

**RESULTS OF THE  
SURVEY ON THE IMPACT OF COVID-19/ MCO  
ON TOURISM PRODUCT OPERATORS IN SABAH**

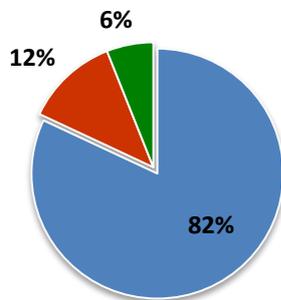
A survey focusing on the Attraction and Destination operators in Sabah was conducted from 11 to 14 April 2020. The survey was carried out through telephone, email and online survey. A total of 32 operators were interviewed and responded to the survey.

The main objective of the survey is to obtain feedback from the tourism industry players on the impact of the pandemic and MCO on tourism business and the effectiveness of the government Stimulus package.

Type of business

**Table 1. Type of Business**

Type of business	Frequency	Percentage
Attraction & Destination Operator	26	81
Accommodation	4	13
Travel Agent &Tour Operator	2	6
<b>Total</b>	<b>32</b>	<b>100</b>



**Figure 1: Types of Business**

- Attraction & Destination Operator
- Accommodation
- Travel Agent &Tour Operator

- Some 81 percent or 26 of the respondent are Attraction and Destination operators; a small number are from the accommodation provider (12%) and Travel & Tour operator (6%) (*refer Table 1*).
- The attraction and destination operators include those site operators of hiking/trekking activities; sports and recreational activities; water rafting and river cruise operators; cultural product and service providers and accommodation.

Location of Business Operation

- The survey covers 13 districts/sub districts in Sabah. The highest respondents of six people are from Ranau, followed by Keningau and Kota Marudu (*refer Table 2*). Except for Kota Kinabalu, the majority of the respondents are operators of community and rural-based tourism.
- Among the activities operated by the respondents in the respective areas include:

Ranau - *Rabbit farm, fish massage, para gliding park*

Keningau - *Sports and recreation, hiking and trekking*

Kota Marudu - *Sports and recreation, hiking and trekking, cultural products (homestay)*

Kota Kinabalu - *Water park, cultural products*

Tamparuli - *Cultural products, unique arts and architecture*

Kiulu - *Sports and recreation, water rafting, homestay*

**Table 2. Location of business operation**

Type of business	Frequency	Percentage
Ranau	6	19
Keningau	5	16
Kota Marudu	4	13
Kota Kinabalu	3	9
Penampang	3	9
Kiulu	2	6
Tamparuli	2	6
Tambunan	2	6
Tungku, Lahad Datu	2	3
Semporna	1	3
Kota Belud	1	3
Bongawan, Papar	1	3
Tuaran	1	3
	<b>32</b>	<b>100</b>

Main Markets

- Among the major markets as indicated by the respondents include domestic market, China, Europe, Australia and South Korea (**Table 3**). The travel banned of chartered flights and airlines to Sabah in January 2020 has impacted badly on the operators and businesses that are depending solely on the China and South Korean markets.
- In 2019, a record of 4.2 million visited Sabah. Two third of the arrivals or 2.7 million are domestic tourists (Sabahan, Sarawakian and Peninsular Malaysian); about one third or 1.5 million are international tourists.

**Table 3. Where are your three (3) major markets/countries?**

Major Markets 1	Major Markets 2	Major Market3 3
Domestic China Europe Australia South Korea	Europe Brunei China South Korea UK	Domestic Australia Europe Singapore China

Number of staff/employee

- A majority of the surveyed businesses are operating a small business and employing a small number of workers. **Table 4** shows that 20 or 63 percent of the respondents are employing less than 10 staff. The surveyed operators which employ more than 40 staff are the fireflies cruise operator from Kota Belud, the attraction operator in Tamparuli and the sports and recreation operator in Kiulu.

**Table 4. Number of Staff**

Number of Staff	Frequency	Percentage
Less than 10	20	63
10 - 19	3	9
20 - 29	3	9
30 - 39	3	9
40 - 50	3	9
	<b>32</b>	<b>100*</b>

*\* Percentages may not total 100 due to rounding*

Number of staff affected by Covid-19/MCO

- The total number of staff employed by the surveyed tourism players is 435 workers. Out of this, 141 or 32 percent of the workers received a pay cut, another 148 (34 %) are on unpaid leave; and 111 (26 %) have lost their jobs (see **Table 5**).
- It was reported that they have zero-income due to absence of visitors during this MCO measure. They have no income to pay workers and to cover other operational costs.

**Table 5. Number of staff employee affected by Covid-19/MCO**

Total Number of Staff	Pay-cut	Unpaid leave	Laid-off
<b>435</b>	<b>141</b> (32%)	<b>148</b> (34%)	<b>111</b> (26%)

Companies' urgent/crucial need that requires government's assistance

- **Table 6** present the urgent/crucial needs of the tourism business owners. A majority of the respondents (63 percent) stated that they urgently need cash to pay salary, rental (16%) and lease (6%).
- Survey showed that they are in dire need of government's assistance, grant or cash payout to keep their businesses / small businesses afloat during MCO and economic crisis.
- Apart from cash payout, they also need business / technical advices from the industry representatives or government on how best they can manage their business and what they can do to survive through this challenging economic time.

**Table 6. Urgent/Crucial Government's Assistance Needed**

Urgent/Crucial Need	Frequency	Percentage
Payroll	20	63
Rental	5	16
Lease payment	2	6
Loan	1	3
Rolling capital	1	3
Not Applicable	4	4
	<b>32</b>	<b>100</b>

Type(s) of Stimulus Package Received

- The first three stimulus package measures received most by the tourism business operators are the *15% discount on monthly utility bills*; *Monthly wage subsidy for employees*; and *Bank Moratorium* (refer **Table 7**).
- Many of the respondents need *wage subsidy* to pay employees. Some have yet to receive any of the measures or still in the process of accessing/applying for the fund.

**Table 7. Type(s) of Stimulus Package Received**

Stimulus Package received	Frequency	Percentage
15% discount on monthly utility bills	9	28
Monthly wage subsidy for employees	8	25
Bank Moratorium	8	25
Tax exemption and deferments	5	16
Digital Travel Discount vouchers	4	13
Zero percent interest for micro credit loans	3	9
Foreign worker levy	1	3
Service tax exemption	1	3
Not applicable / Application process	6	19

Effectiveness of the Stimulus Packages

- Respondents were asked whether the existing Stimulus Packages would be able to help them in easing their financial burden. About half of them stated that the stimulus package is not enough to sustain their businesses (**Table 8**).
- On the other hand, another one third said that the current measures are adequate.
- It was reported that the industry tourism players are looking forward to reviewing the measures by mid May to address the economic slowdown created by MCO. They foresee that the subsequent fears to travel will have a longer impact on the tourism sector and the state's economy.

**Table 8. Effectiveness of the Stimulus Packages**

Stimulus Packages able to help in easing financial burden	Frequency	Percentage
No	17	53
Yes	12	38
Not Sure	2	6
Not Applicable	1	3
	<b>32</b>	<b>100</b>

How long will the measures from the current Stimulus Package be able to sustain your business?

- **Table 9** shows that within this six-month period, the fate of the 23 or 72 percent of the tourism businesses will be unknown or in a difficult situation. Many commented that with zero income, businesses are dying. Employees will get no pay and they will too lose their jobs.
- The government need to be strict on MCO violators, the utmost priority now is to curb the outbreak.
- Tourism business is based on people-to-people interaction, therefore implementation of an effective public health measures is the best way to minimize any unnecessary disruption to travel and trade.

**Table 9. Effectiveness of the Stimulus Packages**

Stimulus Package be able to sustain business	Frequency	Percentage
1 - 2 months	10	31
3 - 4 months	6	19
4 - 6 months	7	22
More than 6 months	6	19
Not Applicable	3	9
	<b>32</b>	<b>100</b>

Do you have any suggestion for the State Government to improve on the stimulus package to help companies for the immediate term?

- 1) 15% discount on monthly utility bills
  - Waive the electricity and water bills for six months
  
- 2) Monthly wage subsidy for employees
  - Extend wage subsidy for another 3 months or until the pandemic is over or until business is back to normal.
  
- 3) Bank Moratorium
  - Extend the bank moratorium until the end of year 2020.
  
- 4) Digital Travel Discount vouchers
  - Issue more travel discount vouchers.
  
- 5) SME loan / Small business
  - Introduce zero percent interest for rolling modal.
  - Provide SME loan with minimum requirements.
  - Grant/Cash support for operational and maintenance costs for small business.
  
- 6) Other suggestions:
  - Special grants for freelance tour guide, dancers and musicians.
  - Suspend EPF contributions from employers and employees for 6 months.
  - Allow certain business to reopen for limited hours and with restrictions in stages.
  - *Pihak berwajib perlu turun padang untuk memantau keadaan pengusaha yang terkandas dan membantu untuk memudahkan urusan dan memulihkan perniagaan.*
  - Government to assist in aggressive campaign on domestic travelling after MCO is lifted.
  - Government to look into the newly established attractions and destinations in the rural areas which are yet to be registered with the Federal Ministry of Tourism (MOTAC).
  - Community-based tourism / rural tourism are important drivers of domestic travels and rural economies. The government's support is greatly needed in the provision of basic infrastructure especially road access and treated water supply (Rabbit farm).