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Domestic Tourist Travelling Patterns and Their Impact on the Malaysian Economy

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ABSTRACT

This study aims to compare domestic tourists travelling pattern for the years 2009 and 2010; as well as analyzing the impact of their spending on Malaysian economy. A descriptive analysis utilizing the secondary data and Input-Output analysis (I-O) were employed for these purposes. Study results found that majority of the travelling done by domestic tourists for both years were to visit friends or relatives. The analysis on domestic tourists in this study found that there was 33.5 percent increment in spending in 2010 as compared to 2009. This had effectively improved output, added-value, government revenue, imports and employment. Based on the I-O analysis, in 2009 and 2010, the entertainment and recreation sector as well as retail trade had become the main contributors to government revenue and value-added, respectively. Meanwhile, the transportation sector is the main contributor towards the increased in output. Nonetheless, this sector was also the largest contributor to import, which causes leakage in the economy.

Keywords: Economic Impact, Input-Output, Tourist Spending, Tourist Travelling Pattern

INTRODUCTION

Tourism industry has been globally recognized as one of the important sectors in generating a country's economic and social growth. It is said that mass tourism started in England during the industrial revolution with the uprising of middle class and the fairly inexpensive transportation cost. This industry had significantly flourished since the inception of commercial aviation industry and introduction of jetplanes in the 1950s (Theobald, 2005).

In Malaysia, the gift of nature; diverse cultures; stable political, economic and social environments; as well as peace and security had stimulated the development of tourism industry. The combination of various tourism related economic activities such as shopping, transportation, accommodation, food preparation, entertainment, sports and recreation are significantly affecting economic growth through international commerce, employment opportunity and foreign currency exchange. Acknowledging the importance and impact of this industry on economy, the government had emphasized on the potential of tourism industry in the country's Third Long-term Malaysia Plan, 2000-2010 (OPP-3) and Third Industrial Master Plan, 2006-2020 (IMP3).

During the Ninth Malaysia Plan (9MP), i.e. from 2006 to 2010, various concentrated efforts had been undertaken as to continue the excellent contribution of tourism industry towards

the service sector as well as the country's economic growth. The growth of tourism industry in the 9MP was concentrated in improving Malaysia's charm as a destination for natural tourism and ecotourism, culture, entertainment and arts, recreations, conferences and exhibitions, international sporting events as well as shopping. As a result, tourism industry has become the fifth biggest sector that contributes to the country's economy and generated gross national income (GNI) of RM36.9 billion with international tourist arrivals of 24 million in 2009. It is expected that by 2020, this industry will continue to flourish and contribute RM103.6 billion to GNI and the number of international tourists will increase to 36 million (PEMANDU, 2010). According to the annual report by United Nation World Tourism Organization (UNWTO) in 2011, Malaysia ranked ninth in terms of the world's international tourist arrivals in 2010. There were 24.6 million international tourists arrivals recorded for that year with total receipt of USD17,817 million.

The total receipt from international tourism is important as it has high impact in terms of foreign exchange. However, the receipts from domestic tourism cannot be discounted. Domestic tourism can stimulate private consumption, balance the fluctuation in international tourist arrivals due to external factors such as security threat, natural disaster and disease outbreaks as well as able to reduce the outflow of foreign exchange (Salleh, et al., 2011a). Through the 9MP, the focus on tourism industry did not only on international tourists; in fact, domestic tourism has also being given the priority and been developed as to contribute towards the development of tourism industry. Programs on promoting expeditions and domestic excursions are focused on the cultivation of planned holiday culture and encourage the local citizens to visit the country's various beautiful tourism destinations.

Annually, the domestic tourists show variations in their travelling pattern besides in their total expenditure. As such, this study is conducted with the objectives of: I) comparing travelling pattern of the domestic tourists between 2009 and 2010, and II) estimate the impact to the Malaysian economy as a result of domestic tourists spending in 2009 and 2010. For such purposes, descriptive analysis utilizing the secondary data obtained from the Department of Statistics for domestic tourists was conducted. This study is then followed by closed Input-Output analysis for estimated multiplier and effects of domestic tourist spending on the economy.

This study consists of several sub-topics in order to ease the discussion, namely II) demographic profile and domestic tourists travelling pattern for 2009 and 2010; III) literature review; IV) methodology; V) discussion on study results and VI) conclusion and policy implications.

DEMOGRAPHIC PROFILE AND TOURISTS TRAVELLING PATTERN

Similar to other countries, Malaysia's tourism activities are influenced by seasonal factors such festive periods and school holidays as well as periodic and un-periodic large-scale events. In 2010, on the average, 46.8 percent of Malaysians aged 15 and above did domestic travels with the highest being recorded in September 2010 in conjunction with the EidulFitr festive holiday with a total 12.5 million visitors and 15.7 million travels (Malaysian Department of Statistics, 2010).

Various aspects may influence the number of domestic tourist spending, among which are the duration of stay at the tourism destination, purpose of visit, age and income of the tourists. Rationally, high-income tourists will seek a more luxurious place to stay, as well as better food and transportation. These in turn will increase their spending (Othman et. al., 2011).

Table 1. Statistics of Domestic Tourists

Item	2009		2010		Percentage Change (%)
	2009	2010	2009	2010	
Total Spending (RM million)	25,975	34,679	25,975	34,679	33.5
Total Travel ('000)	90,506	137,853	90,506	137,853	52.3
Average Spending (RM)	287	252	287	252	-12.3

Source: Investigation on Domestic Tourism, 2010 .

Based on Table 1, in 2010 the domestic tourists' spending was at RM34,678 million, an increment of 33.5 percent as compared to 2009, i.e. at RM25,975 million. This increment in total spending was influenced by increased total travel undertaken by domestic tourists. However, the average spending of domestic tourists had reduced by 12.3 percent from RM287 in 2009 to only RM252 in 2010.

Table 2. Average Number of Days and Per Trip Average Spending According To Strata

Strata	Average Number of Days		Total Spending (RM million)		Per Trip Average Spending (RM)		Average Daily Spending (RM)	
	2009	2010	2009	2010	2009	2010	2009	2010
	Urban	2.47	2.58	14,421	17,260	564	557	228
Rural	2.17	2.59	4,863	6,424	489	500	226	193
Malaysia	2.39	2.58	19,284	23,684	543	541	227	210

Source : Domestic Tourism Investigation, 2010

Note: Total tourist spending excludes daily tourists total spending.

In 2009, domestic tourists will stay on average 2.39 days with an average spending of RM543 per trip. In comparison with 2010, the average stay period of domestic tourists slightly improved at 2.58 days. Meanwhile, the average daily spending per trip had slightly reduced to RM541. In terms of daily average spending, it had also reduced by 7.8 percent from RM227 in 2009 to RM210 in 2010. Further information is provided in Table 2.

Table 3: Components of Domestic Tourists Spending for 2009 and 2010

Component	Total Spending (RM million)		Percentage (%)		Percentage Change (%)
	2009	2010	2009	2010	
Shopping	6,133	8,914	23.6	25.7	2.1
Transportation	6,266	8,098	24.1	23.4	-0.7
Food and beverage	6,455	7,975	24.8	23	-1.8
Accommodation	4,172	6,130	16.1	17.6	1.5
Spending before trip/package/entrance fee/tickets	955	894	3.7	2.6	-1.1
Other activities	1,993	2,667	7.7	7.7	0
Total Spending	25,975	34,678	100	100	

Source: Domestic Tourism Investigation 2010.

Meanwhile, Table 3 explains the domestic tourists spending components. In 2009, they mainly spent on food and beverages component at RM6,455 million or 24.8 percent of total spending. In 2010, spending on this component had reduced to 23.0 percent of total spending or at RM7,975 million. In 2010, shopping component had become the domestic tourists' main choice of spending at RM8,914 million or 25.7 percent of the tourists' total spending. This was followed by spending on the transportation component at RM8,098 million or 23.4 percent of total spending in 2010.

Table 4. Domestic Tourist Trip According to Purpose

<i>Purpose of Trip</i>	<i>Year (%)</i>	
	<i>2009</i>	<i>2010</i>
Visiting relatives	49.2	70.6
Shopping	27.2	1.1
Holiday	11.9	18.2
Entertainment and recreation	1.3	1.8
Medical treatment	3.0	1.0
Business	4.1	3.7
Worship/Religious	0.8	1.8
Incentive travel and others	2.4	1.8

Sources: Adapted from Domestic Tourism Investigation, 2009 and 2010.

Note: Domestic tourist trip purpose excludes purpose of daily visitor trip.

The purposes of tourism for the domestic tourists are presented in Table 4. In 2009 and 2010, majority of the domestic tourists undertook their trips to visit relatives, appropriately so with the Malaysians tradition of '*balikkampung*' or 'back to the village'. In 2009, trips to visit relatives recorded the highest percentage at 49.2 percent and increased by 21.4 percent to 70.6 percent in 2010. In 2009, the domestic tourists' second purpose of taking trips was for shopping at 27.5 percent.

Nonetheless, it was different in 2010 where the second purpose of trip for domestic tourists was for holidays at 18.2 percent. For 2009, the domestic tourists' purposes of trips were for holidays at 11.9 percent, business at 4.1 percent, medical treatment at 3.0 percent, incentive travel and others at 2.4 percent, entertainment and recreation at 1.3 percent and worship/religious at 0.8 percent. In 2010, the domestic tourists' business travel was at 3.7 percent. Meanwhile, entertainment and recreation, worship/religious as well as incentive travel were all at 1.8 percent each. As for shopping and medical treatment their percentages were at 1.1 percent and 1.0 percent, respectively.

Figure 1 indicates that most domestic tourists are of those from monthly household income of between RM1,001 to RM3,001. In 2009, 27.9 percent of households of this income class had undertaken trips as domestic tourists and this percentage had increased by 8.0 percent in 2010 to 35.9 percent. This was followed by households earning income less than RM1,001, i.e. at 23.5 percent in 2009 and 24.5 percent in 2010. However, for household income of more than

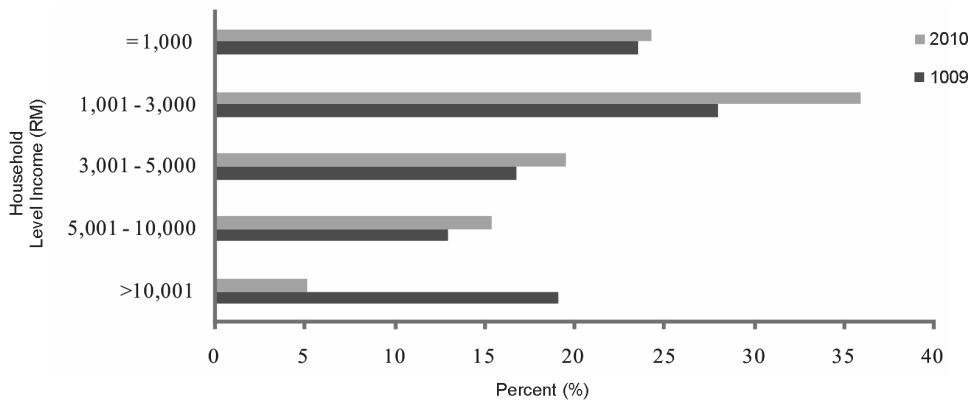


Figure 1. Distribution of Percentage for Domestic Tourists According to Household Income

RM10,001 there was quite a substantial reduction of 13.9 percent from 19 percent in 2009 to only 5.1 percent in 2010.

LITERATURE REVIEW

According to Fletcher, (1989), even though there are various methods available to study the impact of tourism on an economy, the approach most utilized is based on the input-output (I-O) analysis. The I-O method is still relevant to analyze the change effects of a sector on the economy even though there are other more accurate methods such as Social Accounting Matrix (SAM) and Computable General Equilibrium (CGE). The input-output analysis was introduced by Wassily Leontief in 1951 and further developed by several other researchers, among those are Miernyk, (1965) and Miller & Blair, (1985) as to further strengthen the foundation in the utilization of I-O.

I-O analysis studies the effects of changes in the final demand of an industry that will cause increase in activities in the said industry as well as in other related industries. According to Archer, (1977), these changes are known as multiplier effects. In analyzing the tourism sector multiplier effect, most researchers concentrated more in obtaining the estimated determinants of tourist spending multipliers (Sinclair, 1998). Among other researchers who utilized the input-output analysis in the study of tourism were Kweka, et al., (2003), Surendra, (2000); Hendry & Deany, (1997); Archer (1995) and Khan, et al., (1990). These studies were conducted as to estimate the impact of tourism on economy and to identify as to whether income from tourism has positive or negative effects.

For the case of Malaysia, Mazumder, et al., (2009) had conducted a study on the multiplier effect of the tourism sector by utilizing the closed I-O analysis by incorporating household sector into the middle demand sector. For this purpose, they had aggregated the 2000 Malaysian I-O Table from 94 sectors to 52 sectors, and added the household sector. As a result, they found that the tourism industry multiplier effect significantly affects the country's economy. Meanwhile, Saari & Zakariah, (2006) had utilized the I-O analysis to study the effects of changes in spending

patterns and tourists profile to the economy for the years 2000 and 2001. This study found that tourists from the Middle East are the largest contributor to per capita spending in 2001.

Salleh, et al., (2011b) had utilized the I-O analysis to study the impact of international tourists spending to Malaysian economy. The study results found that several tourism subsectors such as hotel and restaurant, wholesale and retail, transportation as well as manufacturing sector which are non-related tourism subsectors are among the main sectors which generate the overall economy. Meanwhile, Othaman, et al., (2011) had done a comparison on foreign tourists visiting pattern by market segment and the effects of their spending on the Malaysian economy in 2007. Their result showed that tourists from the West Asia are the highest contributor to per capita spending even though tourist arrival from the said market is still average.

METHODOLOGY

This study will employ the closed economic input-output model analysis method in order to estimate the tourism industry multiplier impact. The closed model takes into account three economic effects, namely the direct, indirect and induced effects. Meanwhile, the open model is limited to only two effects which are direct and indirect effects. Thus, closed model has more multiplier effects as compared to the open model.

The direct effect is an effect resulted directly from tourists' spending such as payment made by tourists on products and services such as hotels, restaurants, handicrafts and others. As for the indirect effect, it is derived from secondary transactions done by those who are directly involved in the tourism industry. These parties will spend their income to purchase the intermediate goods and services to complement their services which will then be borne by the tourists. For example, a restaurant needs to purchase raw material from other industries to fulfill its customers' requested menu. Those who supply these raw materials in turn need to procure the said supplies from the agricultural industry in order to fulfill the said restaurant's demand. Thus, the transaction occurred between these industries is an indirect effect to tourism industry. Meanwhile for the induced effect, it occurred when a household which received income from tourism spending (directly or indirectly) does not spend the income received for tourism purposes; instead they spend it on other concerns such as education, health, daily needs and others.

By utilizing 2005 Malaysian Input-Output (I-O) Table, this study will employ domestic tourism spending data for the years 2009 and 2010 to study the impact of domestic tourists spending on Malaysian economy. As the tourism industry is not classified as a specific industry per the Malaysian Standard Industrial Classification (MSIC), this industry was created by disaggregating and aggregating several economic activities which are directly related to tourism. Five sectors were chosen, namely the retail trade, lodging/accommodation, restaurant, transportation as well as entertainment and recreation sectors. The 2005 Malaysian I-O Table had been aggregated from 120 sectors to only 17 sectors as to avoid the occurrence of bias in estimating due to too many industries. In order to obtain induced effect, the household effect will be moved from final demand sector to intermediate demand sector. Thus, bringing the total sectors to be studied to 18 sectors.

The relationship between the economic sectors in the I-O model can be explained in the following linear equation:

$$X - AX = F \quad [1]$$

Where X is output vector, A is technical coefficient matrix and F is final demand vector. Equations [2] and [3] are obtained by inserting identity matrix (I) into equation [1].

$$(I - A) X = F \quad [2]$$

$$X = (I - A)^{-1} F \quad [3]$$

Meanwhile, $(I - A)^{-1}$ is Leontif inverse matrix. This inverse matrix shows the combination of purchases by an industry from another industry in order to produce a unit of output due to change in final demand. Thus, indirectly this inverse matrix may also indicate multiplier effect. From equation (3), X is the number of outputs produced. To obtain the value of X, the inverse matrix has to be multiplied with the final demand vector (F). However, in this study, the final demand vector is replaced with domestic tourist spending for the years 2009 and 2010. By using the same inverse matrix and making some adjustments, the impact of tourism on government revenue, added-value and import can be obtained per equations (4), (5) and (6).

$$HK = hk (I - A)^{-1} F \quad [4]$$

From equation (4), HK is the government revenue and *hk* is government revenue diagonal coefficient. The government revenue multiplier can be interpreted as the amount of government income received due to a ringgit change in tourism spending.

$$NT = nt (I - A)^{-1} F \quad [5]$$

Where NT is added-value and *nt* is added-value diagonal coefficient. Added-value multiplier can be interpreted as the amount of added-value received due to a ringgit change in tourism spending.

$$IM = im (I - A)^{-1} F \quad [6]$$

Where IM is import and *im* is import diagonal coefficient. Import multiplier is defined as amount of import spending due to a ringgit change in tourism spending.

ANALYSIS ON STUDY RESULTS

Domestic tourists recorded a total spending of RM25, 975 million in 2009 and increased to RM34, 679 million in 2010. Overall, the impact of this spending is higher than the actual spending due to spillover effect in the economy (Othman, et al., 2011; and Salleh, et al., 2011c). This effect can be observed through several indicators such as in output, government revenue, added-value and import.

Impact on Output

The multipliers and output impacts for all economic sectors are as depicted in Table 5. Overall, output had been affected by domestic tourists spending at RM72, 989 million in 2009 and increased by more than 32 percent to RM96, 492 million in 2010. Meanwhile five tourism subsectors had contributed to output amounting to RM34, 918 million in 2009 and increased to RM46, 100 million in 2010. In 2009, the restaurant sector was the main contributor to

output; followed by transportation and retail trade at RM9, 048 million and RM8, 941 million, respectively. However, in 2010 the transportation sector had become the main contributor to output at RM11, 556 million; followed by the restaurant and retail sectors at RM11, 252 million and RM9, 227 million, respectively. In view that the main purpose of trips for the domestic tourists is to visit relatives, thus they are more inclined to stay at their relatives' homes as compared to hotels. Due to this factor, the lodging/accommodation sector only contributed a small amount to output at RM5, 010 million in 2009 and RM7, 335 million in 2010.

For the tourism industry, the highest multiplier effect is recorded by the restaurant sector at 3.21, this is followed by the entertainment and recreation sector with a multiplier of 3.20. Taking the restaurant sector as an example, it means that for each ringgit domestic tourists spend in the restaurant sector, the overall economic output will increase by RM3.21, please refer to Table 5.

Table 5. Multiplier and Impact of Tourism on Output

<i>Sector</i>	<i>Direct Effect</i>	<i>Indirect effect</i>	<i>Induced Effect</i>	<i>Total Effects</i>	<i>Economic Impact 2009 (RM million)</i>	<i>Economic Impact 2010 (RM million)</i>
Agriculture	1.30	0.20	0.68	2.18	983.0	1316.3
Mining	1.17	0.13	0.12	1.42	700.9	929.3
Manufacturing	1.48	0.36	0.28	2.13	12245.0	16171.1
Utility	1.51	0.43	0.28	2.22	2111.9	2809.1
Construction	1.47	0.37	0.63	2.47	1352.1	1780.4
Wholesale trade	1.24	0.18	0.79	2.22	1062.5	1428.3
Retail trade	1.26	0.19	0.79	2.25	6360.8	9226.7
Accommodation	1.43	0.36	0.79	2.59	5010.1	7335.3
Restaurant	1.62	0.59	0.99	3.21	9047.6	11251.9
Transportation	1.63	0.64	0.64	2.91	8939.7	11555.8
Other Transportation	1.63	0.55	0.57	2.74	1256.7	1664.7
Communication	1.44	0.34	0.52	2.30	1656.0	2196.8
Finance	1.46	0.37	0.61	2.45	3166.1	4207.9
Property	1.33	0.25	0.25	1.83	2795.6	3601.4
Private services	1.25	0.17	1.01	2.44	1078.2	1442.7
Public service	1.42	0.32	1.20	2.94	708.7	936.2
Entertainment and recreation	1.61	0.72	0.87	3.20	5559.9	6731.0
Household	1.75	0.93	0.00	2.69	8955.0	11906.0
Total					72989.7	96491.0

Source: Analysis on study results.

Impact on Government Revenue

Increase in output will allow the government to generate better income through tax revenue. Table 6 shows the impact of tourism industry on government revenue in 2009 and 2010. A total of RM833 million and RM1, 022 million of income had been received by the government from the tourism industry in 2009 and 2010, respectively. These figures showed an increment of 22.7 percent in 2010 as compared to the previous year. From these figures, the entertainment and recreation sector was the main contributor at RM387 million in 2009 and RM467 million in 2010. Meanwhile, the accommodation sector was the smallest contributor to government revenue at RM7.4 million in 2009 and RM10.3 million in 2010. The highest government revenue multiplier effect was recorded by the entertainment and recreation sector at 0.16. This means, when there is a ringgit increase in domestic tourists spending in the entertainment and recreation sector, the government is able to generate an income of RM0.16, please refer to Table 6.

Table 6. Multiplier and Tourism Industry Impact on Government Revenue

<i>Sector</i>	<i>Direct effect</i>	<i>Indirect effect</i>	<i>Induced effect</i>	<i>Total effect</i>	<i>Economic Impact 2009 (RM million)</i>	<i>Economic Impact 2010 (RM million)</i>
Agriculture	0.019	0.002	0.020	0.041	7.8	9.7
Mining	0.002	0.001	0.004	0.007	5.7	7
Manufacturing	0.015	0.003	0.008	0.026	97	120
Utility	0.008	0.003	0.008	0.020	20.2	24.8
Construction	0.010	0.003	0.018	0.031	15.9	19.4
Wholesale trade	0.003	0.001	0.023	0.027	8.1	10.1
Retail trade	0.003	0.001	0.023	0.027	10.5	15
Accommodation	0.003	0.002	0.023	0.028	7.4	10.3
Restaurant	0.005	0.003	0.029	0.037	24.1	29.9
Transportation	0.008	0.004	0.019	0.030	43.4	55.7
Other transportation	0.003	0.003	0.017	0.022	13.1	16.2
Communication	0.001	0.001	0.015	0.018	12.2	15.1
Finance	0.003	0.001	0.018	0.022	25.8	32
Property	0.002	0.002	0.007	0.011	42.6	51.9
Private service	0.002	0.001	0.030	0.032	8.4	10.4
Public service	0.002	0.002	0.035	0.040	7.1	8.8
Entertainment and recreation	0.100	0.030	0.030	0.160	387.3	467.9
Household	0.060	0.010	0.000	0.080	96.3	118.3
Total					832.9	1,022.40

Source: Analysis on study results.

Impact on Added-Value

An increase in output may also affect added-value. Domestic tourists spending had affected added-value amounting to RM16, 475 million in 2009 and increased by 37.6 percent to RM22, 663 million in 2010. The most stimulated sector with this increase in output was the retail trade sector which recorded RM2, 812 million in 2009 and increased by 45.3 percent to RM4, 085 million in 2010. This was followed by the accommodation and transportation sectors at RM1, 674 million and RM1, 404 million in 2009, respectively; and improvement to RM2, 456 million and RM1, 818 million in 2010, respectively. The highest added-value multiplier effect was recorded by retail trade at 0.703. Based on this figure, it can be concluded that when domestic tourists spend a ringgit in retail trade sector, the added-value will increase by RM0.703, please refer to Table 7.

Table 7. Multiplier and Impact of Tourism Industry on Added-value

<i>Sector</i>	<i>Direct Effect</i>	<i>Indirect Effect</i>	<i>Induced Effect</i>	<i>Total Effect</i>	<i>Economic Impact 2009 (RM million)</i>	<i>Economic Impact 2010 (RM million)</i>
Agriculture	0.497	0.053	0.101	0.651	246.7	343.9
Mining	0.799	0.033	0.018	0.850	159.2	219.7
Manufacturing	0.248	0.091	0.042	0.381	2664.8	3659.7
Utility	0.488	0.108	0.041	0.637	475.5	659.6
Construction	0.203	0.096	0.093	0.392	301.2	413.6
Wholesale trade	0.535	0.051	0.117	0.703	272.5	380.9
Retail trade	0.531	0.055	0.117	0.703	2811.9	4084.5
Accommodation	0.462	0.100	0.117	0.679	1674.4	2455.8
Restaurant	0.263	0.153	0.147	0.562	1080.5	1360.6
Transportation	0.292	0.165	0.094	0.552	1403.5	1818.1
Other transportation	0.394	0.161	0.084	0.639	293.3	404.0
Communication	0.569	0.108	0.077	0.754	367.7	505.9
Finance	0.573	0.122	0.091	0.786	711.2	980.5
Property	0.709	0.064	0.037	0.810	532.7	713.9
Private service	0.276	0.050	0.150	0.476	255.9	356.3
Public service	0.201	0.082	0.178	0.460	160.6	221.4
Entertainment and recreation	0.304	0.174	0.130	0.608	930.1	1128.5
Household	0.192	0.207	0.000	0.399	2133.2	2955.6
Total					16475.0	22662.5

Source: Analysis on study results.

Impact on Import Value

Import multiplier indicates the leakage of domestic tourists spending to the country's economy as a result of purchasing goods and services which are not available locally; and need to be imported. A low import multiplier value is better as it reduces the amount of leakage in tourism income from the country's economy. As indicated in Table 8, with an import multiplier of 0.232, the entertainment and recreation sector has the lowest leakage in tourism industry while the transportation industry is the sector with the largest leakage from domestic tourists spending at 0.41.

In order to fulfill the domestic tourist import needs, RM3,651 million and RM4,837 million in 2009 and 2010, respectively were needed. The biggest leakage came from the transportation

Table 8. Multiplier and Impact of Tourism Industry on Import

<i>Sector</i>	<i>Direct Effect</i>	<i>Indirect Effect</i>	<i>Induced Effect</i>	<i>Total effect</i>	<i>Economic impact 2009 (RM million)</i>	<i>Economic impact 2010 (RM million)</i>
Agriculture	0.133	0.043	0.131	0.307	50.9	68.1
Mining	0.092	0.028	0.023	0.143	37.2	49.2
Manufacturing	0.455	0.082	0.055	0.592	669.1	881.8
Utility	0.192	0.098	0.053	0.342	90.8	120.9
Construction	0.377	0.078	0.121	0.576	63.6	84.2
Wholesale trade	0.084	0.031	0.153	0.268	54.7	73.3
Retail trade	0.083	0.033	0.153	0.269	306.5	444.5
Accommodation	0.081	0.058	0.152	0.291	179.3	262.4
Restaurant	0.111	0.097	0.191	0.399	394.3	490.1
Transportation	0.185	0.109	0.123	0.417	793.7	1026.0
Other transportation	0.148	0.081	0.109	0.338	68.0	90.2
Communication	0.087	0.040	0.100	0.227	97.9	129.3
Finance	0.034	0.039	0.118	0.191	180.2	238.3
Property	0.080	0.052	0.048	0.179	121.7	158.4
Private service	0.267	0.028	0.195	0.491	52.1	69.5
Public service	0.201	0.066	0.231	0.498	34.3	45.5
Entertainment and recreation	0.018	0.046	0.168	0.232	30.6	37.5
Household	0.332	0.187	0.000	0.518	425.6	567.5
Total					3650.7	4836.6

Source: Analysis on study results.

sector at RM794 million in 2009 and RM1,026 million in 2010. This was followed by the restaurant and retail trade sectors at RM394 million and RM307 million, respectively in 2009; and RM490 million and RM445 million, respectively in 2010. Please refer to Table 8.

CONCLUSION AND POLICY IMPLICATION

This study compares the domestic tourists travelling pattern between 2009 and 2010. The Malaysians tradition of '*balikkampung*' or 'back to the village' is the main factor in determining the main purpose of traveling for domestic tourists. This is clearly seen when in both years a majority of the domestic tourists' traveling are to visit friends and relatives. Besides that, travels by the domestic tourists for both years are for holidays, shopping, business, entertainment, medical treatment, religious as well as incentive travel and others. In 2010, a total of 137.85 million of domestic tourist travels were recorded, an increase of 50.3 percent as compared to 2009. On average, domestic tourists stayed 2.39 days for each travel in 2009 and a slight increase in 2010 with average stay of 2.58 days.

In terms of domestic tourists spending pattern, it is found that in 2009 more were being spent on food and beverage as compared to 2010 where it was more on shopping. Through the input-output analysis, in 2010 the tourism sector contributed RM48,630 million to output, an increment of 32 percent as compared to RM36,823 million in 2009. The transportation sector was the main contributor towards the increase in output in 2009 and 2010. Nonetheless, this very sector was also the main contributor towards the leakage in tourism revenue in both years. Meanwhile in both years, the highest impact for government revenue, added-value and employment were contributed by the entertainment and recreation, retail trade and restaurant sectors, respectively.

As a result of comparison analysis done on both years, it is found that domestic tourism plays an important role in the country's overall tourism industry even if its contribution to income is as not as significant as the international tourists. Thus, more aggressive promotions on domestic tourism attracting the locals to explore the charms of Malaysia are needed. The steps undertaken by low-cost carriers such as Air Asia and Firefly as well as the Malaysia Airline System (MAS) which offer competitive price on flight tickets may further stimulate domestic tourism especially for travels to Sabah and Sarawak. Increased in household income and better living quality may also propel Malaysians to travel more and increase their duration of stay.

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