

For Immediate Release

Business Community Pulse Check Survey Highlights the Vulnerability of Downtown Areas in Malaysian Cities

KUALA LUMPUR, Feb 4, 2021– As Malaysia’s second major movement control order (MCO) sees its first extension till February 18, Think City has released findings from a business community pulse check survey. Conducted in August 2020 just after the first MCO, the report uncovers findings highlighting the vulnerabilities of inner-city heritage areas in Malaysia. Carried out in the downtown areas of Kuala Lumpur, Johor Bahru and George Town, the survey of 875 businesses was designed to better understand market conditions, business sentiment and confidence levels. Questions centred on past and future business performance, the impact of the Covid-19 pandemic, and what would improve the bottom line for businesses.

The necessary closure of international borders coupled with movement control and offices operating at lower capacities led to a major decline in downtown business revenues. The survey found that many businesses were vulnerable to the fallout from Covid-19 as they were reliant on either office workers or tourism. At least 77% of all businesses surveyed reported a decrease in sales and profit in the 12 months preceding August 2020 and the vast majority (at least 73%) anticipated that their sales would be the same or would decrease in the year ahead. Not surprisingly, downtown Johor Bahru businesses were the most affected due to their reliance on visitors from Singapore. Due to these losses, nearly a third of businesses reported a decline in the number of employees in the 12 months preceding August 2020, and at least 10% expect reductions in the year ahead.

Despite the decline in business performance in the 12 months leading to August 2020, over 62% of businesses were confident they would remain open at the end of 2021. At least 23% of respondents did not know if they would remain open at the end of 2021, most likely due to the uncertainty Covid-19 has brought to the economy, especially to the tourism and hospitality sectors. Interestingly George Town businesses were more confident that they would be open in 12 months (74% versus 64% and 62% for KL and JB respectively). This may be because the uptick in domestic tourism had seen many Malaysians travel to Penang to enjoy its heritage offerings.

Hamdan Abdul Majeed, Managing Director of Think City, said that the survey results show how vulnerable downtown heritage areas are to shocks, and that one of the main lessons learnt from the COVID-19 pandemic is that Malaysia needs to invest further in building resiliency within the urban communities.

“Many heritage areas in Malaysia are over-reliant on international tourism. While it is an important economic contributor, we need to invest into diversifying the cultural economy and ensuring there are

authentic experiences for locals and visitors alike. We also need to offer a range of economic activities, housing and amenities so that people can live and work nearby,” he said.

Hamdan continued to outline the ways in which Think City programmes are fuelling resilience in the downtown areas of George Town, Johor Bahru and Kuala Lumpur.

“In George Town, Think City is working with the state government on restoring Penang’s iconic waterfront heritage assets so that more value can be captured from tourism when restrictions are lifted. We are also looking at bringing new content to the heritage site including education institutions and technology firms. In downtown KL, we are working with Dewan Bandaraya Kuala Lumpur (DBKL) and the Ministry of Tourism, Arts and Culture (MoTAC), among others, to build a cultural district, while in Johor Bahru we continue our work in activating the heritage core.”

According to Hamdan, the business community pulse check survey will be repeated annually, with the findings being used to inform Think City’s programmes, and to provide policy advisory, working with the government in the nation’s recovery programme.

“At Think City we take an evidence-based approach and it is important that we calibrate our efforts with regular feedback from the community, using it to improve life for them, in this case, to enhance economic recovery as circumstances improve in 2021.”

“For this survey the top three strategies suggested to improve businesses were new promotions, assistance planning for long term survival and improving the online presence of businesses. We are looking at these recommendations through our grants programme and also working with technology companies to help businesses get online.”

The results of Think City’s Business Community Pulse Check are available online at www.thinkcity.com.my.

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About Think City

Think City is an impact organisation dedicated to making cities more liveable, resilient and sustainable. As a citymaking agency, Think City provides urban policy thinking, management and implementation of urban solutions in Malaysia and the region. Established in 2009 to spearhead urban regeneration in George Town, their impact and successes have led to expansion into Butterworth, Kuala Lumpur, and Johor Bahru. Adopting a community-first, evidence-based approach, Think City focuses on four main communities of practice: Placemaking, Resilience, Analytics and Conservation. Owing to their position as a neutral party, Think City has enabled synergies between the public and private sectors, the community and international partners. Together, they work to implement projects that enhance the arts, heritage, culture, environment, economy and resilience of cities. For more, see thinkcity.com.my.

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