

# The Potential and Challenges of Islamic Tourism Sector in Malaysia: A Preliminary Review

Nor Azlina Abd Wahab<sup>1\*</sup>, Norafifah Ab Hamid<sup>2</sup>, Siti Nurul Izza Hashim<sup>3</sup>

<sup>1</sup>Academi Pengajian Islam Kontemporari (ACIS), UiTM Malacca Branch, Alor Gajah Campus, Malaysia

<sup>2</sup>Academi Pengajian Islam Kontemporari (ACIS), UiTM Malacca Branch, Jasin Campus, Malaysia

<sup>3</sup>Academi Pengajian Islam Kontemporari (ACIS), UiTM Malacca Branch, Bandaraya Campus, Malaysia

\*Corresponding Author

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## ABSTRACT

Islamic tourism is one of the potential segments in tourism that can enhance the country's economy to meet the demand from both domestic and international tourists. In fact, by 2028, the Islamic tourism sector is projected to continue growing, reaching a value of RM1 trillion, with a large potential from 230 million Muslim tourists. According to the 2023 Global Muslim Travel Index (GMTI) report, Malaysia received the "Best Muslim-Friendly Destination" award from the Organization of Islamic Cooperation (OIC) and recorded the arrival of 4.5 million Muslim tourists, generating an income of RM14.7 billion. In this regard, this study aims to evaluate the potential and challenges of Islamic tourism in Malaysia as one of the segments of the tourism industry that can boost the economy of the local community specifically and the country in general. This study adopts a qualitative approach by examining both primary and secondary sources. The findings are then analyzed inductively to draw conclusions based on the objectives of the study. The results show that Islamic tourism in Malaysia has the potential to be a key platform in the industry that can contribute to the country's economic growth through its attractions and tourism policies. However, it is important to recognize that there are several other countries, such as the United Arab Emirates (UAE) and Turkey, that are also competitors to Malaysia in offering Islamic and Muslim-friendly tourism packages. Therefore, Malaysia needs to continue to be proactive in strengthening Muslim-friendly tourism to attract Muslim tourists from around the world. Furthermore, the government and local industry players should also offer Muslim-friendly tourism products and infrastructure as an added value to enhance the Islamic tourism industry in Malaysia.

**Keywords:** Islamic Tourism, Potential, Challenges, Economy.

## INTRODUCTION

Islamic Tourism in Malaysia is one of the fastest-growing sectors in recent years, driven by the increasing demand from global Muslim tourists. Malaysia, known for its cultural and religious diversity, has become a major destination for Islamic tourism, offering various facilities such as halal food, places of worship, and shopping centers that cater to the needs of Muslim tourists. The recognition of the tourism sector in the state of Terengganu as a Muslim-Friendly Destination also proves that Malaysia is an ideal platform for developing the Islamic economy sector through Islamic tourism products. In line with this, Malaysia has also been recognized as a popular Islamic tourism destination in terms of destination suitability and family-friendly holiday needs, as well as facilities and services for Muslim tourists (Nor Azlina Abd Wahab, 2024). Furthermore, the tourism sector has been categorized as a contributor to the development of the halal industry (Setiawan Gunardi & Wan Roasmira Wan Abdul Wahab, 2021). According to Sarah (2012), a study conducted by a marketing agency classified the tourism sector as the third-largest global sector, with a demand for halal products and services,

following the food and cosmetics industries (Sarah ElMeshad, 2012). This scenario aligns with data stating that by 2025, one-third of the world's population will be Muslim (Navid Akhtar, 2012) The Global Muslim Travel Index (GMTI) reported that Malaysia, Indonesia, and the UAE were the top choices for Islamic tourism destinations in 2018 (Yadim, 2018). Malaysia has shown exceptional performance by securing the first position in 2022 as the best Muslim-friendly holiday destination, surpassing Indonesia and Saudi Arabia (Strategic Communications Centre (Pusat Komunikasi Strategik (StraComm), 2022). In 2023, Malaysia successfully maintained its position as the top choice for Muslim tourists, alongside Indonesia, with an estimated 140 million international tourists (Isamudin, 2023). According to records, the Islamic tourism market is expected to continue its rapid growth, reaching US\$220 billion by 2020, with projections of an additional US\$80 billion, bringing the market to US\$300 billion by 2026 (Yadim, 2018). Addition, Malaysia has also been recognized as the best Muslim-friendly destination for OIC countries and the best Muslim women-friendly destination in 2023 (Islamic Tourism Centre ITC, 2024). According to the 2022 Global Islamic Economy Report (SGIE), Malaysia is ranked as the top country in the region for Muslim-Friendly Tourism and Hospitality (MFTH) (Islamic Tourism Centre ITC, 2024).

The purpose of this study is to encourage Muslims and Buddhists to learn about some important values of Islam and Buddhism to increase their knowledge and develop a better understanding of other religions. It will specifically focus on some similarities between the concepts of *rahmah* and *karuna* in Islam and Buddhism. Since the thoughts are comparable, both sides would be more likely to acknowledge and respect one another.

This research aims to make a modest contribution to the inspiring vision of interreligious harmony by highlighting the similarities of the concepts of *rahmah* and *karuna* between Islam and Buddhism, notwithstanding the major doctrinal differences between the two religions. Religious harmony is a crucial aspect of social cohesiveness and peaceful coexistence in any society. It entails mutual respect, understanding, and acceptance of the diversity of religions and beliefs. In addition to learning about other people's beliefs and practices, studying several religions will teach people how to communicate with people of different cultures and faiths, identify points of agreement, and collaborate for the greater good. The Dalai Lama has emphasized the importance of non-violence and respect for all religions. In his book *Beyond Religion: Ethics for a Whole World*, he writes that "we must recognize the fundamental unity of all human beings, regardless of our religious differences." (Dalai Lama XIV, 2012, p. 21) He also emphasizes the need for education and understanding to promote religious harmony, stating that, "education is the key to a better world, and that includes education about the world's religions." (Dalai Lama XIV, 2012, p. 93)

In addition, finding similarities among religions can help to break down stereotypes and prejudices that may exist between different groups. By emphasizing the commonalities between religions, one can encourage greater understanding, respect, and cooperation between different communities. Furthermore, the search for similarities among religions can also help individuals to better understand their own beliefs and practices. By exploring the similarities among different religions, individuals can gain a broader perspective on the human experience and their place within it.

Figure 1.1 below shows the similarities found in the concept of *rahmah* and *karuna* which are divided into three essential points. The first and second points indicate the theoretical concept based on the scriptural views in both Islam and Buddhism. Meanwhile, the third point denotes on the practicality of these concepts implied in both religions.

## LITERATURE REVIEW

The Islamic tourism sector represents one of the emerging tourism products that has been introduced not only in Malaysia but also in several other Muslim-majority countries. These countries have increasingly become popular tourist destinations due to the growing demand for travel experiences that emphasize Islamic values. Islamic tourism is not confined solely to religious activities; rather, it encompasses all forms of tourism that do not contradict Islamic principles (Adnan Jusoh, 2022). In line with this, Suhailah Abdul Muin et al. (2024) posit that Islamic tourism is a promising and increasingly in-demand segment, attracting both domestic and international tourists. They further note that the trend of Islamic tourism is growing rapidly, with demand and

supply continuing to increase over time. Similarly, Muhammad Zuhaili Saiman (2024) asserts that the rising global Muslim population has significantly contributed to the demand for tourism services that comply with Islamic regulations and meet Muslim-friendly criteria. In addition, Nur Khalidah Dahlan et al. (2024) highlight that Malaysia possesses the necessary infrastructure and tourism products to cater to Muslim tourists. These include halal hotels, halal-certified airports and transportation (such as airlines), halal food establishments and products, and halal travel packages. Moreover, to accommodate the specific needs of Muslim travelers, Muslim-friendly transport packages should be provided—such as gender-segregated seating arrangements and scheduled stops for prayer. Entertainment, leisure, and adventure packages should also consider Muslim-friendly requirements. In accordance with Islamic values, activities that are deemed inappropriate or provocative should be avoided, with greater emphasis placed on family-oriented activities. Furthermore, in addition to conventional tourism activities such as shopping and recreation, it is proposed that Islamic heritage tourism packages be developed. These may include visits to iconic places of worship such as mosques, Islamic tombs, and historical Islamic sites in Malaysia (Yusrizal Sufardi Mohd Yunan & Mohd Helmi Ali, 2023). Given its diverse tourism infrastructure, Malaysia holds significant potential to lead in the Islamic tourism industry. This is evidenced by Malaysia's impressive performance in attracting 2.12 million Muslim tourists, contributing RM5.37 billion in tourist expenditure (YB Dato Sri Tiong King Sing 2023). This development reflects the enthusiasm and spending capacity of Muslim tourists, which can further enhance the international tourism sector. Nevertheless, according to Md Fauzi Ahmad (2023), despite Malaysia's success in positioning itself as a Muslim-friendly destination, several challenges must still be addressed. He further emphasizes that to remain a leading global Muslim-friendly tourism destination, Malaysia must continue to innovate in improving facilities and services that meet the needs of Muslim travelers.

## METHODOLOGY

This study applies a qualitative approach in the data collection process and data analysis. Qualitative research focuses on efforts to obtain non-numerical information (Creswell 2013). Qualitative research provides in-depth descriptions of the background of a particular matter. It uses a naturalistic approach to understand the real condition of a phenomenon within a specific context without manipulating any real situation. (Patton 2002). There are three important processes that need to be undertaken in conducting this qualitative study, which are the data collection process, the data analysis process, and the validity and reliability process of the data. Data collection is a process related to the planning and implementation of data gathering using specific research methods to obtain data and information related to the issues and problems being studied. In this regard, to collect and obtain information, the design of this study uses an inductive document analysis method through a literature review. The document analysis method involves printed materials such as scholarly books, journals, seminar articles, reports, and both primary and secondary sources. The sources obtained can serve as a guide for conducting action research and subsequently preparing a research report to be published as an article or journal.

A literature review was conducted to gain a clear understanding of the principles, concepts, methods, data processing, and analysis relevant to the research design employed. This process involved compiling scholarly works by both classical and contemporary scholars concerning the concept of Islamic tourism, as well as its potential and challenges in the context of Malaysia (Ercikan K & Roth, 2006). In this study, this method was employed to gather all relevant information and insights from the writings of both classical and contemporary scholars on the concept of Islamic tourism, as well as its potential and challenges in Malaysia. A review of books, theses, dissertations, journals, and related scholarly studies was conducted for the purpose of data collection. The collected data were then analysed inductively to identify and formulate themes that align with the objectives of the study.

Neuman (2006) asserts that inductive research begins with detailed observations in general situations and gradually advances towards the development of more specific insights and theories. According to Bernard (2011), inductive research involves an in-depth investigation of the research context and the formulation of explanations, which ultimately lead to conclusions upon the completion of the study (Bernard 2011). This approach was employed to explain the issues or phenomena under investigation, and the findings were subsequently used to develop themes related to the potential and challenges of the Islamic tourism sector in

Malaysia. The data obtained underwent a verification process. According to Othman Lebar (2021), internal validity refers to the extent to which research finds align with reality. Thus, internal validity is concerned with the meaning of reality. One of the assumptions in qualitative research is that reality is holistic, multidimensional, and constantly evolving.

## FINDING AND DISCUSSION

### The Potential of The Islamic Tourism Sector in Malaysia

The trend of tourism with Islamic values has started to gain traction among tourists, leading to the creation of opportunities for offering tourism products to meet their demands (Lina Munirah Kamarudin dan Hairul Nizam Ismail, 2012). One of the key aspects that distinguishes Islamic tourism from other commercial tourism is its focus on seeking the pleasure of Allah SWT rather than on profits and customer satisfaction (Nelson H. H. Graburn, 1977). Therefore, given the significant potential of Islamic tourism for the country's economic growth, several aspects must be considered, including facilities for prayer such as designated spaces, qibla directions, and prayer equipment; access to halal food and drinks in accordance with Sharia law; maintaining cleanliness and orderliness of visited areas; ensuring modest attire and covering of the aurah; using halal resources for travel expenses; and ensuring that activities undertaken do not contradict Islamic teachings (Jabil Mapjabil, 2015). Thus, the dual goal of fostering religious values while enjoying the tourism experience can be realized. Furthermore, the culture and lifestyle of the Islamic community can be highlighted in a more respectful and effective manner through the implementation of Islamic tourism (Al-Hamarneh, 2004). The Islamic tourism sector in Malaysia continues to grow rapidly and has great potential to become a primary destination for Muslim travelers. Several factors support this potential, including the growth of the global Muslim tourist market, the development of unique Islamic tourism products, infrastructure for Islamic tourism, Muslim-friendly hospitality, and increased awareness and demand for Islamic tourism. Below is an explanation of these potentials and their relevance to the Islamic tourism sector in Malaysia. Figure 1.1 below provides a summary the potential of Islamic tourism sector.



Figure 1.1 The Potential of The Islamic Tourism Sector in Malaysia

### The Growth of the Global Muslim Tourist Market

According to the Global Muslim Travel Index (GMTI) 2024 report, by 2028, the number of Muslim tourists worldwide is expected to reach 230 million, with an economic contribution exceeding USD \$300 billion. Malaysia consistently ranks first as the best Muslim-friendly destination, offering facilities and services that meet the needs of Muslim travelers. Statistics show an increase in Muslim tourists from the Middle East, Indonesia, and South Asia, with many choosing Malaysia as their primary destination.



Furthermore, by November 2024, 4.82 million Muslim tourists had entered the country, contributing over RM15 billion in revenue, a growth compared to the previous year, which saw 4.5 million Muslim tourists and revenue of RM14.7 billion. Moreover, Malaysia's recognition as a leading Muslim-friendly tourism destination by the Global Muslim Travel Index (GMTI) has proven Malaysia's excellence in offering the Islamic tourism segment (Shawaliah Hadir, 2025).

This recognition further proves that Malaysia is one of the leading Islamic tourism destinations in the world, attracting Muslim tourists from all over. This market is rapidly expanding due to the growing Muslim population globally, especially from Southeast Asia, the Middle East, and Central Asia. In 2024, Indonesia, Brunei, Pakistan, Saudi Arabia, and Kazakhstan were the five Islamic countries contributing to tourist arrivals in Malaysia (Bernama, 2025). This situation demonstrates that Muslim tourists are increasingly seeking destinations that offer halal facilities and experiences that align with Islamic teachings, such as Muslim-friendly accommodations, halal restaurants, and easily accessible prayer spaces. Therefore, Malaysia is seen as the top choice not only because of its status as a Muslim-majority country but also due to its Muslim-friendly tourism offerings.

### **Development of Unique Islamic Tourism Products**

As is widely known, Malaysia is recognized as a country consisting of a plural society that lives in harmony, with mutual respect among one another. The ethnic, cultural, and religious diversity in the country serves as a major attraction for foreign tourists who wish to experience a unique cultural experience distinct from other countries (Md Fauzi Ahmad, UTHM News Portal, 2025). Malaysia's ability to blend these elements of diversity has long been acknowledged and praised. This is also in line with an Islamic principle, which encourages Muslims to treat others kindly regardless of their religion, culture, descent, ethnicity, and so forth (Azrina Sobian, 2006).

Furthermore, Malaysia has the potential to offer tourism packages that differ from those provided by other Islamic countries, aiming to highlight Islamic tourism. For example, tourists can experience the Islamic culture of the country by observing the celebration of the month of Ramadan, the opportunity to breakfast and participate in preparations for festivals such as Hari Raya Puasa and Hari Raya Haji, including experiences such as weaving ketupat, roasting lemang, stirring dodol, baking bahulu, and more. Tourists can also get a closer look at special events celebrated by the Muslim community in Malaysia, such as aqiqah and korban ceremonies, khatam al-Quran events, and the celebration of Maulidur Rasul. These are among the offerings that can attract Muslim tourists to visit the country (Haliza Abdul Rahman & Abdul bin Roslan, 2018).

Additionally, programs like visits to traditional Malay markets and Islamic art exhibitions offer an in-depth experience for both Muslim and non-Muslim tourists to explore the beauty of Islamic culture. Moreover, natural destinations such as Langkawi Island and Taman Negara, which offer Muslim-friendly activities, further enhance Malaysia's prominence as a preferred Islamic tourism destination (Khairunneezam Mohd Noor, 2025).

At the same time, it serves as a platform for introducing Malaysia's culture and values to the world. In the current era of globalization, local cultures are increasingly challenged by external influences, and Islamic tourism can play a significant role in safeguarding the cultural identity of the country (Nurul Wahidah Mahmud Zuhudi, 2024). Furthermore, events such as Islamic art festivals, local handicraft exhibitions, and visits to iconic mosques can enrich the tourist experience, while fostering a sense of pride among locals.

In addition to its cultural diversity, Malaysia is also home to various tourist attractions that reflect Islamic architectural heritage. This is due to Malaysia's colonial history and its past interactions with various foreign nations such as China, India, Persia, Arabia, and Europe (Rahimin Affandi Abd. Rahim & Siti Maimunah binti Kahal, 2017). These interactions have left a significant impact, especially in the realm of art. Malaysia boasts a variety of unique architectures influenced by different concepts, including Islamic architecture such as the Jamek Mosque in Kuala Lumpur, which highlights Islamic design (Noor Ain Mohd Noor, 2023).

Moreover, Malaysia also features Islamic-themed exhibitions, such as the Islamic Museum of Melaka, the

Islamic Museum of Kelantan, the Islamic Arts Museum Malaysia, the Islamic Heritage Museum of Sarawak, and the Haji Gallery in Penang (Islamic Tourism Center, 2025). These museums offer a wide range of exhibitions, such as the Islamic Arts Museum Malaysia, which showcases Quran manuscripts, Islamic architectural galleries, ceramic collections, and more (Muzium Kesenian Islam, 2025).

Additionally, the museum buildings themselves provide attractions, such as the Haji Gallery in Penang, which is housed in a building that once served as an office for Hajj ticketing during the early 1900s (Yayasan Islam Pulau Pinang, 2023). Therefore, the cultural diversity and Islamic heritage present in Malaysia offer opportunities for the country to promote Islamic cultural tourism products that are attractive to Muslim tourists.

### **The Infrastructure Facilities for Islamic Tourism and Muslim-Friendly Hospitality**

Malaysia currently boasts excellent Muslim-friendly tourism infrastructure, including halal-certified hotels and resorts, prayer rooms at airports and shopping malls, as well as a wide range of halal restaurants. This makes it easier for Muslim tourists to carry out their religious obligations while on vacation. Furthermore, the Malaysian government and the private sector are collaborating to strengthen halal standards in the tourism industry, with the aim of making the country more appealing to Muslim tourists.

In this regard, to further enhance Malaysia's position as a Muslim-friendly destination, it is crucial to expand the available facilities and infrastructure. Malaysia offers a variety of Muslim-friendly amenities, including mosques, prayer rooms, Islamic cultural centers, and religious educational institutions. Additionally, Malaysia is equipped with infrastructure and tourism products that cater to the needs of Muslim travelers, such as halal hotels, halal airports and transportation services (airlines), halal food outlets, halal travel packages, and prayer facilities at tourist attractions (Nur Khalidah Dahlan, 2024).

Moreover, Malaysia has been recognized as a popular Islamic tourism destination due to its suitability for family vacations, and its facilities and services for Muslim tourists. One of the main factors contributing to Malaysia's rise as a preferred destination for Muslim travelers is the availability of halal-certified food, approved by the Department of Islamic Development Malaysia (JAKIM). This is crucial for Muslim tourists, as obtaining halal food is an essential obligation for Muslims, no matter where they are. Other attractions for Muslim tourists visiting Malaysia include the availability of key services for Muslim travelers, such as prayer rooms, prayer mats, Qibla indicators in hotels and accommodations, as well as Rest and Relaxation (R&R) stops (Haliza Abdul Rahman & Abdul bin Roslan, 2018).

Therefore, Malaysia must continue to improve the quality of its infrastructure and facilities, such as mosques, and expand and enhance prayer facilities in public areas. Comfortable and clean prayer spaces must be prioritized. Additionally, providing clear and easily accessible information about mosque locations and prayer times will improve convenience for Muslim tourists. According to Tourism Malaysia, there are over 3,700 star-rated hotels across the country. These hotels need to further enhance facilities and services that meet the needs of Muslim tourists, including prayer facilities and halal food (Md Fauzi Ahmad, 2023).

Islamic tourism is not limited to providing halal food or prayer spaces. It encompasses the entire experience, respecting the values and needs of Muslim travelers, including aspects of health, lifestyle, and entertainment that comply with Sharia principles. This is in line with the global trend where more young Muslim travelers are seeking authentic travel experiences that align with their beliefs (Nuru Wahidah Mahmud Zuhudi, 2024).

### **The Increase in Awareness and Demand for Islamic Tourism**

Islamic tourism is seen as one of the tourism products with potential for growth and increasing demand, involving both domestic and international tourists (Haliza Abdul Rahman & Abdul bin Roslan, 2018). The trend of Islamic tourism is rapidly growing, with demand and supply for this type of tourism consistently increasing over time. Malaysia's success in securing the first position in the global study by CrescentRating in the Global Travel Index proves that the country has immense potential to be a leading destination for Islamic tourism internationally (Suhailah Abdul Muin, 2024).

The trend of Muslim tourists is also increasing, with Muslim travelers becoming more discerning when choosing products and services that are Shariah-compliant. Furthermore, there is a growing awareness among Muslim tourists to select products and services based on Islamic principles to meet their needs, as opposed to the conventional options available today. With the global rise in awareness of Islamic tourism, many Muslim tourists are now seeking destinations that cater to their needs in terms of food, accommodation, and activities that align with Islamic principles.

Consequently, Malaysia holds great potential to leverage its position as a leader in the Islamic tourism sector, while promoting its rich Islamic culture and attractive Muslim-friendly destinations (Muhamad Zuhaili Saiman, 2024). One of the key factors contributing to the increase in the number of Muslim tourists is the Islamic-friendly tourism environment in Malaysia. The country has become a popular destination for Muslim tourists from around the world, renowned for its image as an Islamic nation that is safe and rapidly developing.

Additionally, Malaysia has been recognized as the best Muslim-friendly destination among OIC countries and as the best Muslim-friendly destination for women in 2023 (Islamic Tourism Centre ITC, 2024). According to the 2022 Global Islamic Economy (SGIE) report, Malaysia is ranked as the leading country in the region for Muslim-Friendly Tourism and Hospitality (MFTH) (Islamic Tourism Centre ITC, 2024).

According to MOTAC (2019), the global tourism industry is expected to welcome 69 million tourists annually from the Middle East (Tengku Kasmini Tengku Wook, 2021). This phenomenon has also increased global demand for Muslim-friendly services, thus opening opportunities for tourism operators to offer products and services that align with Islamic values (Mohsin Asad, 2016).

### Challenges of the Islamic Tourism Sector in Malaysia

Every industry faces its own unique set of challenges and obstacles, and the Islamic tourism industry in Malaysia is no exception. Generally, Malaysia holds significant potential to be positioned as a leading international destination for Islamic tourism. However, despite this promising potential, the industry does not come without its challenges. Among the key issues identified as barriers to the growth of Islamic tourism in Malaysia are global competition, a lack of awareness and knowledge among tourism service providers, a shortage of trained personnel in the Islamic tourism sector, and limited integration of technology within Islamic tourism practices. Figure 1.2 below presents a summary of the challenges faced by the Islamic tourism sector.



Figure 1.2 Challenges of The Islamic Tourism Sector in Malaysia

## Global Competition

Islamic tourism is an increasingly growing market within the global tourism industry, with the Muslim population estimated to reach 2 billion worldwide. The global Islamic tourism market was valued at approximately USD 194 billion and is projected to grow to USD 300 billion by 2026. According to data, Malaysia recorded 2.12 million Muslim tourist arrivals in 2022, contributing an estimated RM5.37 billion in tourist expenditure. The Global Muslim Travel Index (GMTI) 2023 recognised Malaysia as the “Top Muslim-Friendly Destination” among Organisation of Islamic Cooperation (OIC) member countries. This achievement further solidifies Malaysia’s position and branding as a leader in the Islamic tourism segment and in Muslim-Friendly Tourism and Hospitality (MFTH) both regionally and internationally.

However, it is important to acknowledge that Malaysia faces increasing competition from other countries such as the United Arab Emirates (UAE), Turkey, Saudi Arabia, Indonesia, and Egypt. According to the Global Muslim Travel Index (GMTI) 2024, Indonesia and Malaysia both achieved the highest score of 76 points, affirming their status as leading destinations for Muslim travellers seeking a Muslim-friendly travel experience. While GMTI 2024 places Malaysia and Indonesia at the same level, Malaysia is not a newcomer to the Islamic tourism industry. In fact, it has consistently led the Islamic tourism rankings for over a decade (YB Dato Sri Tiong King Sing, 2023). In view of the intensifying competition, especially from Indonesia and other countries, Malaysia must introduce new innovations in the Islamic tourism sector to maintain its competitive edge. Moreover, there remains a significant untapped Muslim-friendly tourism market within Malaysia itself. Therefore, continued efforts to enhance Muslim-friendly tourism are vital to attract Muslim tourists from around the world. In order to sustain Malaysia’s position as a leading global Muslim travel destination, sustained commitment from both the government and industry stakeholders is crucial. A strategic and inclusive approach must be adopted to ensure that the needs of Muslim travellers are prioritised in national tourism development planning. Through strong collaboration between the public and private sectors, Malaysia can not only maintain its reputation as a Muslim-friendly destination but also position itself as a global leader in the Islamic tourism industry.

## Knowledge and Awareness Among Tourism Industry Entrepreneurs

The lack of knowledge and understanding among Muslim-friendly tourism service providers, both domestically and internationally, represents a significant barrier that can hinder the desire of Muslim travellers to explore or visit certain destinations. Although Malaysia is widely recognised as a leading Islamic tourism destination, there remain persistent issues related to limited awareness and understanding among some tourism industry operators regarding Muslim-friendly services and the facilities that should be made available. Moreover, some business entities still perceive Islamic tourism as an exclusive concept intended only for Muslim travellers, whereas an inclusive approach has the potential to attract tourists from diverse backgrounds.

Globally, the implementation of Muslim-friendly hospitality services at accommodation establishments continues to face challenges due to varying interpretations of halal accommodation and different levels of Islamic practice. Awareness plays a crucial role in this context; it is essential for stakeholders in this sector to fully comprehend the concept and significance of Muslim-friendly services. Service providers, even those who are non-Muslims, must acknowledge the importance of these services for Muslim tourists. Furthermore, they should recognise that the Muslim-friendly tourism sector is not only profitable but also beneficial for people of all faiths, provided it is executed effectively and delivers satisfaction to its visitors (Muhamad Zuhaili, 2024). Travel package operators, in particular, need to understand the needs and preferences of Muslim tourists and adapt their products and services accordingly to meet those expectations.

According to Suhailah et al. (2024), the lack of adequate awareness and understanding of Shariah-compliant principles among tourism industry operators is one of the major hindrances to the growth of Islamic tourism in Malaysia. Therefore, strengthening education and awareness about Shariah aspects in the tourism field is imperative.

This is exemplified by the organisation of the Executive Seminar on Maqasid al-Shariah by JAIS in the state of



Selangor, which has provided an opportunity for both Muslim and non-Muslim communities to better understand Islamic developments (Hasri Harun, 2017). In this regard, the Qur'an and Hadith should serve as key references for designing more Muslim-friendly accommodations and guiding all aspects of human life (Siti Noorbiah dan Najahudin, 2012). Hence, in order to position a destination as a preferred choice for Muslim travellers, tourism authorities must thoroughly understand and accommodate the needs and expectations of Muslim tourists, while simultaneously enhancing service quality to meet those requirements.

### **Lack of Trained Workforce in the Islamic Tourism Sector**

Malaysia has long been recognized as one of the leaders in the global Islamic tourism sector, with Muslim-friendly infrastructure, widespread halal food facilities, and political and social stability being some of the factors that make this country a preferred destination for Muslim travelers from all corners of the world. However, despite these advantages, the lack of skilled labor in the Islamic tourism sector is seen as one of the challenges hindering the growth of this sector. This is because the workforce plays a crucial role in the success of any economic sector, especially in an industry that heavily relies on service labor, such as tourism. In the context of Islamic tourism, the workforce not only needs to be efficient in operational tasks but also must have knowledge and sensitivity towards Islamic principles. This includes aspects such as halal food management, providing prayer facilities, privacy requirements for female travelers, and understanding prohibitions in Islam, such as alcohol and excessive entertainment.

According to reports, the tourism sector lacks workers who truly understand the needs of Muslim travelers. This situation was highlighted by Astro Awani (2022), where the Minister of Tourism, Arts, and Culture, Datuk Seri Nancy Shukri, stated that Malaysia's tourism industry is currently facing a shortage of between 15,000 and 20,000 workers, including in the Islamic tourism sector. This shortage not only puts pressure on industry players but also affects the quality of service provided to tourists (Bernama, 2022). The problem is further exacerbated by the absence of formal training or special certifications required for workers in the Islamic tourism sector. Most operators and workers learn through work experience or self-initiative, without a deep understanding of concepts like Muslim-friendly Tourism or international halal standards outlined by the OIC Standard for Tourism (Halal Tourism Services Standard, 2020).

The impact of this lack of skilled labor is significant, as it can lead to inconsistency in service delivery, failure to meet traveler expectations, and damage to Malaysia's image as a leading Islamic tourism destination. According to Dwyer and Forsyth (2010) in their book *Tourism Economics and Policy*, the development of quality human resources is a key factor in enhancing the competitiveness of a country's tourism sector.

Therefore, to address this issue, the government and industry players must take proactive steps, including creating more structured training courses, providing professional certifications in Islamic tourism, and strengthening cooperation with higher education institutions to offer specialized programs in this field. In addition, existing training programs under agencies such as the Islamic Tourism Centre (ITC) should be expanded and adequately funded to reach more workers across the country.

### **Lack of Technology Integration in Islamic Tourism**

Malaysia is currently implementing a comprehensive digitalization concept to transform the country's tourism industry towards smart tourism initiatives. Through the inclusivity of the digitalization spectrum, it can provide the needs for tourism players at an international level, expand businesses, and shorten supply chain durations. To ensure that all of this becomes a reality, a new investment ecosystem is crucial for creating a conducive environment that allows the technology-based tourism industry to move forward, and investments in both physical and software infrastructure need to be balanced (Ahmad Marzuk Shaary, 2021). In the era of advanced globalization, technology plays a vital role in changing how people live their daily lives, including in the Islamic tourism sector.

However, the Islamic tourism sector, or Muslim-friendly tourism, will continue to lag behind in this digital era if its development is not aligned with the existing technological advancements. Therefore, tourism industry players need to offer special products and services that are developed and designed in accordance with Islamic

principles to meet the needs and desires of tourists. For example, applications that facilitate the search for halal restaurants, prayer places, or Muslim-friendly accommodations are still scarce or not sufficiently tailored. Many Muslim travelers abroad often rely on international platforms like Google Maps or TripAdvisor, which, although useful, do not focus on more specific Sharia-compliant needs. According to a study by CrescentRating & Mastercard (2023), one of the key elements required in the Islamic tourism sector is the availability of technology that allows Muslim tourists to easily find and book halal tourism services, without worrying about halal food issues or other facilities that meet their religious requirements.

This aligns with what Yus (2014) mentioned, that tourism applications are highly suitable to be developed due to today's dependence on the internet and mobile phones for finding hotels, flights, activities at destinations, and more, wherever users are. The development of a Muslim-friendly tourism application should be carried out immediately. Its function is not only as a medium for local tourism information but also as a tool to introduce Islamic lifestyle. Therefore, such an application must include key components of Islamic tourism, such as halal hotels, halal transportation, halal food premises, halal travel packages, and halal finance.

Based on the study conducted by Mohammad Imran et al. (2020), the findings indicate that existing applications do not specifically focus on Islamic tourism. Furthermore, these applications do not incorporate all the essential elements of Islamic tourism as outlined by the OIC standards. Most of the applications employ English as the sole language of user interaction. Notably, none of the applications provide Arabic as an alternative language for user interaction. The study also highlights communication challenges faced by Arab tourists in Malaysia, with approximately 70% of respondents reporting communication difficulties at the airport, 80% at hotels or accommodations, 80% in shopping centres, 80% in interactions with tour guides, and 80% in communication with taxi drivers (Mohammad Imran Ahmad, 2020).

Additionally, the Muslim-friendly holiday booking system in Malaysia has yet to be properly developed. Most travel agencies still use general booking systems that do not integrate halal elements into the process. For instance, when Muslim tourists book a hotel room or a travel package, they may not be able to ensure whether facilities like prayer rooms, halal restaurants, or provided activities are in line with Sharia. A specialized booking system that guarantees these aspects is much needed but has not been fully developed. Therefore, it is observed that with today's technological advancements, hotel industry players can utilize this to attract more Muslim tourists. Furthermore, the use of mobile applications providing guides on halal hotels, halal restaurants, and worship facilities can help enhance the experience of Muslim travelers (Mohamed Battour & Mohd Nazari Ismail, 2016). Additionally, halal hotels can also use developed digital platforms to more effectively market their services to the Muslim market segment, which increasingly relies on technology in their travel planning (Siti Nur Husna Abd Rahman, t.th).

Thus, it is seen that this digitalization process requires investment incentives, especially in data acquisition, content creation, and the development of online platforms. Furthermore, specific incentives need to be formulated to attract investments in physical and software infrastructure, including investments based on new technologies in the Muslim-friendly tourism sector. Technological advancements in Muslim-friendly tourism will break the boundaries of the existing industry and open up growth opportunities globally. The Ministry of Tourism, Arts and Culture, and its agency, the Islamic Tourism Centre (ITC), will serve as a guide in planning the development of the tourism sector to optimize its potential as one of the key economic drivers of the country and as a medium for dawah to the non-Muslim community (Ahmad Marzuk Shaary, 2021).

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