacity management and desired traffic flow. It must be in line with the Penang Transport Master Plan (PTMP) which was adopted by the State in 2016. Penang Smart Transportation and Mobility System accentuates the water-based transportation modes and LRT as the new forms of tourist transportation, complementing the existing transport modes in Penang. The underlying idea of this system is to create an engaging experience that turns into a new tourism attraction.

## Concept

Connectivity between the State of Penang and other states in Malaysia is provided via 4 gateways, namely Penang International Airport, Penang Sentral, Penang Bridge, and the Sultan Abdul Halim Muadzam Shah Bridge. Attractions within the island and the mainland are reachable by the following transportation modes: public buses, vans, ride-sharing vehicles, and the future LRT. One of the state's many landmarks, Penang Hill is accessible by cars, vans, public buses, funicular train, and cable car.



**Water-based transportation** will play an important means of tourist transportation in the future



# Smart ation ty System



Water taxi, Penang Ferry, and Penang Harbour Cruise utilize Swettenham Pier and Penang Sentral as the gateways for Penang Island and Seberang Perai. Water Taxi serves the purpose of distributing the incoming tourist traffic into the State of Penang by setting up several origin-destination points. It provides support to the land transportation system as well as the ferry. Penang Harbour Cruise leverages the open sea to provide tourists with a more sensual experience of Penang's attractions. It provides passengers with different views of Penang (such as Penang First Bridge, Penang Second Bridge, Straits Quay Marina, and KOMTAR). The Water Taxi Project may be managed by locally owned companies that employ the local community as the Water Taxi drivers. The Harbour Cruise Project shall open up the inner parts of the state for visitors to explore. .

## **Key Driver**

State Government

## **Strategic partner(s)**

Federal Government, Local Government, Private Sector

## **Prioritization**

Major Project





# PENANG LEG



Penang is one of the favourite destinations for sports tournaments and events. For the past many years, Penang has successfully attracted millions of sports visitors and fans to participate in the annual bridge marathons, dragon boat races, soccer and hockey competitions, dance sports championships and many others. Not to forget that Penang is also the home to world sports legends namely; Datuk Lee Chong Wei, Datuk Nicol David, Dato' Namat Abdullah, Datuk Shukor Salleh, and the late Isa Bakar. Capitalizing on these sports figures to nurture the younger generation may help the state to attract and produce new sports icons for the future. On top of that, Penang is actively promoting Mass Sports Programmes for the community of all ages. With the tag line of 'Sports for all' and 'One sport One-month' theme, the program encourages the public to participate in various sports activities as listed in the Penang Participative Sports Calendar of Events, which aims at practicing a sporting culture that leads to a healthy and active lifestyle. Under the Penang2030 vision, the state is aggressively investing in recreational facilities and providing more recreation spaces for family-oriented activities in order to create a healthy community.

## Concept

Penang Legend Sports & Entertainment City (PLSEC) is set to be one of the iconic, world-class and integrated sporting and entertainment destinations in Penang that emulates the successful examples of Kuala Lumpur Sports City, Sydney Olympic Park and Maracanã Stadium, Rio de Janeiro. PLSEC is a regeneration and redevelopment project of a sports hub, located in Batu Kawan, Seberang Perai Selatan which involves the existing Penang State Stadium. PLSEC provides a venue for multiple events such as sporting, leisure, musical, performance, meeting and exhibition.

The development of PLSEC involves a 40,000-seat professional soccer stadium, multi-purpose stadium, multi-use indoor arenas, outdoor sports plaza, sports rehabilitation centre, sports gallery, e-sport centre



The Penang  
Aquatic Centre

# END SPORTS

## *Entertainment City*



extreme sports areas, aquatic centre, public sport facilities, a youth park, a youth hostel, a multi-purpose hall, a convention centre, restaurants and a sport-focused retail mall. It is equipped with supporting facilities such as parking spaces, covered walkways, running and cycling track, playground, public restrooms, and prayer room. The area is easily accessible and well connected to the Penang Second Bridge and PLUS highway. The main objective of this project is to provide a centralized and integrated recreational destination that is fully compliant with local and international standards, for both local community and visitors who are engaging in sports, leisure and entertainment activities.

### **Approach**

The state should set up a committee to evaluate the feasibility of the project proposed. A call for proposal can be initiated to seek ideas that fit the concept of PLSEC as explained above. PPP model can be explored to realize this project.

### **Key Driver**

Perbadanan Stadium dan Kawasan Lapang

### **Strategic Partners**

Penang Development Corporation, Seberang Perai City Council, Penang State Sports Council, Department of Youth and Sports, Penang, Penang Convention & Exhibition Bureau, Penang Exco for Youth and Sports, Invest Penang, Penang Youth Development Corporation, Lee Chong Wei Foundation, Nicol David Foundation

### **Prioritization**

Major Project





# EDUTO

The effect of globalization is noticed on the volume of movement of people, ideas, skills and professionalism across international boundaries in today's knowledge economy. For every international trip, a new knowledge is shared, gained or transferred. Emergence of the knowledge economy has significantly influenced internalisation of higher education globally. The popularity and prominence of higher education in providing quality human capital capable of contributing to the world economy is on the increase with education tourism providing the platform for knowledge transfer.

There are well-established institutions of higher learning and knowledgeable lecturer to support this project.

Penang is already home to several renowned local and international universities such as USM in Malaysia, University of Wollongong, Australia campus and upcoming University of Plymouth and University of Hull, UK branches in collaboration with Peninsular College. Having Edutourism City will further elevate Penang to be the frontier of knowledge economy.

## Concept

Edutourism city provide various programs ranging from International Baccalaureate (IB) accredited school systems to specialized schools. The higher education offerings are ranging from undergraduate to postdoctoral degrees include programs in media, international affairs, business, computer science, medicine, engineering, logistic, cultural heritage, knowledge management and arts. Objectives of Edutourism City mainly about to be international educational hub in IMT-GT and to develop niche research clusters with industry linkages.



Penang to be the hub  
of **knowledge creation**

# EDUTOURISM *City*



## **Approach**

Edutourism City is an open hub for knowledge in Penang built upon a unique ecosystem of collaborations using green technology. At Edutourism City, institutions are uniquely integrated into an array of entities and centers that serve the needs for education, research, and community development. Edutourism City at Batu Kawan, a flagship initiative, is a pretty unique place. It's a place with branch campuses of some of the world's leading educational institutes, a home-grown research university, start-up incubators, technology parks, research institutions and so much more.

Edutourism City consists of campus of more than 12 square kilometers that hosts branch campuses of some of the world's leading educational institutes, a home-grown university, and other research, scholastic, and community centers. Together, these institutes make Edutourism City a unique model of academic and research excellence, pioneering a new approach to multidisciplinary, global education and enabling breakthroughs that benefit Penang and the rest of the world.

## **Key Driver**

State Government - Chief Minister Incorporated, PCET

## **Strategic Partners**

International schools & Universities, Property Developer, Private and Public Higher Education Institutions, MBSP (Seberang Perai City Council) Penang Global Tourism

## **Prioritization**

Major Project





# WELLNESS &

Enclave Tourism is a developing tourism model where tourist activities are organized and conducted in one small geographical location in order to benefit the tourist & to earn an experience within the location itself without having to travel too far in host country. The changes caused by globalization of medical services, the change of lifestyle with displaying the healthy lifestyle, attention to the figure and well-being associated with the external appearance, combined with the willingness to travel, has given rise to a new segment of health tourism, that is wellness and aesthetic medicine tourism. Holistic care available in Malaysia gives medical tourists the opportunity to combine their treatments with alternative recovery packages. Malaysia offers wellness tourists a host of alternative medicine and treatments such as Yoga, Ayurveda, Traditional Complementary Eastern Medicine, Detoxification, Mental Health Retreats, aesthetics and Anti-Ageing treatments.

## Concept

It is an experience like no other where all the needs, desires & facilities of the tourists are catered for & satisfied within an enclave. Various tourists of different cultures & nationalities are focus into designated locations away from the general and populous destinations for the purpose of wellness and aesthetic medical treatments. Objectives of this project are to focus on high yield niche market for wellness and aesthetic medicine tourism and to provide seamless exceptional experience of wellness and aesthetic medicine services within an enclave ambiance.



**Coastal** Resort  
and Spa

# AESTHETIC

## *Resort Enclave*



### **Approach**

*Wellness and aesthetics resort enclave* - A state-of-the-art array of preventive medicine encompassing advanced Anti-Aging and Cellular Therapy, Aesthetic Medicine, Dietary and Weight Management, Diagnostic, and ancillary Rehabilitation services. A Spa is added, with a repertoire of Asian wellness treatments that include alternative and complementary therapies like Malay Traditional Massage, Qigong, Tai Chi, Yoga and Pilates. A Centre of Excellence offering training to the medical fraternity in the fields of stem cells and bio-technology are available within the resort enclave. The wellness retreat and aesthetics resort at Penang Hill or Pulau Jerejak will be the first of its kind in Asia, where state-of-the-art Oriental and Western medical protocols are combined with holistic wellness. This wellness enclave will be the anchor in Penang. One no longer needs to recover and obtain wellness in a sterile clinical setting. The wellness retreat and aesthetics resort at Penang Hill or Pulau Jerejak, state of the arts array of preventive medicine in a luxurious six-star resort ambience provides the perfect setting for a wellness holiday.

### **Key Driver**

Penang Development Corporation

### **Strategic Partners**

MBPP (City Council), Private Property Developers, International Hotel Chain, Global Aesthetic Medicine Company, Private Hospitals, Aesthetic Clinics/ Centres, Malaysia Healthcare Travel Council, Penang Centre of Medical Tourism

### **Priotization**

Major Project





# THE PE



Shopping is one of the main tourism activities enjoyed by visitors when they travel. This activity not only enhances their travel experience but also is a vital source of induced income for the local tourism sector. Past surveys show that Penang has been known for its food galore and heritage but it has yet known as an attractive shopping paradise and shopping is not the key pull factor among tourists to the State. Penang offers many modern shopping amenities such as the Gurney Plaza, Queensbay Mall, Paragon, as well as IKEA and Design Village. These shopping malls and districts offer many established brands like those found in shopping across the country and the world over. Other than these facilities, visitors to Penang also enjoy shopping local produce at the Chowrasta market, Little India, and Feringghi night market.

The State also hosts the annual year-end Pesta Pulau Pinang (Penang Exposition) at the fixed Sungai Nibong site. Past surveys also show that the level of tourist expenditure among visitors to Penang has not been as high as its rival cities, especially Singapore and Bangkok. Thus, there is a need to provide more exciting and unique shopping facilities offering local products as well as cultural performances.

## Concept

The concept of Penang Grand Bazaar emulates successful bazaars from across the globe such as the Istanbul Grand Bazaar (Istanbul), the Ben Thanh Market (Ho Chi Minh), and the Farmers Market in downtown Melbourne. These must-visit bazaars and markets offer a great variety of new products as well as traditional arts and crafts that represent the city or the country. It must be centrally located and well connected by various forms of public transportation. It should have supporting facilities such as bus and taxi stops, parking spaces, lanes for People with Different Abilities (PWDA), and resting spots and a small pocket park.



The **Chowrasta Market**  
(Source: gtwhi.com.my)

# PENANG

## Grand Bazaar



This bazaar must be grandeur in size, with architecture that reflects the local settings and history. This bazaar also offers a great variety of products with zones marking certain types of products. Other than clothing and food, this bazaar must provide areas for arts as well as cultural performances.

The main objectives of this initiative are to provide additional opportunities to spend among visitors to Penang at a centralized shopping facility that gathers the best of state can offer and to create a platform for the local entrepreneurs, artists and cultural performers to offer their products to a broader market.

### **Approach**

A call for proposals can be initiated by the State to seek for initial ideas that fit the concept explained above.

### **Key Driver**

State Government

### **Strategic Partners**

Private sector, MBPP/MBSP

### **Priotization**

Major Project





# PACE: PENANG

As Penang positions itself into a premier destination, its tourism offerings must not only be diversified but must also have an integrated ecosystem that would enliven the conservation and growth of its arts and cultural elements. The fact that having the UNESCO's recognition of Penang multiculturalism environment enforces the need for schemes and spaces that would facilitate the growth of its cultural elements that are facing huge challenges to survive against the onslaught of modernization and gentrification in the post-World Heritage listing. Many of Penang's traditional arts and crafts are dying due to a lack of incentives and interest among the new generation. Thus, it is time to relive and revitalize the diminishing authenticity of the local arts and culture.

At the same time, in the drive to induce spending among visitors to the state, Penang also needs to start producing authentic souvenirs that would be reflective for visitors to take home as a memento.

Thus, an enclave of arts and culture is very much needed to show Penang's seriousness in bringing the senses of the state for global appreciation. It is a step towards bringing Penang or at least George Town to the level of the world's leading destinations such as Paris, Istanbul, and Barcelona.

## Concept

This enclave shall have physical components that support the growth of arts and culture such as an artist colony, art exhibition halls, cultural performance areas, workshops for training and hands-on experience, as well as souvenir shops. This area also hosts art institute or design academy to provide formal education in arts and culture. This academy, taking an example of the many art academies found in Ubud Village (Bali), or in Paris, is important to ensure that local arts are preserved and properly transferred to the next generation, which is in line with the



The **George Town**  
**Festival**

# NG ARTS AND

## *Culture Enclave*



principle of Sustainable tourism. An apprenticeship must accompany this program which should involve local stakeholders in arts, crafts and culture to further complete the ecosystem. Besides the physical settings, the state should also provide incentives in the forms of research grants or subsidies for start-ups in arts and culture businesses. Furthermore, the state shall also initiate a form of formal recognition or special annual awards to acknowledge those who have contributed to the growth of arts, culture and heritage of Penang.

### **Approach**

A Special Area Plan is recommended to realize this enclave which has multiple components that can go simultaneously or in sequence. This project shall be monitored by a special management committee, spearheaded by PETACE, and supported by various stakeholders, especially the building owners. One of the areas that are developing into this kind of enclave is the Lebuh Macallum and its vicinity.

### **Key Driver**

PETACE

### **Strategic Partners**

Penang Art District, MBPP, Local Community, Business and Building Owners, Arts Academies and Colleges, Performing Arts Associations, Local Artists..

### **Priotization**

Quick Win





# SUSTAIN

## *Bukit*

Conservation and preservation of resources are the pillars of sustainable development as it not only provides the future generation with an opportunity to experience what nature has to offer, but it also serves as an imperative in ensuring and assuring the present generation to be able to live within a comfortable environment. Penang Hill is blessed with the melting pot uniqueness such as heritage, nature (highland biodiversity), a funicular train, history (the oldest British hill resort in Southeast Asia) and tropical rainforest.

Penang Hill Corporation (PHC), the statutory body responsible for Penang Hill management has allocated great efforts in shaping Penang Hill as a world-class tourism hot spot without jeopardizing the unique nature of Penang Hill. Bukit Bendera seeks to leverage green and sustainable tourism movement as a check-and-balance approach for rapid urbanization, global warming, and climate change. This signature project involves various initiatives that include the Habitat, Ecotourism Bukit Bendera, Penang Hill Rainforest Research Centre, and colonial styled bungalows, aims to make Penang Hill the hill resort of choice in Malaysia and a world-class tourism hot spot that provides an exquisite nature-based tourism experience that is carefully packaged.

### **Concept**

An integrated approach of development of the hill in a holistic manner. The Habitat, which actively offers activities related to sustainable tourism, education, and research, and conservation, may be strengthened through the incorporation of Japan's concept that emphasizes providing something that is culturally and spiritually inspiring. The Penang Hill Rainforest Research Centre project envisages Penang Hill as the main research catalyst in forestry for North Peninsular Malaysia. It aims at bringing ecotourism systems that uphold the unique wilderness and conservation values for tourists to enjoy and for the local community to learn from while educating the Penang Hill stakeholders



**Penang Hill Funicular Railway,**  
the steepest track in the world



# IABLE

## Bendera



*Signature*  
PROJECT

about evidence-based decision-making to address the threats and challenges currently faced by wilderness and natural environments. The colonial-styled bungalows project involves turning the bungalows into a boutique hotel, family-lodge, and affordable accommodation to accommodate visitors who wish to spend the night on the hill while leveraging its tropical rainforest for maximum impact. The issue of the capacity of current Penang Hill funicular train should be addressed, as to lessen the incoming passenger traffic that reaches 1.865 million ridership annually. In addition to improving the Upper Station carrying capacity, a cable car proposal is on the plate. The cable car development project is in line with the Penang Hills Special Area Plan, along with new measures such as hill slope management, landslide prevention, and pandemic prevention.

### **Approach**

A call for proposals can be initiated by the state to seek initial ideas that would fit the concept explained above.

### **Key Driver**

State Government

### **Strategic Partners**

Federal Government, MBPP, Non-Governmental Organizations, Local Community, Penang Hill Corporation

### **Priotization**

Major Project



# TANJUNG PERFORMING ARTS & CULTURAL EXTRAVAGANZA

Festivals attract tourists and create festival tourism. Tourists are attracted by many elements, the most important of which seems to be interesting, sometimes exotic culture, presented during the events. Besides, tourists want to attend events of unusual atmosphere, meet people of similar interests, and learn more about the world and Penang has all the festivals to offer to the world.

Properly planned festivals and performing arts have the ability to attract a variety of consumers to an area and in turn increase the economic impact on the community. Festivals and performing arts can display and honoring cultural traditions, as well as boosting the local economy. The success of festivals and performing arts is of particular importance to professionals and educators interested in facilitating community collaboration. This is because funds generated by festivals help sustain the jobs of vendors, provide local tourism related businesses with a spike in revenue, benefit other businesses through indirect and induced spending, and increase taxable revenue for local governments.

## Concept

Having a performing arts and cultural venue in the form of the Tanjung Performing Arts and Cultural Extravaganza, with a multi-usage performance space that is intended for use by various types of performing arts, including dance, music and theatre, will put Penang on the international arts and culture scene. The objectives are to be part of the international culture and arts scene and to sustain the intangible cultural heritage of Malaysia.



The local culture troupe performing at the **Chap Goh Meh celebration**

# FORMING ARTS

## *Cultural Extravaganza*



### **Approach**

The Tanjong Performing Arts and Cultural Extravaganza will promote entrepreneurship across multiple creative fields, nurture a skilled and empowered arts workforce, and multiply the number of people experiencing the arts. The Tanjong Performing Arts and Cultural Grand Theatre is a fully-integrated performing arts centre comprising a 500-seat theatre and is suitable for large scale musicals and concerts. Through the grand theatre, it will bring the community, theatre lovers and the youth of our country together for intellectual engagement and enlightenment. The space is also conducive for corporate meetings, seminars, conferences and private events. This project can be a part of PACE.

### **Key Driver**

Penang Arts District, PETACE

### **Strategic Partners**

Penang Global Tourism, MBPP, Penang Development Corporation, Chief Minister Incorporated

### **Priotization**

Major Project



Destruction on nature resources caused by rapid development of mass tourism has triggered the adoption of ecotourism that speaks volume on nature resources sustainability. MUDA X-PLORE, a project that boosts the shores of Sungai Muda (Pasar Bisik Kuala Muda, Permatang Bendahari jetty, Empangan Sungai Muda, Jambatan Merdeka, Pantai Kamloon and Pinang Tunggal train), is an initiative to bring forward ecotourism of Seberang Perai. The uniqueness of MUDA X-PLORE lies in the embeddedness of historical values in the interconnected ecotourism trails. Offering market-linked long-term solutions and with an emphasis on enriching personal experiences and environmental awareness through interpretation, this project envisages effective economic incentives for conservation and preservation of bio-cultural diversity.

### Concept

The proposed development integrates the potentials of each site where all sites will distinctively trigger and stimulates the uniqueness of each site. The general concept of the Sungai Muda eco-tourism development can be divided into three segments which are:

#### **Jeti Permatang Bendahari – Empangan Sungai Muda – Jambatan Merdeka**

The 12km stretch of ecotourism bike route offers the tourists with World War II historical mawkishness in addition to 200-year value of tradition. This route may be enhanced by providing a memorial interpretation landmark. Along this bike route, several wakafs will be provided as a resting place.

#### **Jambatan Merdeka – Pantai Kamloon**

The 2.45km stretch of Walking Path offers the tourists with jogging track, fishing area and beautiful landscape. This route may be enhanced by providing a vibrant interpretation landmark. Along this path, several wakafs will be supplied as a resting place.



**Penang International Paddy Festival 2019**

# DA

## X-Plore

*Signature*  
PROJECT

*Pantai Kamloon – Pinang Tunggal Train*  
*The 9.25km stretch of boat service route (Sungai Muda) offers the tourists with nature value as well as healthy environment for mental well-being improvement. This route may be enhanced by providing a green interpretation landmark.*

### **Approach**

A call for proposals can be initiated by the State to seek initial ideas that fit the concept explained above.

### **Key Driver**

MBSP

### **Strategic Partners**

Private sector, PETACE, Local cooperatives

### **Priotization**

Effort Less





# MUSEUM GALLERY NETWORK (MAGNET)

MAGNET is a comprehensive programme to operationalise the state's policies to safeguard the state's cultural assets, interpret the meaning of cultural heritage to contemporary society, encourage all members of the community to participate in the cultural life of Penang, and promote the use of our cultural resources for sustainable economic and social development, as well as to enhance the capacity of our cultural resources to accommodate increased visitations.

## Concept

MAGNET focuses on the development of private and community owned cultural assets alongside state-owned properties, which include a number of landmark buildings housing collections of historic artefacts and artworks. This allows MAGNET to draw in investments from the community and private businesses. It will initiate the rehabilitation and adaptive reuse of historic buildings in order to catalyse community driven cultural programmes throughout the network which include public archaeology, installation art, community archives, performing arts, creative makerspaces, and numerous exhibition spaces.



Penang State  
Museum

# M AND ETWORK NET)



## **Approach**

MAGNET links state-owned historic buildings and movable cultural properties into a network of institutions and programmes. Connecting the nodes of the network will be a number of network-wide “flagship” activities, which includes the creation of audio interpretation trails across George Town, an apprenticeship programme for traditional trades and crafts, support schemes for the creative industries, and awards dedicated to the conservation of traditional architecture. Underutilised physical cultural assets will be transformed into a vibrant web of historic places, art galleries, interactive exhibitions, creative makerspaces, performance venues, and community archives. A dedicated SPV is proposed to realise this initiative.

## **Key Driver**

ThinkCity

## **Strategic Partners**

Special Purpose Entity (SPE), CMI, GTWHI, PETACE

## **Prioritization**

Effort Less

Source: ThinkCity, 2020





# SMART T

Smart tourism is increasingly becoming central to how tourists interact with new travel destinations.

Smart technology will boost sustainability, giving destinations improved longevity and the ability to react quickly to shifts in visitor demographics or

market demands. Some of the ways smart technology will impact tourist destinations and

adding the value that tourists now demand are augmented reality for smart tourism; smart apps

that will guide the visitor experience; smart tourism social networks and the Internet of

Things (IoT). Smart tourism solutions are in line with the Penang2030 Vision, Penang Digital

Transformation Master plan as well as Penang State Draft Structure Plan.

## Concept

Smart tourism solutions will generate improved city revenue, capacity and planning. Smart

technology produces masses of data that can be used effectively to achieve game-changing

powers for tourist attractions and city planners alike. The direction of the conversation will

change, with future tourism revenue depending on experience and value for the tourist. Some of

the way's tourism will benefit from smart technology include tourist attractions will provide

visitors what they want, through the interaction using Smart beacon technology and

experience Geo-tagging marketing. The objectives are to bring seamless real-time services to tourists and to

achieve sustainable tourism management through smart tourism solutions.



The **ride-sharing bicycles** provide an alternative mode of urban transportation in George Town

# TOURISM

## *Solutions*



### **Approach**

It would be done through the incorporation of technology throughout the tourist's travel cycle before, during and after the trip. A call for proposals can be initiated by the State to seek for initial conceptual solutions from Smart City Solutions Provider. Smart Tourism Solutions will consist of Digital Information Points/Panels, Public Wi-Fi, Tourist Apps/Portal, Proximity Marketing, Visitor Tracking System, Sentiment Analysis and Tourism Flows, Visitor Tracking System, Sentiment Analysis and Tourism Flows and Smart Tourism Platform.

### **Key Driver**

State Government

### **Strategic Partners**

Smart City Solutions Providers, MBPP, Penang Global Tourism

### **Prioritization**

Quick Win





## Penang International Airport



# 8.0

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POSITIONING  
PENANG

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# 8.0 Positioning Penang

## Market Segmentation

Market segmentation is the strategic tool to account for heterogeneity among tourists by grouping them into markets. Segmentation identifies and selects target markets or segments to determine the criteria for competitive success. The overall aim of segmentation is to identify high-yield tourists

who are likely to be the most profitable groups of tourists that may hold potential growth for the Penang tourism sector. Hence, the most lucrative segments will usually become target markets. The following are two types of market segmentation that warrant consideration.



Business Tourists



Working Millennials



Families with young children



Active Silvers

# Demographic Segmentation

## i. Business Tourists

All over the world generally, the expectation is that business travels will keep growing. In leading source markets, international business trips have primarily involved countries such as China, Hong Kong, India, and Vietnam. Equally, for the Penang tourism industry, business tourists are regarded as a vital segment. As business tourists, they do not have the freedom to select their travel destination, but most of them seek to include leisure on each business trip. Penang is equipped with world-class business infrastructure and amenities, allowing business tourists to conveniently conduct their business, and turn Penang into a popular business destination. In this regard, the emergence of “leisure” has opened the door to Penang to offer business tourists during their business trips such as golf. This can increase their expenditure and potentially increase their length of stay.

## ii. Working Millennials

It is projected that there would be 1.8 billion tourists by 2030, including the millennials. Millennials refer to employing singles and couples between 20-34 years of age), and the markets with high fractions of millennials

amongst its total leisure outbound tourists include those from China, Indonesia, Thailand, Philippines, and South Korea. In comparison to the average leisure tourists, the travel expenditure of millennial tourists is generally higher. Penang should target those millennials, considering that they are likely to be financially independent with a substantial degree of spending power. The millennial tourists travel to escape their day-to-day life while expanding their horizons, and they want authentic experiences, like the local culture. As opposed to other markets, the millennial market appears to be more receptive to new experiences. Autonomy is important to millennials, and they are also highly savvy with technology, allowing them to acquire information at their fingertips. Penang’s vibrant cultural surroundings and neighbourhoods will offer these millennials immersive experiences of diverse local cultures and cuisines. All these would allow these millennials to have a great time meeting and connecting with new people, including the locals. Millennials are regarded as high-yielding markets, and this group can progress into the markets of a family with children, and later, that of silvers



### iii. Families with young children

This particular market regards holidays as the time for parents to bond with their children and create family memories. Penang is equipped with the right elements that can attract family tourists with young children. For instance, Penang has a multicultural heritage and a wide range of edutainment experiences that generate the enrichment and exposure parents would want for their children. Besides, Penang's ease and convenience are highly appealing, especially to those families that seek shared experiences. It is thus essential for Penang to seize this opportunity in expanding its share of family tourists.

### iv. Active Silvers

The global spending power of those aged 60 or above, silver tourists from Japan, Germany, United Kingdom, Australia, United States, and Hong Kong is relatively high.

Greater expenditures have been documented among the silvers, and for this reason, this market's economic potential needs to be explored further. Despite the scare of the Covid-19 that may deter this segment, Penang should look into this market and understand their needs in travelling, especially of those active silvers, by making Penang appealing to them as a tourist destination.

The **new**  
**millennials**  
enjoy exploring  
Penang on  
**foot** or **bikes**



**“ The millennial tourists travel to escape their day-to-day life, while expanding their horizons, and they want authentic experiences, like the local culture. As opposed to other markets, the millennial market appears to be more receptive towards new experiences.**



George Town  
strives to  
become  
family-friendly  
city



## Geographic Segmentation

Geographic segmentation involves selecting potential markets in accordance with how tourism in the state will establish itself over the years, according to where they are located. Penang should target more new markets like Europe, Australia, United States, Middle East, and Japan and strengthen existing markets in South East Asia and China with the increase in direct flights to Penang.

## Enhancing Asian Region Bonding

Presently, most tourists visiting Penang are generally from the Asian region, giving the impetus to Penang to establish a more balanced market portfolio to propel sustainable growth and foster resilience. Hence, it is crucial to take into account the potentials in each of the markets.

- Penang should continuously drive the demands from its traditional markets such as Indonesia, China, Thailand, Singapore, and India (**Figure 8.1**).

**Figure 8.1**

### Traditional Tourist Markets



- High growth markets, namely Taiwan, South Korea, Hong Kong, Vietnam and Myanmar to leverage on a current tourism growth trend (Figure 8.2).

Figure 8.2

## High Growth Markets for Penang

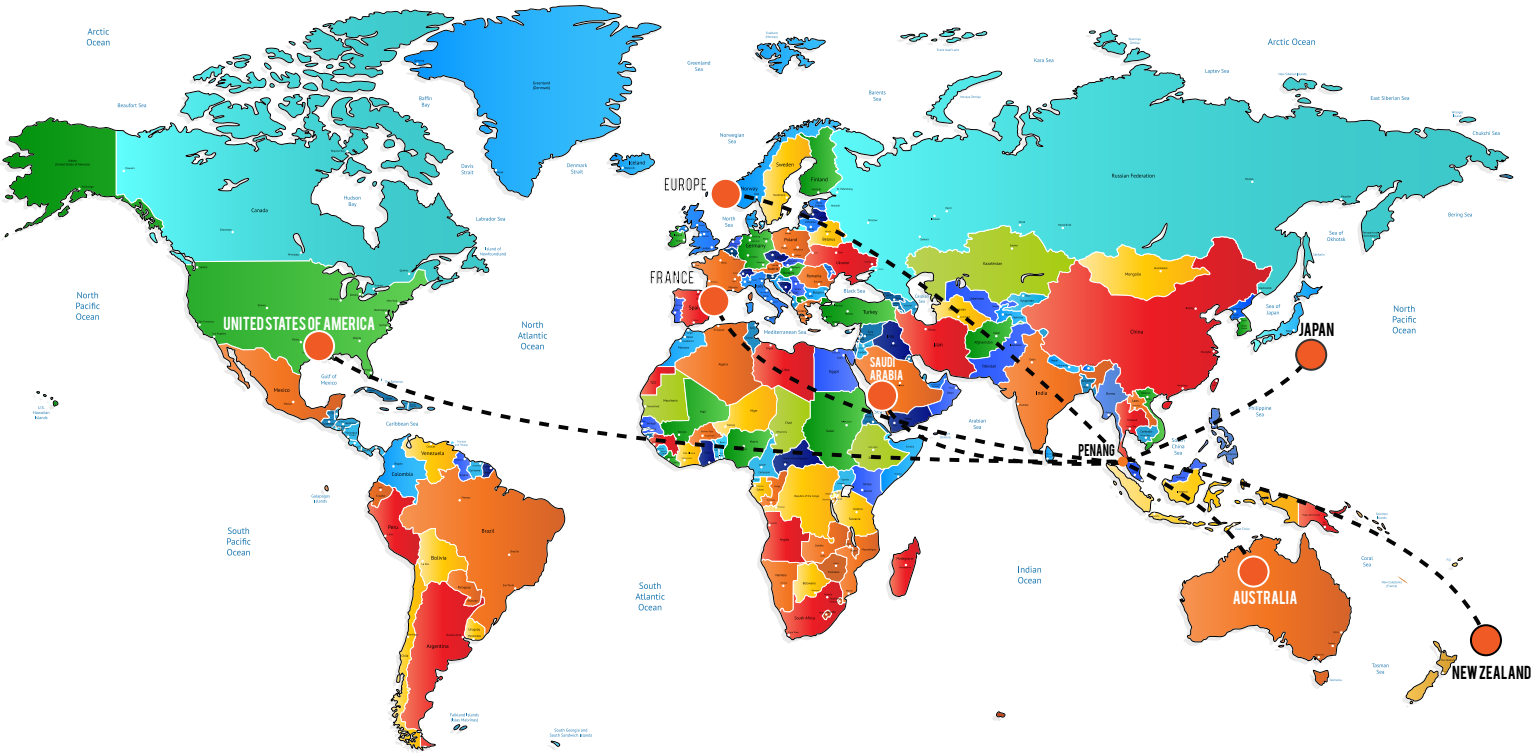




# Diversifying Beyond Asia

Penang needs to be resilient, and for this reason, it needs to expand its tourist base through the diversification of its market portfolio beyond the Asian region. This approach can be done by intensifying its penetration into long haul markets such as Europe, Australia, United States, United Kingdom, New Zealand, Middle East, and Japan **(Figure 8.3).**

**Figure 8.3**  
**Potential Long-Haul Markets**



## The Importance of Domestic Market

While most countries regard and target the international markets as their marketing focus, Penang should not take the domestic market for granted. This is especially important when the repeat visitation among domestic travellers to Penang has been high. As mentioned above, Malaysians outside Penang visit this state for its foods, heritage and beaches. Among measures needed to retain Penang's popularity among the local tourists and excursionists are to ensure the authenticity of its cuisines, high level of cleanliness at eateries, availability of affordable

accommodation, and continuous introduction of new and interesting new products. Domestic tourists have been instrumental in reviving the ailing tourism sector due to the spread of Covid-19 pandemic starting 2020. The lifting of interstate travel bans had seen local tourists flocking Penang, attracted by various offers and packages by the local tourism players. Among important sources of visitors to Penang are Perak, Kedah, the Klang Valley, Johor, Sabah and Sarawak.

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**“Penang must continue to be among the top destinations for Malaysians, as vibrant domestic tourism activities are crucial to healthy and sustainable tourism.”**

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# Market Positioning

Market positioning is a critically important part of marketing strategy as it determines how tourists perceive the tourism services offered to them. Positioning is an effective strategic decision to attract tourists (Tkacznski, Rundle-Thiele, and Beaumont, 2008) and create an image in the mind of targeted tourists (Chacko, 1997; Gartner, 1989). Therefore, Kotler et al., (2003) suggested that a destination should position itself based on the advantage that would differentiate it from its competitors. George Town’s sister city connections are with Adelaide, Taipei, and Medan, while Seberang Perai’s sister cities are Yokohama, Gwangju, and Fremantle. Penang must position itself as a leading tourism destination and attain

based on their perception of a product’s value proposition; how they perceive the merits of the product relative to the alternatives. Therefore, providing a superior value proposition than the competition is a likely source of competitive advantage.

Penang should use marketing to create a value proposition for customers by making two key decisions:

- Key Decision 1: Choose which market to serve; which involves market segmentation and targeting.
- Key Decision 2: Choose how to serve those markets; which involves product differentiation and market positioning.

Various possible value differences that have the potential to **deliver competitive advantage**:



a competitive edge with regional competing destinations within the Asian region such as Bangkok, Bali, Phuket, Hanoi, Medan, Ho Chi Minh, and Haatyai. Tourists choose products

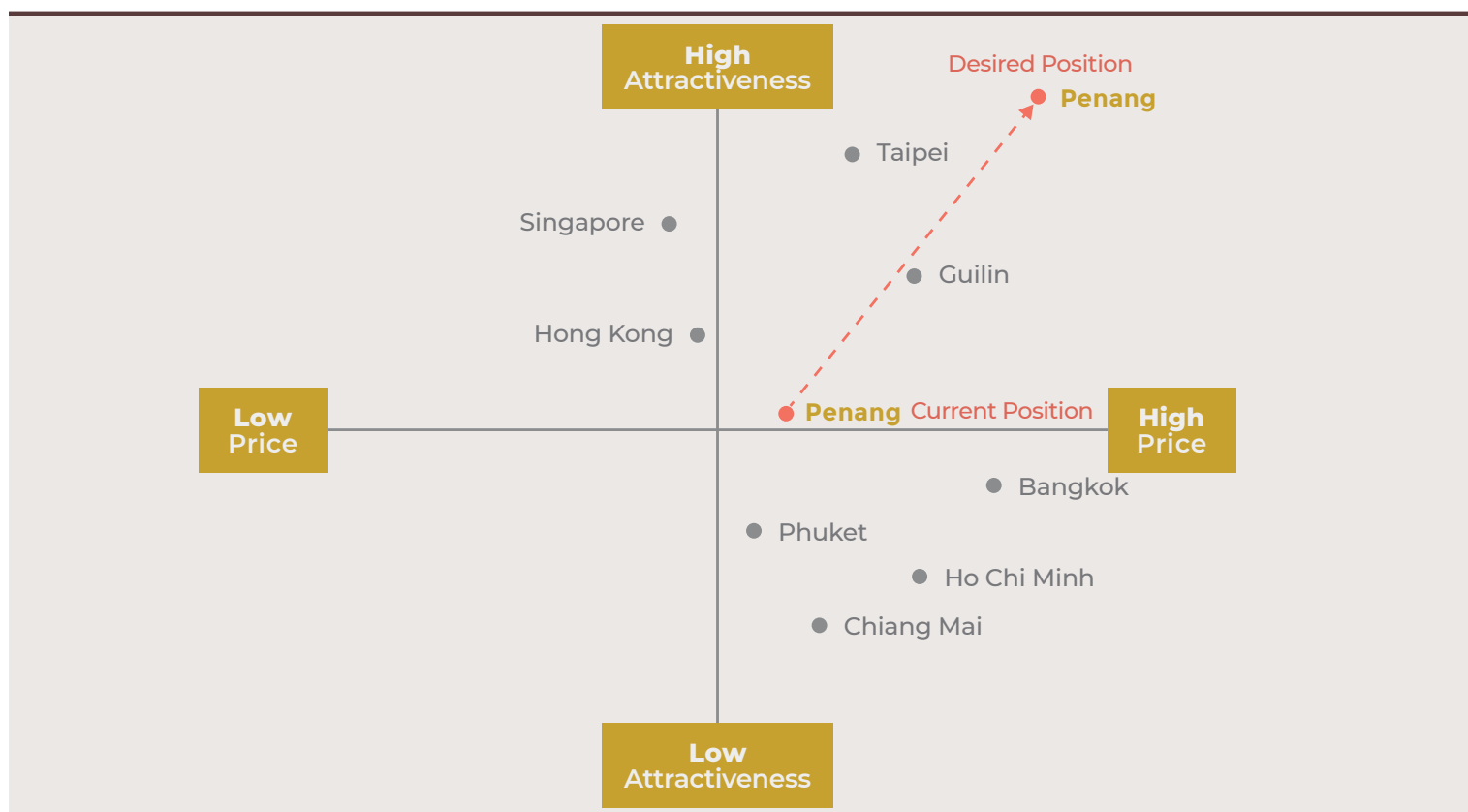
It is important to remember that the market position (or value proposition) is defined by customers; the place a product occupies in customers’ minds relative to competing

products. This is related to a differentiation strategy of positioning. Differentiation identifies a set of characteristics and benefits that make a product different and better for a target audience. Ideally, these qualities are things that:

- i. Customers value when they are evaluating choices in a purchasing decision, and
- ii. Competitors cannot easily copy. When both conditions exist, the offering is more attractive to target customers. Having chosen the target market segment of business, millennials, family and silver travellers, Penang needs to

decide how to compete in those segments by determining which position to take to win in those segments. A useful framework for analysing and determining market positioning is a “positioning map”. A market (or positioning) map illustrates the range of “positions” that a product can take in a market based on two dimensions that are important to customers; price and quality (**Figure 8.4**).

**Figure 8.4**  
Tourism Market **Positioning Quadrants**



*Note: This Tourism Market Positioning Quadrants are based on survey done through online and on-ground method.*



## Positioning Penang as a Premier Destination

Positioning Penang as a premier destination can increase the expenditure of tourists and encourage tourists to stay longer. In other words, Penang needs to position itself to create a competitive advantage. The purpose of the positioning is not only to attract tourists but to position Penang as a premier destination that is able to discard the image of ‘cheap and affordable destination.’ A premier destination is a world-class and exclusive tourism destination with luxurious and high-quality standards in terms of accessibility, attraction, amenities, accommodation, activities and experience. Tourists can experience the best of the island, and the Seberang Perai of Penang that the state has to offer. Surely, the use of creative ideas and unforgettable, exceptional experience on local attractions and services will elevate Penang to become a premier destination **(Figure 8.5)**.

Penang is also set to become a premier tourism destination in nature, medical, education, cultural, heritage, historical, MICE, gastronomy, arts, sports, and shopping. The upcoming infrastructure and superstructure development are expected to bring renewed interest in Penang. Hong Kong and Singapore are two other rival destinations that Penang can benchmark in order to become a premier

destination. By making Penang a premier destination in the region, definitely, it can transform the tourism industry into a prime contributor to socioeconomic development.



**A premier destination is a world-class and exclusive tourism destination with luxurious and high-quality standards in terms of accessibility, attraction, amenities, accommodation, activities and experience. Tourists can experience the best of the island, and the mainland of Penang that the state has to offer. Surely, the use of creative ideas and unforgettable, exceptional experience on local attractions and services will elevate Penang to become a premier destination.**

# Positioning Strategies

## Brand Positioning

Branding is not only a logo, name, or slogan; it's the entire experience tourists have with the destination, product, or service. In other words, it's the image that tourists would have in mind when thinking about Penang. The brand is about the idea, while marketing is about the execution. Implementing a good marketing strategy involves three actions: market segmentation, targeting, and positioning. In transforming the Penang tourism industry from high volume to high yield, it needs to re-strategize the branding, marketing, and promotion to align with Penang2030's vision of ensuring viable growth of a green and smart state inspires the nation. With the right brand, marketing, and promotional strategies, it will position Penang as a premier destination in prospective tourists' minds.

## Experience and Telling a Great Story of Penang

Possessing a great brand allows Penang to tell a great story. Reviewing the destination brand and understanding how tourists adopt a more significant outlook beyond the tourism aspects will impart Penang's understanding with deeper roots into its cultural and historical identity. This brand story will also provide a more substantial scope appealing to the more demanding potential tourists. In telling a brand story effectively, collaborative initiatives involving the state and other relevant agencies and industry

partners should be discussed. This cooperative effort will synergize and increase the outreach efforts of one another. The initiatives that can be done collaboratively include content seeding that allows tourism key players to cross-share the content on each other's platforms and marketing activities. Another initiative is a series of experiential showcases and activations on Penang by relevant agencies and partners, to be presented to international tourists. Penang needs to employ diverse forms of brand conveyance for the purpose. Notably, in today's time, tourists have increasing power in making choices, while the prevalence of advertising channels is declining. Hence, to generate meaningful stories, relevant and effective advertising channels are required, and the messages delivered must be on target. To win the trust of tourists, relatable connections and meaningful narratives need to be constructed.

# Approaches

## Experience Penang 2020

The image and brand of Penang in 'Experience Penang 2020' have been revolving around tourism products and experiences. The showcased strengths of Penang are its unique blend of cultures. This campaign and brand positioning must be continued. The 'Experience Penang' approach must be prolonged beyond 2020, with bi-annual campaigns for greater exposure. This shall allow a longer period of recovery and preparation for the industry players, especially in the wake of the Covid-19 impacts.



## **Soft-selling Penang**

There are various selling propositions to establish Penang stories beyond a tourism destination. They include its famous gastronomic indulgences like Nasi Kandar and Char Kuey Teow, and world-renowned athletes such as Datuk Lee Chong Wei, Datuk Nicol David, Dato' Namat Abdullah, Datuk Shukor Salleh, and the late Isa Bakar and so forth. The presentation of these stories will add depth and colour to the Penang narrative. In many cases, these non-tourism related stories are unknown. In the use of the storytelling approach towards the Penang brand, the key players are given voice to keep telling the story of their own to be included in the Penang story. This approach allows faster production of the Penang voice and enhancement of the awareness level.

### **Establishing the brand story by one brand one campaign**

A customized campaign should be used as part of a tourist-centric approach, and such a campaign would be effective in reaching the target markets. Among the campaigns that Penang should launch include the campaigns on what Penang offers, with marketing messages and creative works that would cater to the target markets. As an example, a Muslim-friendly ambiance or attractions can be used as a strategy to attract Muslim tourists from the Middle Eastern countries.

## **A storyteller**

A story cannot expand beyond a tourism destination if it is told by only one party. As such, to assure authenticity, the story of Penang needs to be told by different groups of people. Marketing communications across tourism should be constructed towards creating the exact Penang story that needs to be conveyed. In facilitating this joint effort, relevant government agencies and industry partners should be aligned, and the respective overseas outreach efforts should be amplified. There are two potential collaborative initiatives that both state and the relevant government agencies can embark on, which are as follows:

### **i. Cross-selling content**

This initiative encompasses the cross-promotion of marketing content across various platforms and channels for the purpose of optimizing the reach and efficiency of resources. The involved parties can amplify their content to reach tourists through this initiative.

### **ii. Keep Penang Alive**

The “Keep Penang Alive” initiative involves the collaborative work between relevant agencies and industry partners in supporting or organizing pop-up events, activities and experiential showcase, for the purpose of presenting the diverse aspects of the Penang story closer to target tourists.

## **Enhancing Delivery of Right Content**

The enhancement of timely delivery of the right content and information to the right individuals at the right location concerns the establishment of the appropriate eco-system for better delivery of stories. The present-day is marked by the luxury of hyper-rich content. Hence, stories and information are in abundance, but the issue at hand concerns the collection, management and distribution of these stories and information. In this regard, there should be a central hub for information and services management that stores the most updated content on the destination and services, and seamlessly distributes and updates this information and services across partners and platforms. Local communities and in-market tourists should be given a voice, in order that they could express their own stories as Word-Of-Mouth (WOM) to their friends and family. Owing to its high trust factor, WOM is still the most influential channel of distribution. It is therefore important to provide the locals, residents and in-market tourists with the right information. Among the potential initiatives is the social media takeovers, whereby the state allows the locals or key players or tourists to take control of the state's social media assets for one day to allow them to share their Penang stories. Lastly, the state is obliged to keep experimenting, in an aggressive manner, with new channels to efficiently market Penang. It is important to keep abreast of the latest trends and for this reason, a culture and a mechanism for experimentation have to be available. Accordingly, there should be a marketing

innovation fund that allows companies with great ideas to collaboratively test new concepts. Furthermore, considering a strong Penang story and knowledge of the appropriate target tourists, the stories and content need to be effectively and efficiently delivered, and in assuring its relevance and impact to target tourists, the content needs to be personalized. This consequently will increase the image and popularity of Penang as a regional tourism destination.

## **Generating better engagements, leads, and conversions**

It is important to know the tourists better than the competitors do in order that the content can be delivered appropriately. Having a better knowledge of the tourists provides an edge. For this purpose, there should be a platform of a data management system that allows cross-analysis and sharing of multiple data sources. Accordingly, for the state, reliable data are crucial, such as data on the arrival statistics and visitor expenditure. By working closely with other partners or tourism key players for data exchange and sharing, more details could be furnished, and this will enrich the insights, which in turn will strengthen the strategy used. Following the attainment of the data, PGT can perform cross-reference and create new leads for the destination, work with the content partners to respond with highly-personalized content, and work with relevant industry stakeholders to manage customized promotional deals.



Information and services at the fingertips  
 Good stories and information are in abundance in today's age. The only issue is the collection, management, and distribution of these stories and information. The roles include content provider to other partners and efficient and consistent enabler of content cross-feeding amongst partners in the tourism industry. Accordingly, the function of tourism information management is primarily to collect and distribute the destination content from various sources, both internal and external. This allows seamless cross-sharing across partners and platforms, both local or overseas. Furthermore, various interfaces, including websites, apps and service kiosks, can be used as channels to deliver the information and service functions. Tourism information management allows industry partners to leverage on both the destination content and service functions. In addition, these industry partners would have the flexibility in determining the interface that fits their business intents the best.

### **Word-of-mouth (WOM) as the most powerful channel**

The locals, residents, and tourists need to be furnished with the appropriate information and motivation to tell their stories, as this will empower and enhance their word-of-mouth, a

very powerful but elusive channel of information delivery. In today's context, it is the E-WOM or electronic Word of Mouth. Accordingly, there should be efforts in endowing tourists with a stronger voice in expressing their genuine stories. In this regard, there are two relevant potential initiatives that are worth considering, below as follows:

#### **i. Social media takeovers**

The use of social media takeovers is to let the locals, residents, and tourists enthralling man-on-the-street stories to engage with target tourists, as they would present a distinctive and charming outlook of Penang. Hence, they should be allowed to take over the social media assets for a day to fortify the content mix.

#### **ii. Live like a local**

Through the utilization of digital platforms, this initiative is aimed at profiling the related players of the social sharing economy to allow tourists to connect with the locals that share the same passions. This would improve the tourists' post-arrival experience. At the same time, cross-border friendships would be established, which could lead to the establishment of long-term advocates and repeat visits by tourists.

Luxury **Boulder**  
**Valley Glamping**  
in Teluk Bahang



## Experiential Positioning

Experiential marketing is a marketing technique that creates experiences between brands and consumers. Experiential campaigns use an activation (for example product sampling, immersive experiences, stunts, events, etc.) to bring brands to life and interact directly with the target audience; which is highly relevant in tourism and hospitality services. Experiential marketing gets to the heart of what

motivates people, positioning brands as useful, interesting, relevant and desirable. The best campaigns put people first, aiming to delight, provoke, challenge, inspire, motivate and, ultimately, produce tangible results. Penang which is endowed with natural, cultural and heritage resources is certainly poised to be the regional choice of destination that offers exceptional experiential tourism experience in



line with the “Experience Penang 2020” tagline and branding.

This is the stage where Penang already has enhanced and tested its offered tourism products with the locals, the key players, and even tourists. It is therefore important for stakeholders to have the readiness with their products to engage in more intensified marketing actions, primarily for luring the premier international tourists and experiential tourists.

### **Approaches**

Experiential Cultural Heritage Tourism  
Tourists belonging to this category are stimulated by learning and educational experiences and a sense of place and people. World Heritage Sites, historical monuments, handicrafts, interesting villages, buildings, livelihoods, cultural landscapes, courses and workshops drawing on genuine local skills (music, handicrafts, languages, natural medicine, dance, food, traditional ceremonies, and festivals are among the elements that would provide appeal to the tourists.

### **Experiential Nature-Based Tourism**

Tourists visiting Penang belong to diverse demographic groups. In this regard, higher income level markets are the ones targeted. Tourists in this group are into natural areas and

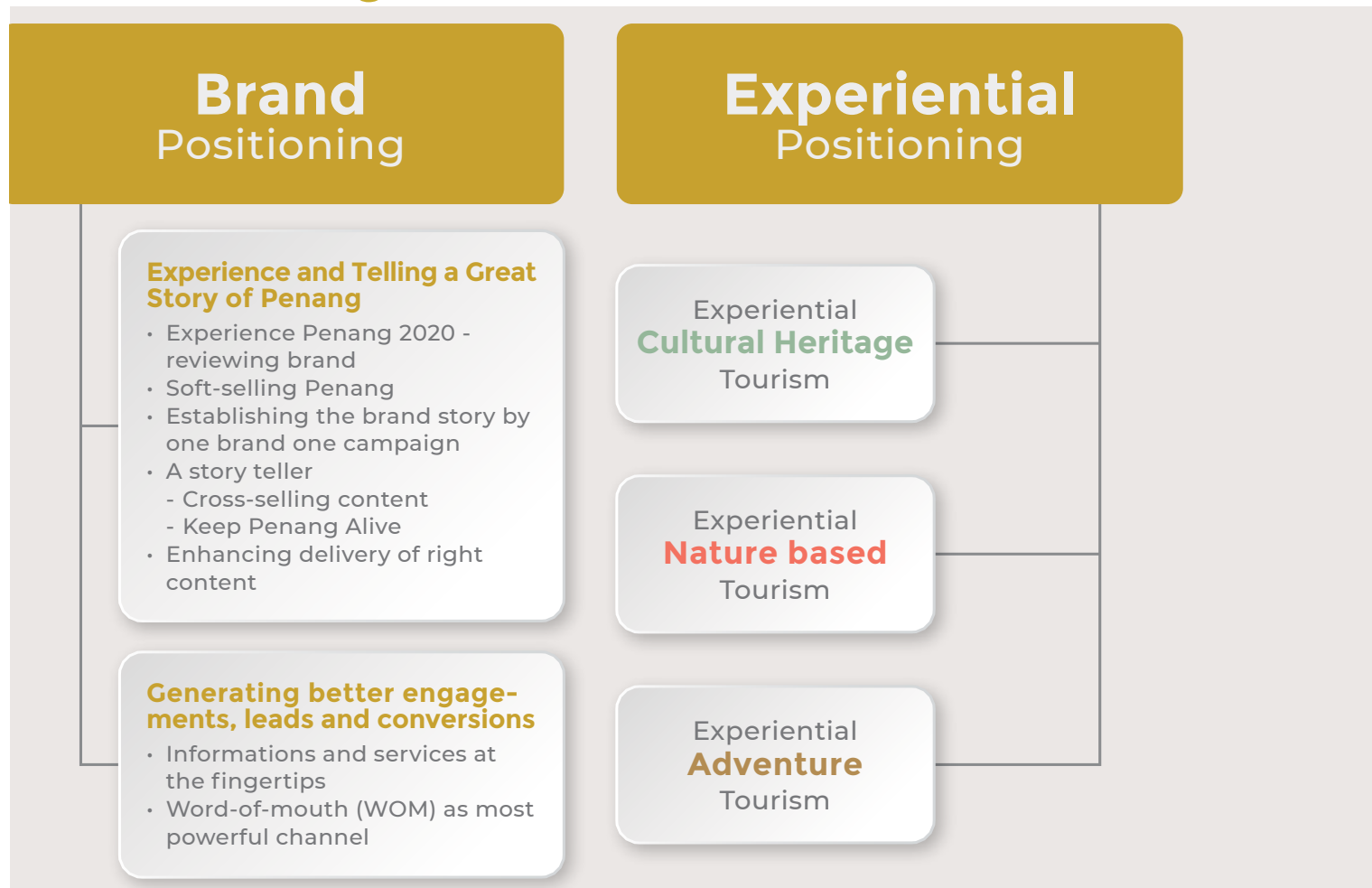
landscapes, unique wildlife, pristine and non-crowded spots, interaction with the locals and their traditions, education, and learning. Among the activities that these tourists would generally engage in, include observing various plants and habitats in natural surroundings, cruising, soft adventure activities such as hiking, trekking, cycling, bird watching, horse riding and camping.

### **Experiential Adventure-Tourism**

For adventure tourists, they generally have a fairly sizable amount of disposable income, aside from being well-educated. They are usually in their 20s-40s, traveling to escape their job pressures, stress and the thrill motivates them to take an adventure trip. Considering all these, the state needs to directly work with other tourism players in adventure travel that will rapidly expand the portfolios of Penang.

Thus, Penang will maintain its solid position among its rivals and is increasingly viewed as a premier, safe, and high-value destination for various experiential tourists, including those higher spending ones who are looking for fresh experiences, special interest niche markets, and so forth. There will be a continuous and steady increase in tourism arrivals and product capacity. This will assure consistent and sustainable tourism expansion and growth.

**Figure 8.5**  
Positioning **Strategies**





## Conclusion

Strategically located between the booming economies of China and India and a dynamic IMT-GT region, Penang has always been the place to meet and do business and leisure for the past 600 years, which continues to this day. The Arabs, Chinese, Indians, and Europeans have long appreciated Malaysia's position as the nexus for trade, which has resulted in the assimilation of cultures, customs and lifestyles. This infusion makes Penang truly Asia within a dynamic and progressive country. Penang is easily accessible by air, land, and sea. Penang International Airport is the 3rd busiest airport in Malaysia in terms of passenger traffic and the 2nd busiest in cargo tonnage. It serves as the central transportation hub with direct links to major regional and international cities such as Kuala Lumpur, Singapore, Bangkok, Jakarta, China, Taipei, Hong Kong, Xiamen, Hanoi and Medan. Besides, the island is connected to the Seberang Perai by ferry and two bridges. Ferry services also link Penang to Langkawi Island. A double-track railway at Butterworth provides a linkage between the northern region in Southern Thailand and the southern region down to Gemas (Negeri Sembilan-Johor border). The Swettenham Pier Cruise Terminal is the busiest harbour in Malaysia for cruise shipping with more than 1,942 vessels called from various countries such as Indonesia, Singapore,

Australia, China, and India (Penang Immigration Department, 2018). The state is also accessible to the arterial road network of Peninsular Malaysia via the North-South Highway.

Against such an impressive infrastructure and superstructure, Penang can be positioned as the regional tourism hub. Penang must position itself as a leading tourism destination and attain a competitive edge with regional competing destinations within the Asian region such as Bangkok, Bali, Phuket, Hanoi, Medan, Ho Chi Minh, and Haatyai. Since George Town was inscribed as a UNESCO World Heritage Site in 2008, Penang International Airport is operating beyond its current capacity, and each year the situation worsens. The current airport was built to cater to 6.5 million passengers a year, but it handled 7.7 million passengers (2019), which resulted in traffic congestion, but the arrival is projected to grow further in the coming years. Thus, to stay competitive in tourism, Penang should enhance its international linkages via direct short and long-haul air connections. The Penang International Airport expansion is undoubtedly a timely action to cater to the impending increase in tourist arrivals and Penang's positioning as a regional tourism hub for business, leisure, health & wellness and nature.



Tanjung Bungah  
Floating Mosque







# 9.0

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TOURISM PRODUCT  
ECOSYSTEM,  
FUNDING MODELS  
& CONCLUSION

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Cheong Fatt Tze - The Blue Mansion





# 9.0 TOURISM PRODUCT ECOSYSTEM FUNDING MODELS AND CONCLUSION

## Sustainability and Ecosystem of Tourism Products

This plan considers the economic sustainability of the tourism products by emphasizing the importance of providing innovative solutions to support creative businesses and sustain small businesses, self-employed entrepreneurs, and entrepreneurs (See Section 5.0 Mitigating disasters, Sustaining Future Tourism). This is to ensure that economic development and empowerment will be a continuous cycle. This approach indirectly translates the attention given to the local/domestic tourism market, which plays a significant role in

the Penang tourism sector. An integrated tourism product ecosystem that includes both upstream and downstream industries is needed for tourism to thrive. This Master Plan includes a cluster of activities and strategies to develop new and innovative products while preserving the present ones. Relevant strategies and initiatives to plan various products are spelt out in Sub-Thrust A-1 (Promote Alternative Tourism) with the strategies include, among others, developing space for community and products. Specifically, this



Sub-Thrust looks forward to creating authentic community-based products, which will directly empower the community and help position the tourism products to the markets. Another critical component of this part of the ecosystem is improvisation and innovation (Sub-Thrust A-3). The emphasis is given to the production and improvement of tourism products with the 'Made in Penang' brand, enhanced with innovative packaging. A cultural and arts academy and many arts and crafts workshops and training sessions are recommended to be implemented. Various strategies and initiatives have been identified to incorporate the 'sense of place' into the tourism product, for example, by the Penang Signature Food Galore initiative. Besides these, the ecosystem must be equipped with innovative space for the products to flourish. For this purpose, this master plan has proposed the exhibition site and event for local artists, an enclave, or corridor that links up various arts and cultural productions throughout the city and state. Facilities to give tourists and visitors to spend must be further enhanced while more high-yield products are brought into the marketplace. All these initiatives can only be realized with full support from Penang tourism's main stakeholders, especially the state and local governments.

### **Tourism Initiatives Funding Models**

Tourism has a strategic role in driving the transition to a robust economy and contributing to more sustainable and inclusive growth, one of the most promising growth drivers for the state economy and the nation. Close links and integration of stakeholders at the destination, national, and international levels will lead to greater tourism

sustainability with positive impacts. Existing and future tourism initiatives require funding models that are collaborative, multi-channel, inclusive, market-driven, innovative, dynamic, and organic. Effective funding models must be able to weather economic ups and downs. Some of the significant tourism initiatives funding models include **(Figure 9.1):-**

**Appropriation:** Tax revenues are used to fund tourism initiatives involving promotion services, attractions, infrastructures, and super-structures developments. Tourism matching funds from federal and state government works based on reimbursable financial assistance where eligible companies may claim a certain percentage of the actual cost of their promotional or tourism initiative project or the maximum amount allowed for each project category. Government funds allow stability and even intervention in a downward economic cycle, which helps us in crisis times. Other mechanisms include a call for proposal and bidding for the fund.

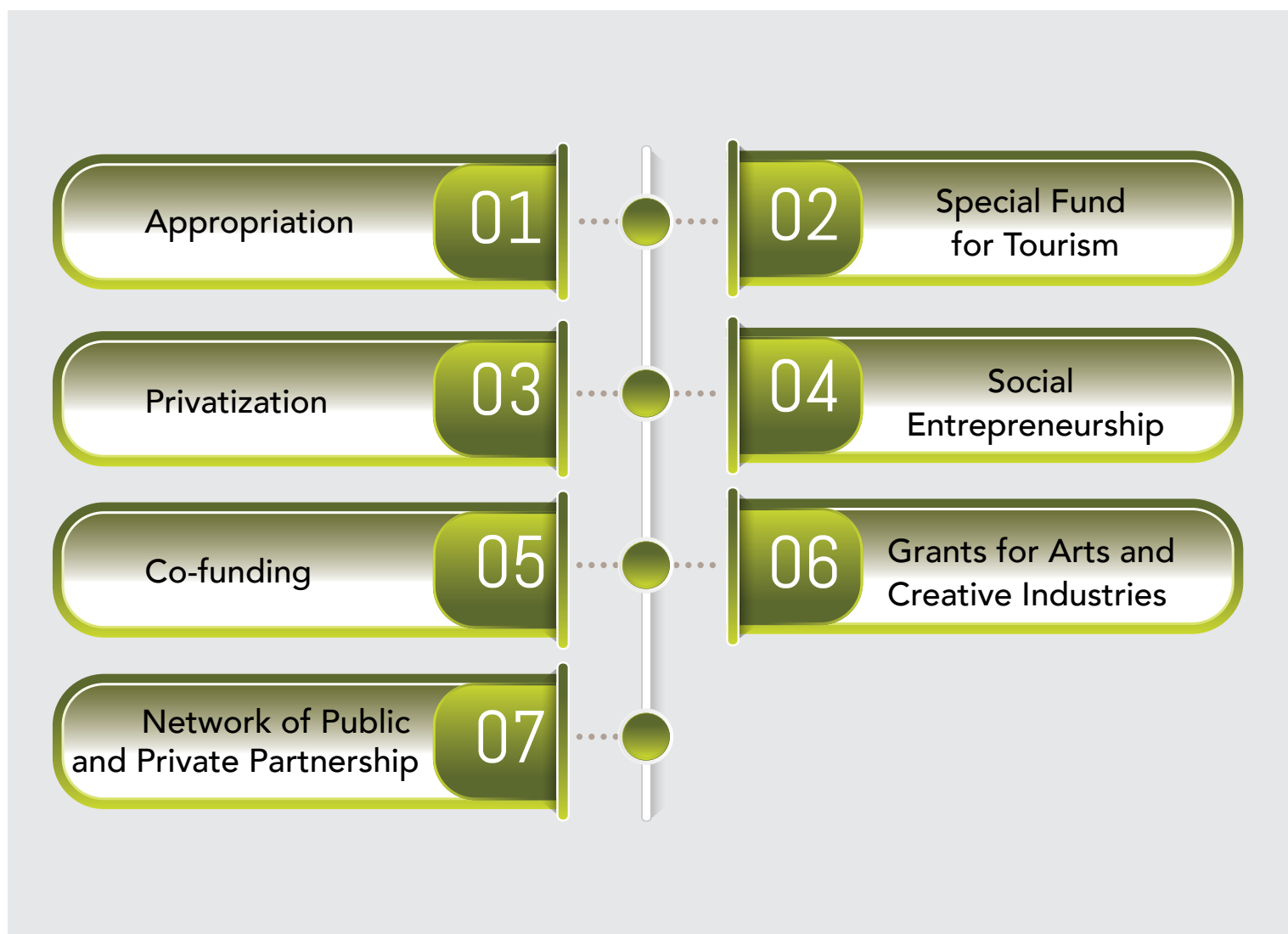
**Special Fund for Tourism:** A financing programme to expand the tourism industry including homestays and handcrafts, among the county's SMEs.

**Privatization:** Applying various privatization mechanisms to state tourism services, infrastructure, facilities, enterprises, and land, comprehensive state privatization programs can significantly reduce development costs. Private ownership can stimulate innovation. Competition forces private firms to develop innovative, efficient methods for providing tourism goods and services to keep costs down and keep contracts.

**Social Entrepreneurship:** Social entrepreneurship is an enterprise that implements techniques to develop, fund, and incorporate solutions that benefit or positively impact social, cultural, and environmental issues. The primary strategy is to promote social enterprise's idea in the areas where we can work and develop local social entrepreneurs with tourism's revenue and potential.

Social enterprises are not entirely dependent on grants or donations similar to an NGO; instead, they are financially sustainable by selling their products and services. Unique key features of social entrepreneurship tourism are organic and driven by local entrepreneurs and community, market-driven, and viable and social entrepreneurship.

**Figure 9.1**  
Tourism Initiatives **Funding Models**





**Co-funding:** Tourism stakeholders match funding provided by the government. Co-funding can help the community direct the vision of the destination.

#### Grants for Arts and Creative Industries

Local indigenous arts and creative industries offer significant tourism potentials. Financial assistance in the form of grants is available through MyCreative Ventures, Cultural Economic Development Agency, Kakiseni, Yayasan Telekom Malaysia, Yayasan Hasanah, Japan Foundation, and Think City, to name a few.

#### **Network of Public and Private Partnership:**

A network of partnerships includes institutional partners, strategic premiums, official partners,

and members. The state establishes a multi-channel revenue mechanism to pool tourism partnership funds and carries out reciprocal tourism marketing, growth, and activities to distribute risks and tap various financing sources. These funds are then reserved for these unique activities. The government's funds are used according to a major service level agreement. The funds from such strategic alliances are put in the general cashier and can be used openly for projects, operations, and operating costs of any sort.



The historical Merdeka Bridge connects Penang to Kedah

## 9.1 Conclusion

This Master Plan is an outcome of inputs from various stakeholders of Penang tourism through multiple channels of consultations and discussions. Continuous engagements with the driver of this Master Plan--PETACE--have resulted in strategies and thrusts that reflect the needs and desired direction of the State amidst the dynamic changes that are taking place in the national, regional and global tourism sector. Tourism is indeed a very sensitive sector that is susceptible to changes in travel trends and many unforeseen circumstances, such as riots and war, disease outbreaks, natural disasters and many more. Having a Master Plan that takes into consideration of the sentiments and feelings of the local stakeholders especially the local communities, shall at least ensure that this Plan will be the guideline that will not be shelved but shall be referred to in determining tourism projects and initiatives.

The engagements of all stakeholders in realizing this Plan must lead to an implementable and feasible Plan that creates high sense of belonging

and sense of place for Penang. This Plan reflects the State's commitment towards sustainable tourism development, which is very much in line with the Sustainable Development Goals (SDGs) and also with the Penang2030. It will bring the development of tourism into a greater height, enhancing greater role of the service sector in the State's GDP, and elevating Penang's status as a premier destination of the future. This Plan ensures involvement and local ownership but at the same time welcomes global investments to the state. The four thrusts proposed as the pillars of this Master Plan shall set the framework that oversees that development of tourism growth and activities for the ten years and beyond. The initiatives must be followed through within the concepts specified, perhaps with some improvisation here and there, and must be monitored to ensure its implementation. This Master Plan will set Penang to be the regional bench-mark for a sustainable destination of this region.





# 10.0

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SUMMARY OF  
INITIATIVES

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# 10.0 SUMMARY OF INITIATIVES

THRUSTS	SUB-THRUSTS			
	1	2	3	Total
A Diversification of Tourism Products	12	8	5	25
B Positioning Penang as a Premier Destination	12	6	4	22
C Ensuring Sustainable and Responsible Tourism	10	9	2	21
D A Smart Tourism Destination	7	9		16
Total				84





# PENANG KEY TOURISM CORRIDORS 2021-2030





Table 10.1  
Initiatives **BASED ON PROPOSED LOCATIONS**

INITIATIVES	PROPOSED LOCATIONS
Educational Forest Ayer Itam Dalam, Nyior Sebatang	Ayer Itam Dalam
Pantai Malindo - Hutan Taman Paya Laut, Balik Pulau Green Corridor	Balik Pulau
Penang Traditional Healing Centre	Balik Pulau
Fruit Farm Lodging	Balik Pulau/ Seberang Perai
Extreme Sports Centre & Adventure Sanctuary	Batu Kawan
Penang Legend Sports & Entertainment City	Batu Kawan
Cherok To'kun Nature Park	Bukit Mertajam
Bukit Mertajam Cultural and Heritage Centre (Pasar Lama BM)	Bukit Mertajam
Penang Sentral Transport Hub	Butterworth
Butterworth Creative Centre	Butterworth
Robina Eco Park	Butterworth
Penang Grand Bazaar	George Town
George Town PWD Heritage Routes	George Town
Fort Cornwallis 2.0	George Town
Exhibition for Local Artists	George Town
Cultural & Arts Academy	George Town
Arts and Crafts Workshop & Training	George Town
Lit Up George Town	George Town/ Butterworth
Archeo-Corridor Guar Kepah	Guar Kepah
Penang Airport Expansion	Island
Yacht Cruise Marina	Island

Table 10.1  
Initiatives **BASED ON PROPOSED LOCATIONS**

INITIATIVES	PROPOSED LOCATIONS
Water Taxi	Island
Penang eco Islets	Jerejak, Kendi, Aman, Gedung and Batu Payung
Bukit Juru Nature	Juru
River Cruise	Juru and Perai Rivers
Penang International Paddy Festival	Kampung Terus, Penanti
Bumbong 5 Living Museum	Kepala Batas
Traditional Games Cottage Industry	Nibong Tebal
Public Beach Upgrading & Zoning	Pantai Bersih/ Batu Feringghi/ Teluk Asam/Teluk Bayu
Pasar Bisik Penaga	Penaga
Penang Green Hotels	Penang
World E-Sports Championship	Penang
Sailing Sports Centre	Penang
Penang Tourist Night Market Model	Penang
Facial Recognition CCTV Surveillance	Penang
Tourist Police Box	Penang
Cycling Routes	Penang
Made in Penang brand	Penang
Electronic Trishaw	Penang
Harbour Cruise	Penang



Table 10.1  
Initiatives **BASED ON PROPOSED LOCATIONS**

INITIATIVES	PROPOSED LOCATIONS
Wedding/Honeymoon Tourism Destination	Penang
Edutourism City	Penang
Film Tourism	Penang
Religious Tourism	Penang
Regional Halal Tourism Hub	Penang
MICE-New Convention Centre	Penang
Wellness & Medical Tourism City	Penang
Digital Marketing and Social Media	Penang
Penang Tourism Student Ambassadors	Penang
High-yield Tourism Product Program	Penang
Penang Signature Food Galore	Penang
Market segmentation to focus on high-yield tourist markets.	Penang
Seafood Hubs	Penang
Penang Heritage Award	Penang
Penang Local Mini Culture Festivals	Penang
Penang Art Week and Festival	Penang
Smart Tourism Portal	Penang
Penang Tourist Apps	Penang
E-Payment	Penang
Visitor Tracking System	Penang
Augmented Reality & Virtual Reality (VR) Products	Penang

Table 10.1  
Initiatives **BASED ON PROPOSED LOCATIONS**

INITIATIVES	PROPOSED LOCATIONS
Integrated Digital Tourist Pass	Penang
Tourist Welcome Centre	Penang
Penang Tourism Satellite Account	Penang
Tourism Funding and Incentive Program	Penang
Tourist Attraction & Services Grading System	Penang
Tourist Monitoring System	Penang
Risk and Disaster Mitigation	Penang
Penang Tourism Research & Development (PTRD)	Penang
Clean and Safe Penang	Penang
Smile Campaign	Penang
Penang Arts and Cultural Festivals	Penang / Seberang Perai
The Colonial Bungalows Project	Penang Hill
Penang Hill Cable Car	Penang Hill
Ecotourism at Bukit Bendera	Penang Hill
Penang Hill Rainforest Research Centre	Penang Hill
Agro Tourism Belt	Seberang Perai (Pekan Darat)/ Balik Pulau
5-Star Public Toilets	Selected Tourist Sites at George Town & Bukit Mertajam
Tourism Products Plaza	Sungai Dua/
Kelip-Kelip Tour	Sungai Kerian



**Table 10.1**  
Initiatives **BASED ON PROPOSED LOCATIONS**

INITIATIVES	PROPOSED LOCATIONS
Floating Market	Sungai Kerian (Nibong Tebal)
Wellness & Aesthetics Resort Enclave	Tanjong Bungah (Ferringhi)
Tasek Gelugor Agro Tourism Hub	Tasek Gelugor
Penang Bay Waterfronts	Weld Quay - Butterworth

Prioritizations

- Quick Win: High impact & high feasibility
- Major projects: High impacts & low feasibility
- Effort Less: Low Impact & high feasibility
- Low Priority: Low impact & low feasibility

**Figure 10.1**  
Initiatives by **Prioritizations**

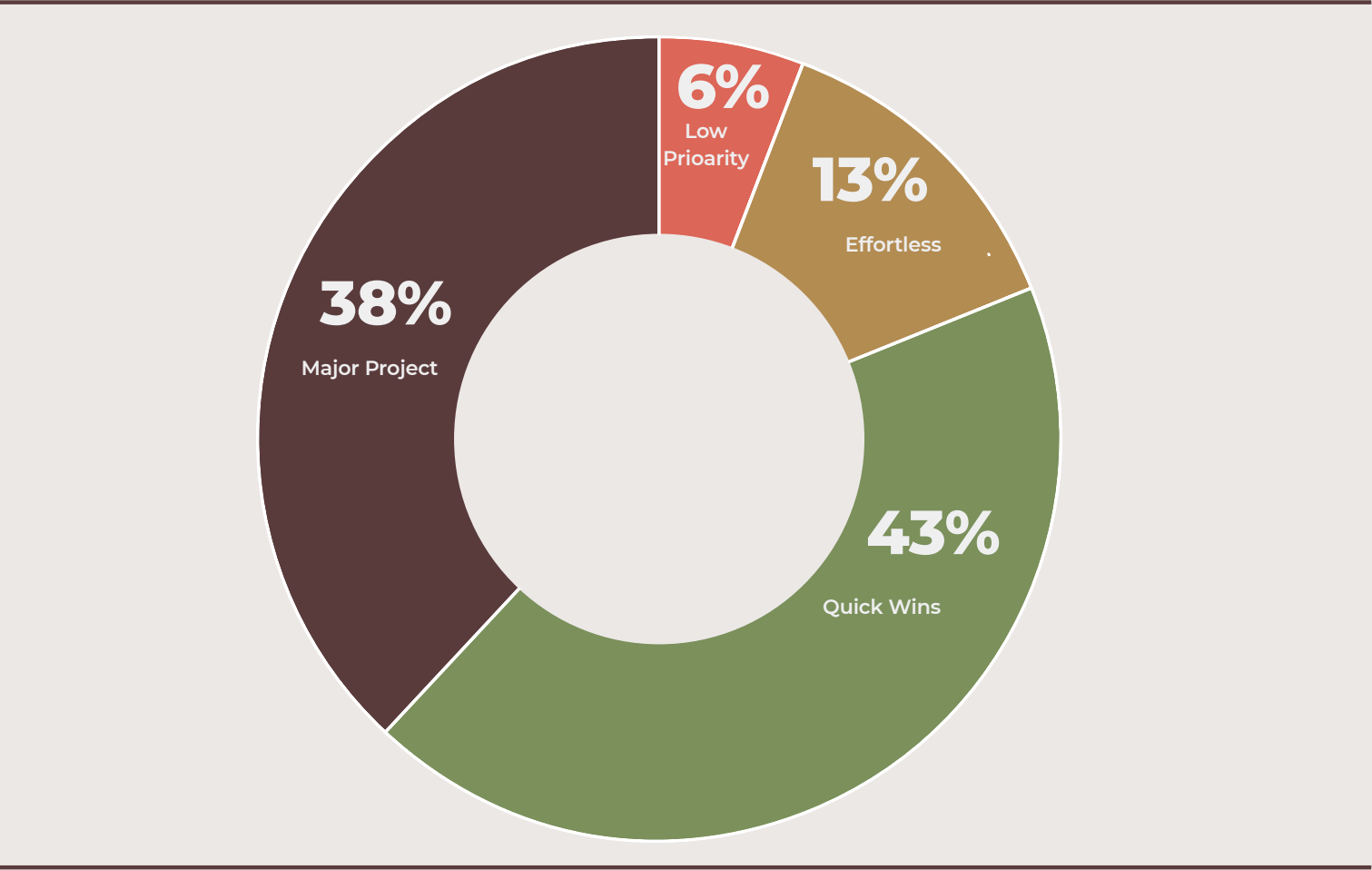


Table 10.2 Initiatives <b>BASED ON PRIORITIZATIONS</b>	
INITIATIVES	PRIORITIZATION
Cherok To'kun Nature Park	QW
Bukit Mertajam Cultural and Heritage Centre (Pasar Lama BM)	QW
Penang Sentral Transport Hub	QW
Robina Eco Park	QW
Exhibition for Local Artists	QW
Arts and Crafts Workshop & Training	QW
Lit Up George Town	QW
Bukit Juru Nature	QW
Traditional Games Cottage Industry	QW
Public Beach Upgrading & Zoning	QW
Pasar Bisik Penaga	QW
Facial Recognition CCTV Surveillance	QW
Tourist Police Box	QW
Cycling Routes	QW
Electronic Trishaw	QW
Harbour Cruise	QW
Wedding/Honeymoon Tourism Destination	QW
Film Tourism	QW
Religious Tourism	QW
Digital Marketing and Social Media	QW
Penang Tourism Student Ambassadors	QW



Table 10.2  
Initiatives **BASED ON PRIORITIZATIONS**

INITIATIVES	PRIORITIZATION
Penang Signature Food Galore	QW
Market segmentation to focus on high-yield tourist markets.	QW
Seafood Hubs	QW
Penang Heritage Award	QW
Penang Local Mini Culture Festivals	QW
Penang Art Week and Festival	QW
E-Payment	QW
Tourist Welcome Centre	QW
Risk and Disaster Mitigation	QW
Clean and Safe Penang	QW
Smile Campaign	QW
Penang Arts and Cultural Festivals	QW
Agro Tourism Belt	QW
5-Star Public Toilets	QW
Kelip-Kelip Tour	QW
Educational Forest Ayer Itam Dalam, Nyior Sebatang	MP
Pantai Malindo - Hutan Taman Paya Laut, Balik Pulau Green Corridor	MP
Penang Traditional Healing Centre	MP
Fruit Farm Lodging	MP
Penang Legend Sports & Entertainment City	MP
Butterworth Creative Centre	MP

Table 10.2  
Initiatives **BASED ON PRIORITIZATIONS**

INITIATIVES	PRIORITIZATION
Penang Grand Bazaar	MP
George Town PWD Heritage Routes	MP
Fort Cornwallis 2.0	MP
Archeo-Corridor Guar Kepah	MP
Water Taxi	MP
River Cruise	MP
Penang Green Hotels	MP
World E-Sports Championship	MP
Penang Tourist Night Market Model	MP
Made in Penang brand	MP
MICE-New Convention Centre	MP
Wellness & Medical Tourism City	MP
High-yield Tourism Product Program	MP
Smart Tourism Portal	MP
Penang Tourist Apps	MP
Visitor Tracking System	MP
Augmented Reality & Virtual Reality (VR) Products	MP
Integrated Digital Tourist Pass	MP
Penang Tourism Satellite Account	MP
Tourist Attraction & Services Grading System	MP
Tourist Monitoring System	MP



Table 10.2  
Initiatives **BASED ON PRIORITIZATIONS**

INITIATIVES	PRIORITIZATION
Penang Tourism Research & Development (PTRD)	MP
Ecotourism at Bukit Bendera	MP
Penang Hill Rainforest Research Centre	MP
Floating Market	MP
Tasek Gelugor Agro Tourism Hub	MP
Edutourism City	LP
Penang Hill Cable Car	LP
Sailing Sports Centre	LP
Tourism Products Plaza	LP
Penang eco Islets	LP
Penang Airport Expansion	EL
Regional Halal Tourism Hub	EL
Wellness & Aesthetics Resort Enclave	EL
Penang International Paddy Festival	EL
Cultural & Arts Academy	EL
Yacht Cruise Marina	EL
Bumbong 5 Living Museum	EL
Tourism Funding and Incentive Program	EL
The Colonial Bungalows Project	EL
Penang Bay Waterfronts	EL
Extreme Sports Centre & Adventure Sanctuary	EL

Table 10.2  
Initiatives **BASED ON PRIORITIZATIONS**

INITIATIVES	PRIORITIZATION
Cherok To'kun Nature Park	Quick Win
Bukit Mertajam Cultural and Heritage Centre (Pasar Lama BM)	Quick Win
Penang Sentral Transport Hub	Quick Win
Robina Eco Park	Quick Win
Exhibition for Local Artists	Quick Win
Arts and Crafts Workshop & Training	Quick Win
Lit Up George Town	Quick Win
Bukit Juru Nature	Quick Win
Traditional Games Cottage Industry	Quick Win
Public Beach Upgrading & Zoning	Quick Win
Pasar Bisik Penaga	Quick Win
Facial Recognition CCTV Surveillance	Quick Win
Tourist Police Box	Quick Win
Cycling Routes	Quick Win
Electronic Trishaw	Quick Win
Harbour Cruise	Quick Win
Wedding/Honeymoon Tourism Destination	Quick Win
Film Tourism	Quick Win
Religious Tourism	Quick Win
Digital Marketing and Social Media	Quick Win
Penang Tourism Student Ambassadors	Quick Win

Table 10.2  
Initiatives **BASED ON PRIORITIZATIONS**

INITIATIVES	PRIORITIZATION
Penang Signature Food Galore	Quick Win
Market segmentation to focus on high-yield tourist markets.	Quick Win
Seafood Hubs	Quick Win
Penang Heritage Award	Quick Win
Penang Local Mini Culture Festivals	Quick Win
Penang Art Week and Festival	Quick Win
E-Payment	Quick Win
Tourist Welcome Centre	Quick Win
Risk and Disaster Mitigation	Quick Win
Clean and Safe Penang	Quick Win
Smile Campaign	Quick Win
Penang Arts and Cultural Festivals	Quick Win
Agro Tourism Belt	Quick Win
5-Star Public Toilets	Quick Win
Kelip-Kelip Tour	Quick Win
Educational Forest Ayer Itam Dalam, Nyior Sebatang	Major Project
Pantai Malindo - Hutan Taman Paya Laut, Balik Pulau Green Corridor	Major Project
Penang Traditional Healing Centre	Major Project
Fruit Farm Lodging	Major Project
Penang Legend Sports & Entertainment City	Major Project
Butterworth Creative Centre	Major Project



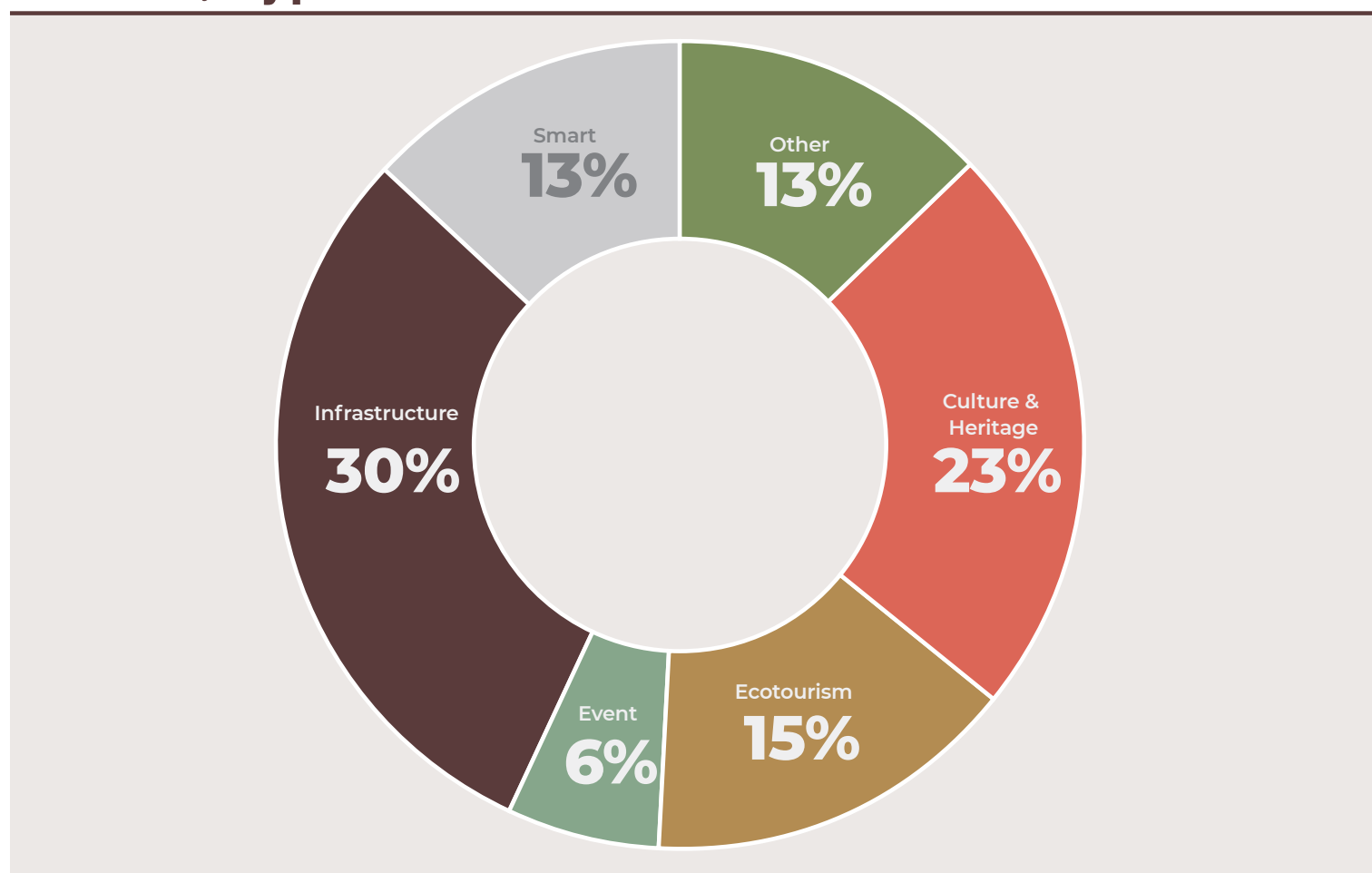
Table 10.2  
Initiatives **BASED ON PRIORITIZATIONS**

INITIATIVES	PRIORITIZATION
Penang Grand Bazaar	Major Project
George Town PWD Heritage Routes	Major Project
Fort Cornwallis 2.0	Major Project
Archeo-Corridor Guar Kepah	Major Project
Water Taxi	Major Project
River Cruise	Major Project
Penang Green Hotels	Major Project
World E-Sports Championship	Major Project
Penang Tourist Night Market Model	Major Project
Made in Penang brand	Major Project
MICE-New Convention Centre	Major Project
Wellness & Medical Tourism City	Major Project
High-yield Tourism Product Program	Major Project
Smart Tourism Portal	Major Project
Penang Tourist Apps	Major Project
Visitor Tracking System	Major Project
Augmented Reality & Virtual Reality (VR) Products	Major Project
Integrated Digital Tourist Pass	Major Project
Penang Tourism Satellite Account	Major Project
Tourist Attraction & Services Grading System	Major Project
Tourist Monitoring System	Major Project

Table 10.2  
Initiatives **BASED ON PRIORITIZATIONS**

INITIATIVES	PRIORITIZATION
Penang Tourism Research & Development (PTRD)	Major Project
Ecotourism at Bukit Bendera	Major Project
Penang Hill Rainforest Research Centre	Major Project
Floating Market	Major Project
Tasek Gelugor Agro Tourism Hub	Major Project
Penang Airport Expansion	Effort Less
Regional Halal Tourism Hub	Effort Less
Wellness & Aesthetics Resort Enclave	Effort Less
Penang International Paddy Festival	Effort Less
Cultural & Arts Academy	Effort Less
Yacht Cruise Marina	Effort Less
Bumbong 5 Living Museum	Effort Less
Tourism Funding and Incentive Program	Effort Less
The Colonial Bungalows Project	Effort Less
Penang Bay Waterfronts	Effort Less
Extreme Sports Centre & Adventure Sanctuary	Effort Less
Edutourism City	Low Priority
Penang Hill Cable Car	Low Priority
Sailing Sports Centre	Low Priority
Tourism Products Plaza	Low Priority
Penang eco Islets	Low Priority

**Figure 10.2**  
Initiatives by **Types of Product**





**Table 10.3**  
Initiatives **BY TYPES OF PRODUCT**

Bukit Mertajam Cultural and Heritage Centre (Pasar Lama BM)	Culture & Heritage
Bumbong 5 Living Museum	Culture & Heritage
Butterworth Creative Centre	Culture & Heritage
Film Tourism	Culture & Heritage
Floating Market	Culture & Heritage
Fort Cornwallis 2.0	Culture & Heritage
Pasar Bisik Penaga	Culture & Heritage
Penang Art Week and Festival	Culture & Heritage
Penang Arts and Cultural Festivals	Culture & Heritage
Penang Heritage Award	Culture & Heritage
Penang International Paddy Festival	Culture & Heritage
Penang Local Mini Culture Festivals	Culture & Heritage
Penang Signature Food Galore	Culture & Heritage
Penang Traditional Healing Centre	Culture & Heritage
Religious Tourism	Culture & Heritage
Seafood Hubs	Culture & Heritage
The Colonial Bungalows Project	Culture & Heritage
Traditional Games Cottage Industry	Culture & Heritage
Wedding/Honeymoon Tourism Destination	Culture & Heritage
Agro Tourism Belt	Ecotourism
Archeo-Corridor Guar Kepah	Ecotourism

Table 10.3  
Initiatives **BY TYPES OF PRODUCT**

Bukit Juru Nature	Ecotourism
Cherok To'kun Nature Park	Ecotourism
Ecotourism at Bukit Bendera	Ecotourism
Educational Forest Ayer Itam Dalam, Nyior Sebatang	Ecotourism
Fruit Farm Lodging	Ecotourism
Kelip-Kelip Tour	Ecotourism
Pantai Malindo - Hutan Taman Paya Laut, Balik Pulau Green Corridor	Ecotourism
Penang Eco Islets	Ecotourism
River Cruise	Ecotourism
Robina Eco Park	Ecotourism
Tasek Gelugor Agro Tourism Hub	Ecotourism
Arts and Crafts Workshop & Training	Event
Exhibition for Local Artists	Event
Lit Up George Town	Event
Smile Campaign	Event
World E-Sports Championship	Event
5-Star Public Toilets	Infrastructure
Cultural & Arts Academy	Infrastructure
Cycling Routes	Infrastructure
Edutourism City	Infrastructure
Extreme Sports Centre & Adventure Sanctuary	Infrastructure

**Table 10.3**  
Initiatives **BY TYPES OF PRODUCT**

George Town PWD Heritage Routes	Infrastructure
Harbour Cruise	Infrastructure
MICE-New Convention Centre	Infrastructure
Penang Airport Expansion	Infrastructure
Penang Bay Waterfronts	Infrastructure
Penang Grand Bazaar	Infrastructure
Penang Green Hotels	Infrastructure
Penang Hill Cable Car	Infrastructure
Penang Legend Sports & Entertainment City	Infrastructure
Penang Sentral Transport Hub	Infrastructure
Penang Tourist Night Market Model	Infrastructure
Public Beach Upgrading & Zoning	Infrastructure
Sailing Sports Centre	Infrastructure
Tourism Products Plaza	Infrastructure
Tourist Police Box	Infrastructure
Tourist Welcome Centre	Infrastructure
Water Taxi	Infrastructure
Wellness & Aesthetics Resort Enclave	Infrastructure
Wellness & Medical Tourism City	Infrastructure
Yacht Cruise Marina	Infrastructure



**Table 10.3**  
**Initiatives BY TYPES OF PRODUCT**

Clean and Safe Penang	Others
Digital Marketing and Social Media	Others
High-yield Tourism Product Program	Others
Made in Penang brand	Others
Market segmentation to focus on high-yield tourist markets.	Others
Penang Hill Rainforest Research Centre	Others
Penang Tourism Research & Development (PTRD)	Others
Penang Tourism Student Ambassadors	Others
Regional Halal Tourism Hub	Others
Risk and Disaster Mitigation	Others
Tourism Funding and Incentive Program	Others
Augmented Reality & Virtual Reality (VR) Products	Smart
E-Payment	Smart
Electronic Trishaw	Smart
Facial Recognition CCTV Surveillance	Smart
Integrated Digital Tourist Pass	Smart
Penang Tourism Satellite Account	Smart
Penang Tourist Apps	Smart
Smart Tourism Portal	Smart
Tourist Attraction & Services Grading System	Smart
Tourist Monitoring System	Smart
Visitor Tracking System	Smart



Dawn at **Church Street Pier**





The longest tube waterslide in the world at the Escape theme park.



# 11.0

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## ACKNOWLEDGEMENT & REFERENCES

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Steering Committee

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The last **hand-made**  
**joss stick maker** in  
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# *Penang Tourism*

Master Plan **2020-2030**



**PETACE**

Penang State EXCO Office  
for Tourism And Creative Economy

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