

## MALAYSIAN HOTEL MARKET

DECEMBER 2021 UPDATE

## Economic Update

The Malaysian economy contracted by 4.5% year-on-year (YoY) in the third quarter of 2021 (2Q 2021: +16.1% YoY) as a result of the strict Covid-19 containment measures that were introduced in July which impacted consumption and investment activities. However, economic activity subsequently picked up as more states transitioned into Phase 2 with less restrictive containment measures towards the end of the quarter. GDP is expected to grow at an accelerated pace in 2022 (consensus 5.0%) supported by strong external demand, gradual reopening and continued policy support.

Headline inflation moderated to 2.2% during the quarter, mainly due to the dissipation of the base effect from fuel prices, and the implementation of the three-month electricity bill discounts. Core inflation was unchanged at 0.7% during the quarter.

Bank Negara Malaysia continues to see benign underlying inflation and reiterated its 2021 CPI inflation forecast of 2.0-3.0%. Inflation is expected to remain moderate in 2022, although BNM did highlight the risk to inflation edging up from rising global commodity prices and prolonged supply chain disruption.

## International Travel Perspective

November saw several very positive announcements impacting international travel. These included the following:

On 1 November, Thailand reopened its borders to more than 60 “low-risk” nations, allowing fully vaccinated tourists to enter without quarantine.

On 15 November, Malaysia opened Langkawi to fully vaccinated international tourists without quarantine.

On the 29th November, a Vaccinated Travel Lane (VTL) was launched between Kuala Lumpur International Airport (KLIA) and Singapore Changi Airport, allowing quarantine-free travel between the two countries.

However, towards the end of November, global concern about the impact of a new variant caused many countries, including Malaysia, to impose travel bans to 7 African countries: South Africa, Botswana, Eswatini, Lesotho, Mozambique, Namibia and Zimbabwe, as a countermeasure for Omicron.

Malaysian citizens and permanent residents returning to Malaysia from these countries must now undergo a mandatory 14-day quarantine at a government facility whilst foreign travellers with a 14-day travel history from the listed countries are not allowed to enter Malaysia.

## Hotel News

Pan Pacific Hotels Group announced the launch of their next sustainability icon in Malaysia with PARKROYAL COLLECTION Kuala Lumpur in June 2022 and Pan Pacific Serviced Suites Kuala Lumpur (October 2022), the group's signature Pan Pacific flag in Malaysia.

## Vaccine Progress

Malaysia has made tremendous progress and is the 10th most vaccinated nation against the Covid-19 globally, with 77.7% of the total population fully inoculated.

Booster shots has started to be given out under the National Covid-19 Immunisation Programme beginning 10 November. The shots will be administered on a step down approach according to age and prioritizing frontliners, aged individuals with comorbidities, pregnant women, and those who need to travel abroad. As at 29 November, 2.3 million booster shots have been given. Sinovac vaccine recipients will be eligible for boosters three months after the date they received their second dose while fully vaccinated Pfizer and AstraZeneca recipients will be able to get theirs six months after their date of completion.

With effect from 25 November, booster shots will be offered to all adults over 18.

The number of daily cases in Malaysia has been steadily declining during the month from 6,000 cases to 4,087 cases as reported on 29 November.

TABLE: Malaysia Vaccine Progress

	29 October	29 November
Total number of people registered for the vaccine	22.2 million	22.2 million
Total number of doses given	49.9 million	53.3 million
7-day moving average	157,941	111,997
At least 1 dose	77.7%	79.1%
% Fully vaccinated	74.3%	77.7%

Sources: JKJAV, covidnow.moh.gov.my, ourworldindata.org, covidvax.live

## Hotels Available for Sale via Knight Frank



**Hilton Garden Inn Kuala Lumpur**

Tenure: Freehold  
No. of Rooms: 532 keys



**Former Holiday Inn Resort Penang**

Tenure: Freehold  
No. of Rooms: 361 keys



**Loop on Leith, Georgetown**

Tenure: Freehold  
No. of Rooms: 140 keys



**Sheraton Imperial Kuala Lumpur**

Tenure: Freehold  
No. of Rooms: 398 keys



**Confidential 5-star Resort, Pahang**

Tenure: Leasehold  
No. of Rooms: 305 keys



**Confidential, Kuala Lumpur**

Tenure: Freehold  
No. of Rooms: 210 keys



**Confidential 5-star Hotel, Penang**

Tenure: Freehold  
No. of Rooms: 316 keys



**Award Winning Lifestyle Hotel, Melaka**

Tenure: Freehold  
No. of Rooms: 60 keys



**Confidential, Kuala Lumpur**

Tenure: Freehold  
No. of Rooms: 103 keys



**Confidential, Kuala Lumpur**

Tenure: Freehold  
No. of Rooms: 253 keys

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