

# Strategies for Partnership Toward Better Local Service Quality

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## 1. Introduction

Tourism is rapidly becoming a major industry in Malaysia in terms of its contribution to the economy. Tourism contribution to the GDP<sup>1</sup> s increased rapidly over the past 15 years before the East Asian Economic crisis in 1997. Following the financial crisis, tourism is identified as one of the priority sectors to regain economic growth. As such sustaining tourism growth is important to complement growth of the overall economy and most important to expedite Malaysia's economic recovery. The government of Malaysian's commitment to tourism development is demonstrated in the 7th Malaysia Plan (1996-2000). According to Economic Report for 1998/99, the federal government has spent about RM 500 million on tourism in the 7th Malaysia Plan. In the 8th Malaysia Plan (2001-2005), tourism sector is expected to continue to gain financial support from the government.

In an effort to boost Malaysia's tourism industry, greater considerations should be given to overcome crucial challenges faced and to address problems appropriately. While the tourism sector has contributed significantly to the Malaysian economy, the service quality associated to this industry still remains a major concern. The low level of service quality in the tourism industry can have serious economic repercussions, if it is left unchecked. Thus, the relevant stakeholders (such as public sector, private sector,

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