

# Sustaining Local Community Economy through Tourism: Melaka UNESCO World Heritage City

**SYAKIR AMIR, SYAHRIAH BACHOK, MARIANA OSMAN  
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA**

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# Sustainable Tourism and Local Economic

## **Sustainable tourism:**

Tourism development meets the needs of present tourists and host while preserve and enhance the opportunities on the future (UNEP, 1994).

Includes:

**Environmental sustainability** – preservation of ecological & biological diversity & resources.

**Social sustainability** – preservation of traditional and cultural values.

**Economic sustainability** – preservation of local economic growth.

(UNEP, 2002)

# Case Study:

## Melaka, UNESCO World Heritage City



1. Melaka is one of the fourteen states in Malaysia.

2. It is located in south western coast of Peninsular Malaysia.

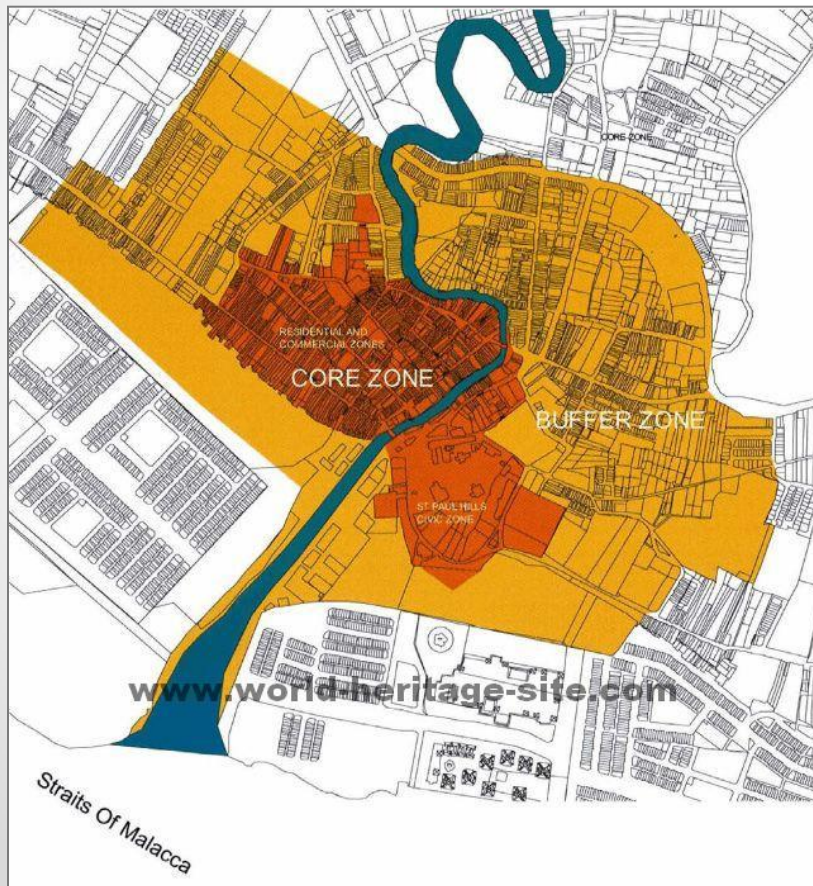
3. The area of Melaka is 1,658 square kilometers and divided into three districts, namely Melaka Tengah, Alor Gajah and Jasin.

4. It takes about two hours travel by road from Kuala Lumpur to Melaka and approximately three hours travel by road to Singapore.

5. On July 7, 2008, Melaka is recognized by United Nations Educational, Scientific and Cultural Organization (UNESCO) as a World Heritage City.

# UNESCO World Heritage Site Award

On July 7, 2008, Melaka has been declared as UNESCO World Heritage Site by United Nations Educational, Scientific and Cultural Organization (UNESCO)



# Data collection: Diary Record Survey

- Proposed by Howard et al. (1991), Frechtling (1994), Faulkner (1995).
- 1500 diary record survey booklets were distributed, only 1000 booklets were collected.
- The tourists recorded their expenditure in 5 tourism sectors:
  1. Food and beverages
  2. Accommodation
  3. Entertainment
  4. Shopping
  5. Transportation

# Tourists' Expenditure Pattern

Table 1: Tourists' expenditure pattern in Melaka

<b>Tourism Sector</b>	<b>Total Expenditure (RM)</b>	<b>Percentage (%)</b>
Accommodation	RM 307 859.50	70.0%
Food and beverages	RM 111 393.40	25.3%
Entertainment	RM 9 900.50	2.2%
Transportation	RM 6 995.40	1.6%
Shopping	RM 3 954.90	0.9%
<b>Total</b>	<b>RM 440 103.70</b>	<b>100%</b>

*Source: Diary record survey, 2014*

# Local Economic Benefits (Accommodation)

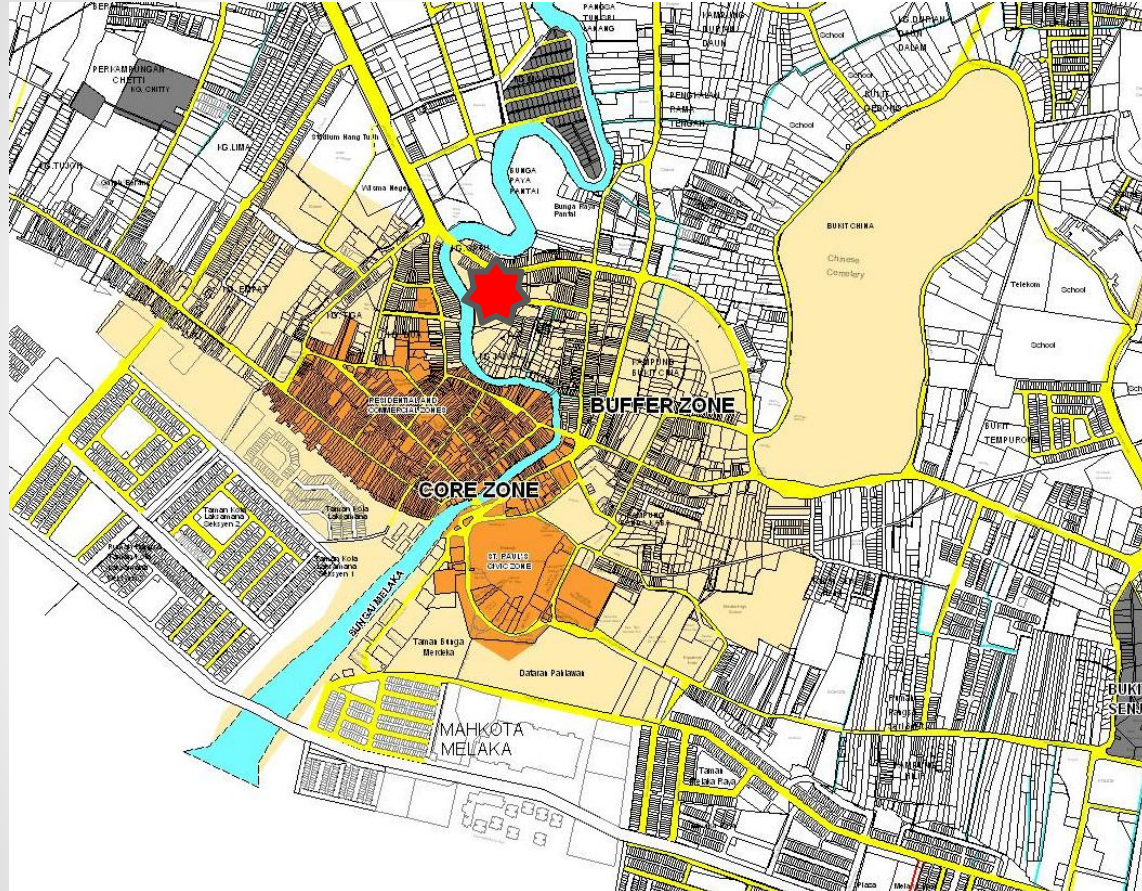
Table 2: Tourists' expenditure pattern (accommodation)

	Components	Total expenditure (RM)	Total expenditure (%)
<b>Accommodation</b>	Stars ranked hotel	RM 144 694.50	47.0
	<b>Budget hotel (locally owned)</b>	<b>RM 163 165.00</b>	<b>53.0</b>
	Total	RM 307 859.50	100.0

Source: Diary record survey, 2014



# Local Economic Linkage: Accommodation



Kampung Morten  
(Malay traditional homestay)



**Tourist Expenditure  
(RM 307, 859.00)**

**Budget hotel/ homestay**

**Direct benefit to the  
local community  
(53%)**

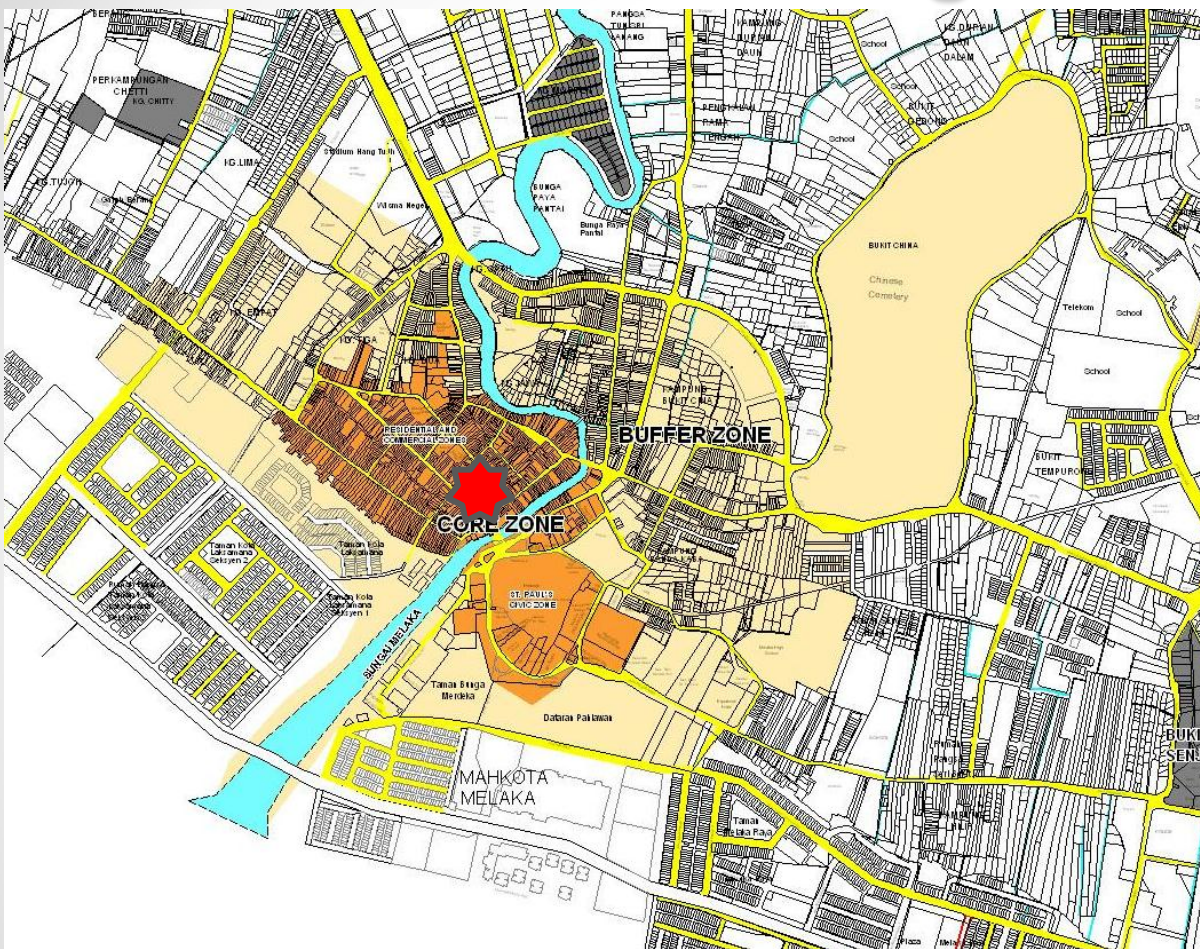
# Local Economic Benefits (Food and beverages)

Table 3: Tourists' expenditure pattern (food and beverages)

	Components	Total expenditure (RM)	Total expenditure (%)
<b>Food and beverages</b>	Hotel Café	RM 15 595.10	14.0
	<b>Restaurant &amp; cafe</b>	<b>RM 69 063.90</b>	<b>62.0</b>
	Hawker, <i>warong</i> & local food stall	RM 26 734.40	24.0
	<b>Total</b>	<b>RM 111 393.40</b>	<b>100.0</b>

Source: Diary record survey, 2014

# Local Economic Linkage: Food and beverages



Hard Rock Café Melaka

**Tourist Expenditure  
(RM111, 393.00)**

**Restaurant & Cafe**

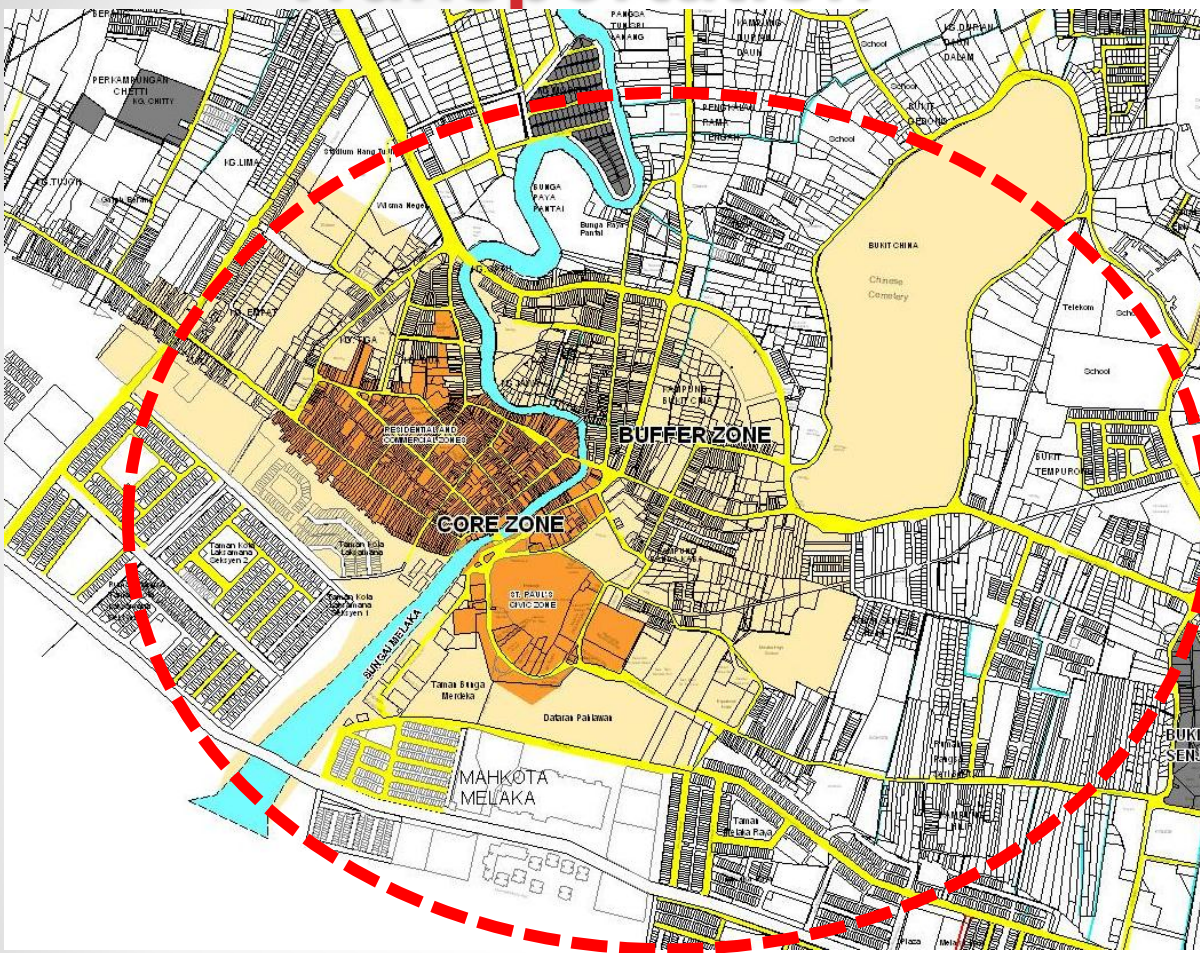
# Local Economic Benefits (Transportation)

Table 4: Tourist expenditure pattern (transportation)

	Components	Total expenditure (RM)	Total expenditure (%)
	Public bus	RM 129.40	1.8
<b>Transportation</b>	Taxi	RM 2 164.00	30.9
	<b>Trishaw</b>	<b>RM 4 732.00</b>	<b>67.6</b>
	Total	RM 69 95.40	100.0

Source: Diary record survey, 2014

# Local Economic Linkage: Transportation



Melaka Trishaw



**Tourist Expenditure  
(RM6 995.00)**

**Locally owned  
trishaw**

**Direct benefit to the  
local community  
(67.6%)**

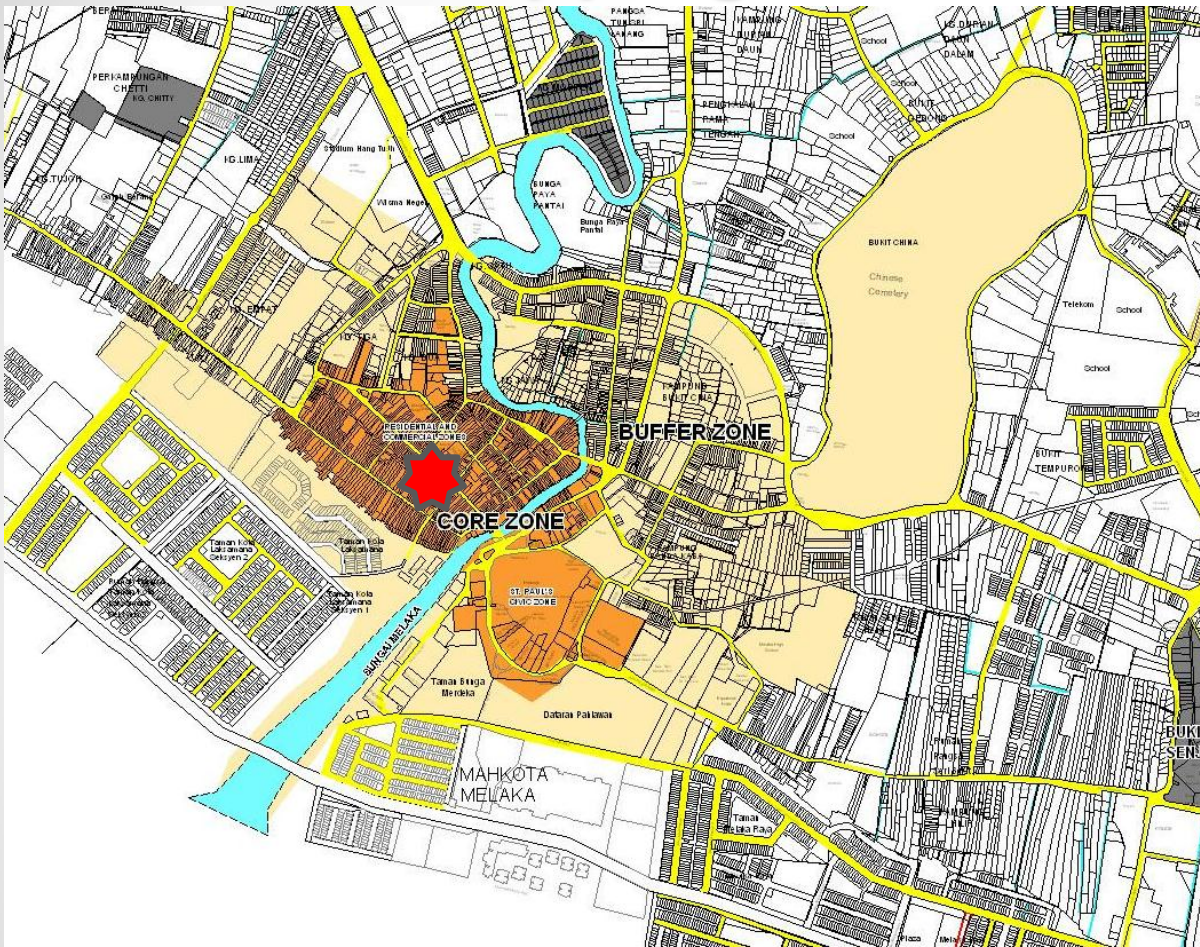
# Local Economic Benefits (Shopping)

Table 5: Tourist expenditure pattern (shopping)

	Components	Total expenditure (RM)	Total expenditure (%)
<b>Shopping</b>	Shopping mall	RM 7 191.90	18.0
	<b>Local vendors</b>	<b>RM 32 763.00</b>	<b>82.0</b>
	Total	RM 39 954.90	100.0

Source: Diary record survey, 2014

# Local Economic Linkage: Shopping



Jonker Street Melaka



**Tourist Expenditure  
(RM 3 954.00)**

**Locally owned  
hawkers**

**Direct benefit to  
local community  
(82%)**

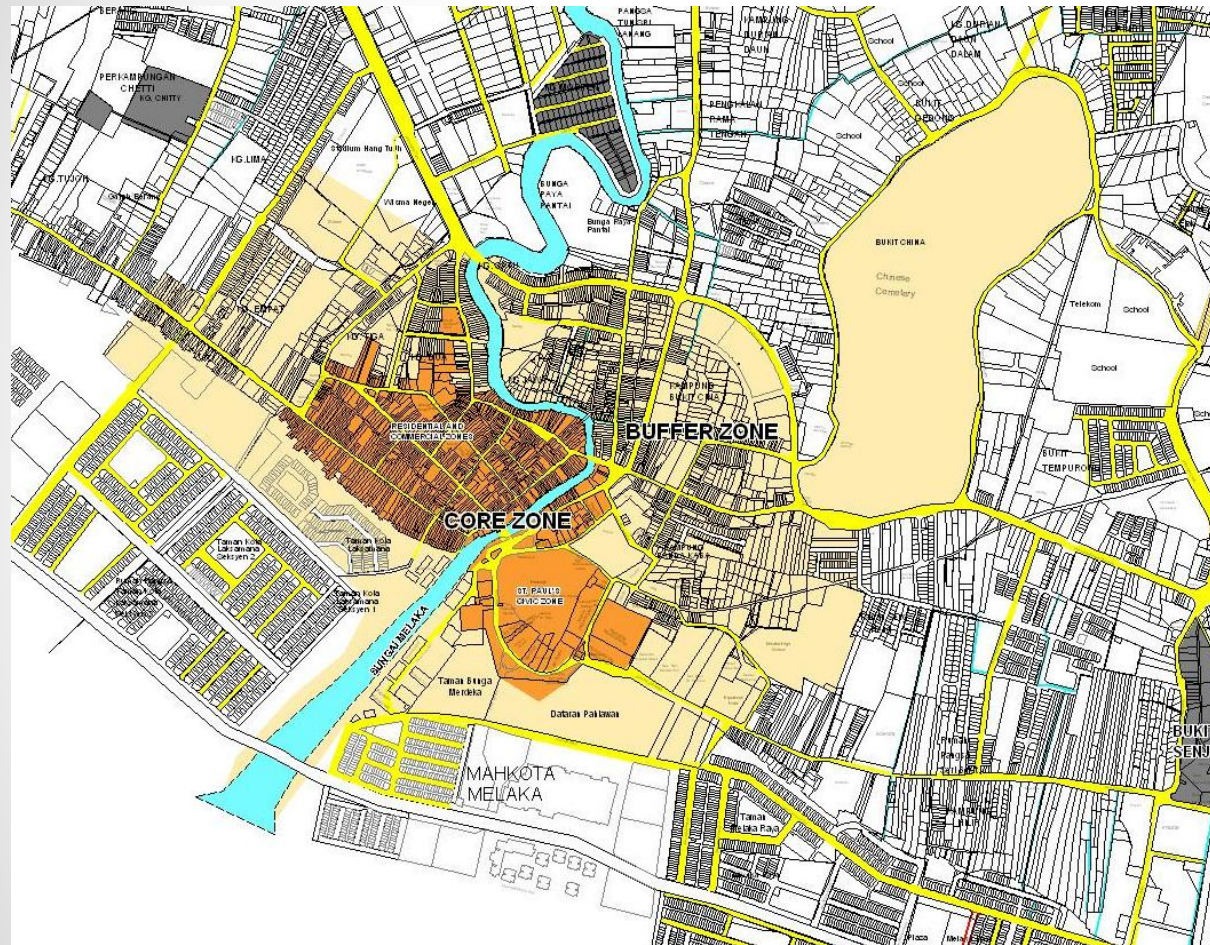
# Local Economic Benefits (Entertainment)

Table 1: Tourists' expenditure pattern (entertainment)

	Components	Total expenditure (RM)	Total expenditure (%)
<b>Entertainment</b>	<b>Activities managed by State government cooperation</b>	<b>RM 9 770.50</b>	<b>98.7</b>
	Locally owned entertainment business	RM 130.00	1.3
<i>Source: Diary records</i>		<b>Total</b>	
		RM 9 900.50	100.0



# Local Economic Linkage: Entertainment



Taming Sari Tower



Melaka River Cruise

**Tourist Expenditure (RM9 900.00)**

**Entertainment activities provided  
by state government cooperation**

# Conclusion

1.

Melaka recorded the highest number of tourists arrival and expenditure in Malaysia. However, only **accommodation, shopping, and transportation sectors provided** economic benefit to the local community.

2.

Less developed and developing countries should not underestimate and neglect the importance of sustainable tourism because it **generates revenue, creates employment** and **promotes private sector growth** and **infrastructural development** that directly benefits to the local community.

# Terima Kasih Thank You

