

## **Contribution of the Tourism Sector to Achieving Economic Development**

**Reggani Lalla Fatma**

Tamanghasset University (Algeria), [regganilalafatma@univ-tam.dz](mailto:regganilalafatma@univ-tam.dz)

Submission date 10.11.2025    Acceptance - 12.01.2026    Publication - 18.02.2026

### **Abstract:**

This study aims to highlight the significance of the Malaysian tourism experience in achieving economic development, as tourism is considered one of the leading industries generating significant income and described as the new economic giant and the fastest-growing industry. Most countries worldwide, regardless of their development level, strive to increase their share of tourist movement. Considering that the Malaysian economy in the 1970s was similar to the Algerian economy, where it was dependent on exporting raw materials, it began to focus on the tourism sector in the early 1980s to diversify the state's revenues. Interest in the tourism sector started through intensive efforts and promotional policies adopted by the Malaysian state to improve Malaysia's image as a tourist destination.

The study concluded the importance of integrating tourism development plans within the general developmental plans of the state, in addition to the necessity of joint efforts between the public and private sectors to achieve comprehensive tourism development.

**Keywords:** Tourism; Tourism Development; Economic Development; Tourism Strategy; Malaysia.

### **• Introduction:**

Tourism has become one of the most important economic sectors in both developed and developing countries, effectively contributing to growth rates in many economies by increasing the Gross Domestic Product (GDP) and the state's foreign currency reserves, in addition to creating job opportunities. The ability of any country to attract the largest number of tourists lies in the competitiveness of the tourism and travel sector, which constitutes an urgent need at the individual, institutional, and state levels.

At the individual level, competitiveness lies in the tourism sector's ability to create suitable job opportunities, at the company level to achieve growth and sustainability, and at the state level to achieve economic development. Malaysia recognized the importance of the tourism sector in the early 1980s, which led the country strongly towards developing this sector and qualifying it as one of the main sectors supporting economic growth, thereby making Malaysia one of the most important tourist destinations in the world.

### **• Problem Statement:**

Through the analysis of the Malaysian tourism experience, this study seeks to answer the following main question: What are the tourism strategies set by Malaysia, and how has the tourism sector contributed to achieving economic development in Malaysia?

This main question branches into the following sub-questions:



- What is the reality of Malaysian development in light of its tourism competitiveness?
- What is the contribution of the tourism sector to Malaysia's GDP?
- What suggestions from the success of Malaysian tourism can be utilized to make Algerian tourism competitive?

- **Hypotheses:**

- The process of developing Malaysian tourism depends on the state's efforts and the extent of its integration into the state's economic development plans.
- We can benefit from Malaysian tourism by understanding that the main way to develop the tourism sector is through the diversification and promotion of the tourism product.

- **Significance of the Study:**

The importance of the study stems from the Algerian economy's reliance on the hydrocarbons sector despite the significant and distinctive tourism potentials the state possesses, and the serious need to focus on the tourism sector by emulating the Malaysian experience and its counterparts, for its role in providing job opportunities, diversifying income sources, and developing infrastructure.

- **Study Objectives:**

The study aims to achieve the following objectives:

- To identify the Malaysian strategies for developing tourism;
- To gain experience in tourism development through this experience.

- **Study Methodology:**

To achieve the desired results from the study, we used the descriptive analytical method, as it suits the subject.

## **I. Theoretical Aspect of the Study:**

### **Firstly: The Theoretical Foundation of Tourism**

Tourism reflects the extent of a nation's civilization and scientific progress as it is a dynamic human activity with its social, economic, and political dimensions. Researchers have differed in defining tourism due to the perspective from which the researcher views tourism and the variety of backgrounds and cultures in writing it. Kraft and Hunziker defined it as a set of relationships and activities formed by the movement and residence of individuals outside their main residences, not for work, profit, or permanent stay purposes but for others (El-Ruby, p 12).

The German Cuyler Freuler defined it as a phenomenon of our age that emerges from the increasing need for rest, change of air, appreciation of nature's beauty, and the development of this appreciation and the feeling of joy and pleasure, and staying in areas with their special nature, as well as the growth of communications between peoples and different human communities, which resulted in the expansion of trade and industry, whether large, medium, or small, and is the fruit of transportation progress (Al-Jallad, 1988, p 108).



Dr. Salah Abdel Wahab defined tourism as: "a collection of relationships and services associated with temporarily and spontaneously changing location, not for commercial or professional reasons (Mohamadi, 2012, p 10).

As for the definitions of international bodies and organizations, one can rely on the definition by the Ottawa Conference on Tourism held in June 1991 in Canada, which defines tourism as the activities undertaken by a person traveling to a place outside his usual environment for a period shorter than a specific period of time, and not to engage in an activity that earns income in the place traveled to (Massad, p 61).

#### **A. Characteristics of Tourism:**

Tourism is associated with mobility and the pursuit of relaxation away from profit-oriented and work-related goals. It also has a close relationship with cultural exchange among nations. Additionally, tourism has several characteristics, including:

- ✓ Tourism is a complex mixture composed of various phenomena and relationships, including economic, social, cultural, civilizational, and media aspects, among others;
- ✓ Tourism activity arises from individuals moving to areas outside their permanent residence, incorporating both a dynamic element, the journey, and a static element, the temporary stay;
- ✓ The activities tourists engage in at tourist destinations differ from those they undertake in their original place of residence;
- ✓ Stays are temporary, with a minimum duration of 24 hours and a maximum of one year. Activities occurring during stays shorter than 24 hours are considered recreational rather than touristic;
- ✓ Tourism is considered invisible exports, as it is one of the few industries where the consumer acquires the product directly from its place of production. Thus, the exporting country (the host country) does not bear the transportation costs outside its borders, unlike other products that require transportation costs in addition to production costs;
- ✓ The tourism product, represented by tourist attractions (natural, historical, archaeological resources, etc.), generates revenue only through tourism, as these resources do not inherently produce income unless sold as part of a tourism product (Daily, 2015, p 5);
- ✓ The tourism offer depends not only on the availability, diversity of resources, services, and tourist facilities but also on other factors, such as the prices of basic or supplementary tourist services;
- ✓ Tourism demand largely depends on the financial capacity of the tourist, especially since tourism demand is not typically linked to satisfying basic needs but rather to fulfilling luxury desires;
- ✓ It is impossible to produce the tourism product in advance as it is produced and consumed or used at the location where the tourist is present;
- ✓ Tourism has strong backward linkages to agriculture (food production) and to the construction and furniture industries (building hotels and



- restaurants), as well as to small industries. It also increases demand for government services like police for security, firefighting, and even sanitation workers, among others, all of which are labor-intensive services;
- ✓ The revenues from international tourism (foreign currency) are considered a ready solution for addressing or treating balance of payments issues in poor countries;
  - ✓ One of the main advantages of tourism in poor countries, compared to the foreign trade sector, is its ability to fill the gap in external trade imbalance, which usually works against them;
  - ✓ Some tourism resources or attractions that are rare do not face competition, and it is difficult for some countries to produce substitutes for them (Zir, 2018, p 53).

### **B. Importance of Tourism:**

Tourism holds a significant position in the global market, being one of the primary economic activities worldwide. The tourism industry gains its economic importance from its substantial impact on the economic, social, and cultural levels:

#### **1. Economic Importance:**

Tourism is one of the most important means of achieving economic development through tourists' expenditures and their direct and indirect effects on the host country's economy, including the influx of foreign currency, the development of other sectors benefiting from tourism by creating jobs (which is the original goal of developing the tourism sector), adding value, providing investment opportunities, and combating poverty, a global challenge that all countries strive to address (Harouat, 2012, p. 50).

#### **2. Social Importance:**

Economic development in any country inevitably leads to similar progress on the social side, meaning the relationship between the two sectors is proportional. The tourism sector is expected to contribute foreign currency to the country's treasury and simultaneously reduce unemployment and improve citizens' living standards. This premise stems from the fact that tourism relies heavily on labor in various tourism-related services, such as transportation, accommodation, catering, communication, and sales.

In Algeria, statistics indicate that the employment rate in tourism sector administrations reaches 24%, while this rate should not exceed 7% according to international standards. Additionally, 50% of employees lack qualifications, whereas this rate should not exceed 20% (Economic and Social Council, 2021).

#### **3. Cultural Importance of Tourism:**

Tourism serves as a tool for intellectual communication and the exchange of culture, customs, and traditions among peoples, fostering an environment conducive to understanding and tolerance. It also acts as a means of knowledge exchange, facilitating the dissemination of sciences and knowledge.

Tourism contributes to spreading the cultures and civilizations of nations worldwide, strengthening relations between peoples, increasing global cultural awareness, and providing

necessary funding to preserve heritage, archaeological, and historical sites, which are part of the host countries' memory and culture (Massad, p 61).

### **Secondly: Theoretical Foundation of Economic Development**

Economic development remains a significant topic in the economies of nations, as all countries, whether developed or developing, strive to achieve a certain level of economic development in accordance with their capabilities and economic policies.

#### **A. Concept of Economic Development:**

The concept of economic development is based on the process of increasing the total and per capita income, as well as enhancing the educational, health, and cultural development of society. This process focuses on societal development in material, social, and cultural dimensions (Khamkham & Daman, 2020, p 04).

The United Nations defined economic development in 1956 as the processes that unify the efforts of citizens and the government to improve economic, social, and cultural conditions in local communities, helping them integrate into the life of the nation and contribute to its progress as much as possible (Baouni, 2017, p 05). Economic development includes all policies adopted by a particular society, leading to increased economic growth rates based on its own strengths, to ensure the continuity and balance of this growth to meet the needs of society's members, and to achieve the highest possible level of social justice (Zerouki & Qatawi, 2019, p 06).

It's noteworthy that economic thought divides into two streams in defining development; the first, Western, does not distinguish between growth and development, considering economic development as the process aimed at creating a power that leads to a permanent increase in the average real individual income regularly over a long period. The second stream, represented by economists from developing countries, considers economic development a conscious societal process aimed at socio-economic structural transformations that achieve a decent standard of living for the vast majority of society's members (Ahmed, 2015, p 89).

#### **B. Importance of Economic Development:**

The importance of economic development lies in the following (Ben Awali, 2021, p 03):

- ✓ Providing employment opportunities for citizens;
- ✓ Improving the health, educational, and cultural level of society;
- ✓ Increasing real income and thus improving citizens' living conditions;
- ✓ Providing the goods and services needed to satisfy citizens' needs;
- ✓ Reducing economic and social disparities among societal classes;
- ✓ Achieving national security;
- ✓ Paying off the state's debts.

#### **C. Elements of Economic Development:**

Economic development is a broad concept that encompasses a series of elements (Rabehi, 2018, p 17):

- Improving the quality of goods and services provided to individuals;

- Initiating an industrial revolution in the manufacturing process to improve the industrial base of society;
- Changing the production structure to ensure the expansion of productive capacity in a cumulative manner;
- Improving income distribution in favor of the poor class, i.e., alleviating poverty and unemployment phenomena;
- A continuous increase in the average real income over a long period suggests that development is a long-term process;
- Inclusiveness, as economic development is a comprehensive change that encompasses all economic, political, cultural, and ethical aspects.

#### **D. Requirements for Economic Development:**

To achieve the goals of economic development, a number of requirements must be met (Ben Awali, 2021, p 04):

- Planning and providing necessary data and information;
- Producing quality and providing appropriate technology;
- Providing specialized human resources;
- Establishing suitable economic policies;
- Ensuring security and stability;
- Spreading developmental awareness among society members.

#### **E. Objectives of Economic Development:**

Working towards economic development in any country means aiming to achieve a set of goals, including:

- Satisfying the basic needs of the majority of the population;
- Transforming the economic, social, and political structures for the better;
- Redirecting science and technology to serve humanity;
- Achieving self-sustained development in harmony with the environment (Zitouni & Makid, 2018);
- Providing suitable conditions for the development of economic sectors, including ensuring a degree of stability;
- Achieving a level of social justice and reducing income distribution inequalities;
- Implementing ambitious advisory programs in various economic areas and employing all production elements in service of these programs;
- Seeking to provide effective methods and following these methods to accelerate economic activities towards achieving economic development (Boudif, 2016, p 06).

## **II. Malaysia's Experience in the Tourism Sector:**

The tourism sector significantly contributes to Malaysia's economic development, accounting for about 5.9% of the country's total GDP in 2018, making it the third-largest sector after manufacturing and commodities in contributing to the GDP. It is considered one of the main drivers of the Malaysian economy.

Moreover, the substantial development in the Malaysian tourism sector has reduced unemployment rates by providing numerous job opportunities for local residents, increased



foreign exchange earnings, improved social and economic conditions, enhanced living standards, stabilized the local market from traditional commodity exports, and attracted foreign investments and projects.

#### **Firstly: Types of Malaysian Tourism**

Malaysia offers various tourism types, among which the most important are:

##### **A. Business Tourism:**

The MICE industry (Meetings, Incentives, Conferences, and Exhibitions) is rapidly growing in Malaysia, becoming one of the fastest-growing industries worldwide. This sector generates direct and indirect income for Malaysia and comprises different components, including incentives, meetings, trade shows, seminars, conventions, and conferences.

It requires collaboration with various parties, such as transportation (international or local), accommodation, pre- and post-event tours, audio-visual services, and conference or exhibition facilities. Kuala Lumpur is among the strongest business tourism destinations alongside Bangkok and Jakarta.

This sector is considered one of the most dynamic and important in the tourism industry, focusing on business activities rather than leisure. The meetings, incentives, conferences, and exhibitions market in Malaysia contributes to 30% of the total tourism sector revenues.

##### **B. Medical Tourism:**

Medical tourism involves patients traveling from their home country to another destination for medical treatment. It includes traveling to other countries for medical, dental, or surgical care. Reasons for medical travel include lower healthcare costs, seeking expertise in medical treatments, waiting times, safety, and quality of care.

Malaysia is a popular medical destination globally, alongside countries like Brunei, Cuba, Colombia, Hong Kong, Hungary, India, Israel, Jordan, Lithuania, the Philippines, Singapore, Thailand. In 2012, Malaysia welcomed approximately 698,000 medical tourists.

The Ministry of Health reported that Malaysia earned USD 101.65 million from the medical tourism sector in 2010.

**Table (01): The Orientation Rate towards Medical Tourism in Malaysia Top Countries for Medical Tourism in Malaysia**

Rank	Country	Tourist Orientation Rate
1	Singapore	72%
2	Indonesia	10%
Malaysian Regions Most Attractive for Medical Tourism		
Rank	Region	Tourist Orientation Rate
1	Penang	61%
2	Malacca	19%
3	Kuala Lumpur	11%

**Source: Prepared by the researchers based on (Rupam, Vinayaraj, & Jeetesh, 2016)**



### **C. Culinary Tourism:**

Also known as food tourism, it involves traveling to specific food events or visiting certain restaurants to experience the offered dishes. In 2002, Malaysia was among the top fifteen countries visited by the World Trade Organization. Today, tourists travel to discover and taste different types of food, serving as destination marketing.

Malaysia's Ninth Plan (2006-2010) aimed for innovative food excellence, making food tourism globally recognized as an attraction, highlighting the specialties of states, regions, and communities to attract tourists to enjoy delicious local foods. States like Melaka, Penang, Perak, Sarawak, and Sabah are highlighted as "Special States for Culinary Arts," considering specific information about Malaysian culinary offerings crucial as food can enhance the holiday experience and undoubtedly benefits the tourism industry (Rupam, Vinayaraj, & Jeetesh, 2016).

### **D. Ecotourism:**

Malaysia heavily promotes ecotourism, with its tropical rainforests being among the oldest and most diverse ecosystems in the world. The Seventh Malaysian Plan was designed to enhance the tourism industry by highlighting the country's significant natural tourist attractions, targeting specifically intensive development, including new housing and recreational facilities.

The plan focuses on eight tourist destinations, mostly in natural areas (Langkawi, Penang, Pangkor, Taman Negara, Malacca, Sarawak, Sabah, Mount Kinabalu), emphasizing leveraging existing attractions and promoting surrounding tropical remote areas. For example, in Batang Ai, ecotourism development has created employment opportunities for local villagers and helped reduce hunting pressure on wildlife. The Malaysian Tourism Board strongly promotes Sarawak and Sabah as destinations for nature and adventure tourism.

### **E. Islamic Tourism:**

Malaysia significantly leads the GMTI ranking due to high awareness and promotion of Islamic tourism, which forms a large part of the Malaysian economy. The Islamic Development Department of Malaysia was established to promote Islamic tourism, attracting most tourists from China and other Asia-Pacific countries.

However, the government is aggressively expanding its target tourist source countries by easing entry visa restrictions for many Organization of Islamic Cooperation countries and targeting the Middle East and North Africa market based on its status as an exotic destination that is also "Muslim-friendly," with documented offerings of halal food as well as family-friendly entertainment and environments.

### **H. Shopping Tourism:**

Shopping tourism is one of the most important types of tourism worldwide, and Malaysia is distinguished in this field. In 2016, about 45% of tourists' expenditures were on shopping, according to the Malaysian Statistical Report, and in 2018, it accounted for 33.4% of shopping expenditures (Sharif, Ali, & Ahmed, 2021, ps 7-8).



### **Secondly: The Role of the State in Developing the Tourism Industry in Malaysia:**

Following the tourism development in the 1980s due to the global tourism boom, the government decided to integrate this sector into the state's development plans, especially in the last eight plans. This was complemented by a set of policies and measures such as the National Tourism Policy in 1992, the National Eco-Tourism Plan in 1996, and the Malaysian Tourism Transformation Program in 201, in addition to the Integrated Promotion Plan 2018-2020.

The state established the Ministry of Tourism, currently known as the Ministry of Tourism, Arts and Culture, in 2004 as a separate ministry from the Ministry of Trade, to which it had been attached since 1959. The following table provides a brief overview of the most important tourism strategies according to the development plans:

Table (02): Development of Tourism Strategies Under the Last Five Malaysian Development Plans

Development Plans	Tourism Development Strategies
<b>7th Malaysian Plan (1996-2000)</b>	<ul style="list-style-type: none"> <li>– Diversification of tourism products and services, promoting new activities such as sports, marketing, aquatics, and conventions;</li> <li>– Encouraging private investment in innovative tourism projects;</li> <li>– Increasing participation of small entrepreneurs and local communities;</li> <li>– Improving infrastructure and providing essential and communication facilities;</li> <li>– Intensifying effective marketing and promotional efforts.</li> </ul>
<b>8th Malaysian Plan (2001-2005)</b>	<ul style="list-style-type: none"> <li>– Balancing economic, environmental, cultural, and social aspects in planning and executing tourism activities, with designs to preserve the environment and cultural heritage;</li> <li>– Implementing a comprehensive approach to tourism (hospitality, innovation, private sector strength, public awareness);</li> <li>– Presenting Malaysia as a year-round carnival destination, ensuring tourists' safety and well-being;</li> <li>– Focusing on products that meet special needs, such as cruises and yachting.</li> </ul>
<b>9th Malaysian Plan (2006-2010)</b>	<ul style="list-style-type: none"> <li>– Ensuring sustainable tourism development, supporting innovative tourism services;</li> <li>– Encouraging marketing and promotional activities;</li> <li>– Focusing on developing new products like agricultural tourism, eco-tourism, educational tourism, recreational tourism, meetings and exhibitions, sports, and Malaysia My Second Home.</li> </ul>
<b>10th Malaysian Plan (2011-2015)</b>	<ul style="list-style-type: none"> <li>– Focusing on the quality of training and human resource development for high-quality services;</li> <li>– Continuing intensive marketing of tourism products and promotion in Asia, China, India, and Europe;</li> </ul>

	<ul style="list-style-type: none"><li>– Focusing on developing tourism areas: eco-tourism, domestic tourism, sports tourism, coastal and island tourism, meetings and exhibitions, food and golf tourism, shopping, and health tourism;</li><li>– Improving the image of tourist destinations, implementing major tourism events, programs to improve comfort, safety, and cleanliness levels, and continuing the development of tourist facilities and infrastructure.</li></ul>
<b>11th Malaysian Plan (2016-2020)</b>	<ul style="list-style-type: none"><li>– Focusing on developing ten tourist destinations: shopping, golf, cruising, diving, fishing, yachting, cycling tourism, weddings and honeymoons, accommodation;</li><li>– Continuing the development of tourist facilities and infrastructure, focusing on volunteer tourism as a new concept, in addition to continuing efforts to develop educational, sports, and agricultural tourism, and Malaysia My Second Home.</li></ul>

**Source: Compiled by the researchers based on: (Brahmia, 2022, ps 7-8) (Aissa & Abd Al Khuja, 2014)**

Additional attention was given to the tourism sector during the 4th Malaysian Plan (1981-1985) and the 5th Plan (1986-1990) with more public allocations for infrastructure, product development, marketing, and promotional activities. Expenditures were MYR 5.125 million under the 4th Plan and MYR 231.1 million under the 5th Plan, marking the end of the 5th Plan period with 4.7 million tourists and revenues of MYR 5.4 billion.

Furthermore, under the 6th Malaysian Plan (1991-1995), public allocations for tourism development increased to MYR 9.533 million, widely used to provide and expand the physical and social infrastructure, facilities, and services needed to support future growth of the tourism sector. Under the 9th Malaysian Plan (2006-2010), the government spent MYR 8.1 billion on developing tourist destinations and infrastructure, and on marketing and promotional activities in the markets.

### **Thirdly: Malaysia's Strategy for Developing the Tourism Industry**

From 2001 to 2015, Malaysia adopted multiple strategies for developing the tourism industry, with key features including:

#### **A. Encouraging Private Investment in the Tourism Industry:**

Recognizing the effectiveness of the tourism sector requires reinstating the private sector as a fundamental partner for the upliftment of the tourism industry and encouraging more private sector investments, the Malaysian government prepared incentives in the form of financial funding, leading to the launch of two special funds in 2001: the Tourism Infrastructure Fund and the Special Fund for Tourism and Infrastructure. Major projects under these funds included the development and renovation of resorts, as well as the provision of related infrastructure and services.

#### **B. Hosting International Events and Competitions:**

Hosting global events and competitions is a significant opportunity for tourism promotion, where the Malaysian government has organized and hosted numerous

international events like the LIMA Langkawi International Maritime and Aerospace Exhibition, the World Amateur Team Golf Championship, the Le Tour de Langkawi cycling race, F1 races, the World Boat Championship, and the Grand Prix, all of which are popular international events.

### **C. Promoting Malaysia as a Global Shopping Destination:**

As shopping tourism has become increasingly popular, Malaysia focused its efforts on promoting the country as an attractive shopping destination by organizing carnivals, annual shopping festivals, and offering various discounts. Malaysia has more than 220 major shopping establishments offering a variety of products including fashion, jewelry, electronics, and handicrafts.

### **D. Other Strategies:**

- Presenting Malaysia as an attractive year-round tourist destination due to its diverse climate and terrain (forests, beaches, mountains);
- Focusing on products that meet special needs like cruises and yachting tourism; Enhancing safety and security, and tourists' well-being;
- Providing and enhancing communication networks and media technology;
- Encouraging domestic tourism and facilitating it;
- Encouraging marketing and promotional activities;
- Focusing on training and human resource development to provide good services;
- Intensifying marketing and promotion of tourism products in key markets in Asia, India, China, and Europe (Dehilis & Mazlouf, 2019, ps 17-18).

## **Fourth: Competitive Indicators of Malaysian Tourism and Variables Affecting Its Tourism Sector**

The substantial infrastructure, economic strength, institutional integrity, accelerated and escalating economic growth, high standard of living, and continuous attraction of foreign investments to Malaysia confirm one thing: knowledge industry and smart management.

Through this, it becomes evident that Malaysia relies on several indicators and variables that have achieved tourism competitiveness, making it a global tourism hub. The most important of these indicators are as follows (Maamari & Muftah, 2021, p 82):

### **A. Competitive Pricing Policy:**

The price competitiveness indicator is one of the most prominent indicators Malaysia relies on to achieve tourism competitiveness. By looking at the tourism site of Malaysia under the Ministry of Tourism, Malaysia, the first thing observable is the enticing offers that ignite tourism competition between it and other Arab countries. Through this indicator, the Ministry of Tourism aims to make Malaysia among the least expensive countries for tourists to achieve tourism competitiveness on the one hand and make Malaysia an important tourism hub on the other.

Among the offers placed on Malaysia's tourism site, we find offers titled "*Honeymoon offers 2018 in Malaysia 5 stars*" and "*Cheapest program to Malaysia for a honeymoon*" with attractive hotel booking prices. The ministry has placed on its site a guide called "*Malaysia Guide*" by the Arab Company for Tourism in Malaysia, where the tourist follows

what the guide includes by writing a booking request in the booking requests section, indicating the arrival date to Malaysia and the departure date and leaving the rest to the Arab Company for Tourism to handle.

This company creates detailed programs for each client and does not sell ready-made programs. The tourist specifies the value of the tourist program, and the Arab Company for Tourism offers tourism programs that do not exceed \$800 for 10 nights in 4 to 5-star hotels including breakfast. The company also put programs titled "**The best month to travel to Malaysia,**" specifying incentivizing travel costs.

If the tourist wishes to reduce travel costs, the company offers alternatives, for example, booking a hotel in a beautiful area but choosing a lesser room type for the tourist, which is better than booking a post in a distant hotel with risks.

#### **B. Attracting Foreign Students through Improving the Quality of Higher Education and Scientific Research:**

One of the most important indicators Malaysia relies on to achieve tourism competitiveness is the quality of higher education and scientific research. According to the search engine of the HOTCOURSES Middle East site, which is the leading Arab site on studying abroad topics and provides information about studying in 19 different countries and offers precise perceptions about the most preferred study destinations for Arab students, the most attractive study destinations for Arab students, as highlighted by the following table:

**Table (03): Most Preferred Study Destinations for Arab Students**

Rank	Country	Number of Incoming Students
1	America	1 million students
2	Britain	More than 440,000 students
3	Australia	272,000 students
4	Canada	192,000 students
5	Malaysia	152,000 students

**Source: Prepared by the researchers based on (HC Arabic, 2019)**

From the table, it is evident that Malaysia ranked fifth globally and first among Arab countries among the most attractive countries for international students during the 2016/2017 season. Malaysia has become one of the emerging countries in the higher education sector and has recently become a primary choice for Arab students aspiring to pursue their academic studies in foreign countries.

Malaysia is among the most stimulating Asian countries for creativity and innovation, due to the competitive environment provided by educational institutions and economic and social activities. As a tourist, economic, and educational destination, Malaysia has gained international fame and a very prestigious status, thanks to its excellence in several areas, including higher education and scientific research, where Malaysian universities have ranked highly in the international university rankings.

Many factors have contributed to Malaysia's advanced position in the field of higher education, including reasonable prices, low living and tuition costs, easy enrollment in higher

education institutions, visa acquisition, quality of education, cultural diversity, ethnic richness, the beauty of nature and tourist attractions in the country, the welcoming nature of the Malaysian people, social peace, and political stability experienced by Malaysia. All these strong attraction factors have contributed to making Malaysia a destination for quality higher education that meets the market needs both locally and internationally.

Malaysia aims to increase the number of international students in higher education institutions to 200,000 by 2020 as a plan to support the country's higher education sector and continue to rise in the international ranking of education quality. The higher education industry injects billions of Malaysian ringgits into the country's treasury annually.

According to the Malaysian Minister of Higher Education, Datuk Seri Dr. Idris Jusoh, the ministry aims to elevate education as part of the National Transformation Plan 2050, which led the Malaysian government to allocate 13% of the 2018 budget to higher education, contributing to the growth and development of the higher education sector to attract more interested individuals from around the world (Maamari & Muftah, 2021, ps 86-87).

### **Fifth: The Reality of Implementing Malaysia's Tourism Development Strategies**

#### **A. Indicators of Tourism Development in Malaysia:**

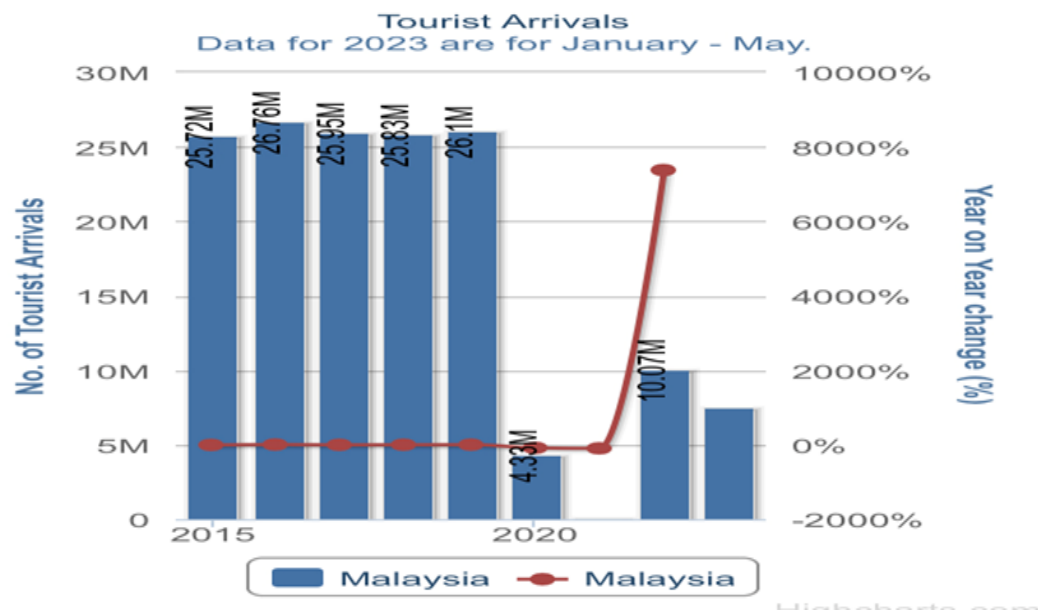
The tourism sector in Malaysia began to flourish in the early 1970s, becoming the country's second-highest source of foreign exchange after the manufacturing sector, and continued to grow. Initially focused on beach tourism, it has expanded to include other types of tourism such as shopping tourism, making Malaysia an important tourism destination in the Asia-Pacific region, attracting a large number of tourists either for relaxation and leisure, sports, study, or medical treatment.

The improvement of infrastructure has aided this, as Malaysia enjoys natural and civilizational attributes and strategic advantages, the most important of which are (Dehilis & Muzlif, 2019, p 111):

- Malaysia's tropical climate, which facilitates travel throughout the year;
- Malaysia offers tourism services at low prices, making it a tourism destination for the middle class;
- The diversity of Malaysia's tourism resources, from beaches, mountains, culture, heritage, forests, in addition to resorts and shopping centers;
- The multiculturalism formed by Chinese and Indian ethnicities, attracting many tourists from China and India for family visits, entertainment, and relaxation.

All these factors have contributed to significant growth in the number of tourists coming to Malaysia, as will be shown in the following figure:

**Figure (01): Shows the development of international tourist flow to Malaysia**

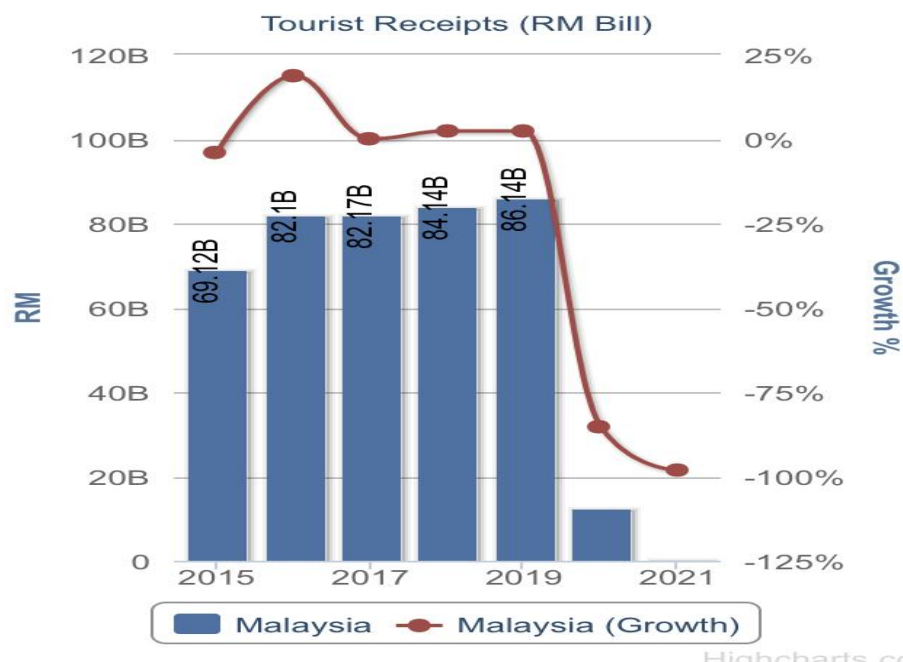


Source: (malaysia, 2023)

The figure shows the development of the number of tourists in Malaysia from 2015 to 2023. There is an increasing trend from 2015 to 2019, but the number of tourists declined from 2020 due to the COVID-19 crisis, which completely halted tourism activities.

This development in the number of tourists coming to Malaysia has also resulted in significant growth in tourism revenue, as shown in the following figure:

**Figure (02): Shows tourism revenue in Malaysian Ringgit**



Source: (malaysia, 2023)

The figure shows an increase in tourism revenues in Malaysia over time from 2015 to 2021. There was an increasing trend from 2015 to 2019, but revenues declined in 2020 due to



the COVID-19 crisis, which led to border closures and a complete stop of tourism activities, resulting in a very low level of tourism revenues.

#### **B. Contribution of Tourism to the Gross Domestic Product (GDP):**

This table illustrates the contribution of Malaysian tourism to the Gross Domestic Product (GDP):

**Table (04): Total Contribution of Tourism to Gross Domestic Product (GDP) (in billion US dollars)**

Years	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GDP	12.84	15.03	15.54	14.97	17.49	19.48	22.98	32.85	30.27	27.85
Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GDP	33.49	38.14	40.68	44.61	48.34	40.15	41.22	42.74	47.19	48.94

**Source: (Sharif, Ali, & Ahmed, 2021, p 09)**

The table shows the contribution of tourism to Malaysia's Gross Domestic Product during the period 2000-2019. The minimum total contribution of tourism to the GDP was about \$12.84 billion in 2000, while the maximum reached approximately \$48.94 billion in 2019, with an annual average of about \$31.74 billion during the study period.

#### **Sixth: Lessons Learned from the Malaysian Experience**

There are several lessons learned from the Malaysian experience that can be applied in Algeria in stages (Brahmia, 2022, p 15):

##### **A. First Phase: This includes**

- ✓ Integrating the tourism sector within the general economic development plans of the country, as Malaysia did by incorporating this sector into successive Malaysian plans and giving it significant importance;
- ✓ Supporting the general economic development plans with long-term tourism plans, setting specific medium-term objectives that facilitate monitoring the general course of the plan and the achievement of its results, mobilizing various means and capabilities to achieve the goal;
- ✓ Focusing on developing human resources in terms of training quality to provide high-quality services;
- ✓ Concentrating on improving infrastructure, preparing specific tourist regions to the highest level containing first-class places, world-class services, and competitive prices.

##### **B. Second Phase: This includes**

- ✓ Implementing a comprehensive approach to tourism that involves the cooperation between the state, the private sector, and individuals to generate a unified public thought focusing on good treatment and relying on offering the best products to tourists;
- ✓ Encouraging innovative private institutions or those attracting the largest number of tourists by granting them tax privileges or financial or technical support;



- ✓ Intensifying marketing campaigns and focusing on choosing a specific slogan for the campaign to market Algeria as a tourist destination in a particular field chosen based on the country's capabilities and the level of preparation for that field.

**C. Third Phase: This includes**

- ✓ Focusing on a specific market or countries and a specific area such as European countries due to their proximity to Algeria or neighboring countries like Tunisia and trying to attract their tourists through intensified promotional efforts directed specifically at these countries;
- ✓ Diversifying tourism products and promoting new products that are innovated every year and continuously developed and nurtured.

**Conclusion:**

Based on the foregoing, it is clear that tourism plays an important role in achieving economic development through its contribution to attracting foreign currency, improving the balance of payments, and its ability to create job opportunities and generate income.

This study focused on analyzing the Malaysian experience in the tourism industry and its transition from a secondary sector to the main sector in supporting economic growth, where tourism in Malaysia holds an important place among other sectors in the economy, starting from what it generates in foreign currency and the job opportunities it provides. In the end, the most important lessons learned for the Algerian economy from this experience were presented.

**Through this study, we reached a set of conclusions, the most important of which are:**

- ✓ The Malaysian experience is worthy of study and reflection due to the achievements in the field of tourism;
- ✓ The Malaysian experience is among the most prominent international experiences in the field of tourism development, where it achieved a prestigious global position in the field of tourism;
- ✓ Malaysia relied on two main indicators to achieve tourism competitiveness: competitive pricing policy and the policy of attracting foreign students.

**Based on the results obtained, the most important suggestions made by this study are:**

- ✓ The necessity to work on improving the level of scientific research in Algeria, aiming to attract foreign students, and the actual application of total quality management in universities and other institutions, by:
  - Improving educational programs and activating them;
  - Implementing e-learning in higher education institutions.
- ✓ The necessity to benefit from leading international experiences in the tourism field, analyzing their strengths and reasons for success, like the Malaysian experience;



✓ Following a competitive pricing policy by creating attractive offers from Algerian travel agencies for foreign tourists, with online marketing being the most prominent means of promoting these offers;

✓ Establishing a clear, comprehensive, and detailed strategic map for developing the tourism sector by adopting investment programs and strategies that align with the material and natural capabilities available in Algeria.

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