
Post-Covid-19 Tourism Recovery and Hotel Industry Performance in Melaka: Demand Drivers, Operational Challenges and Future Outlook

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Abstract

The COVID-19 pandemic severely disrupted the global tourism and hospitality sector, causing significant declines in travel demand, hotel occupancy and tourism revenue. Melaka, a UNESCO World Heritage site and one of Malaysia's major tourism hubs, experienced significant contractions in hotel activity during the pandemic. However, the reopening of borders and the recovery of domestic travel contributed to a rebound in the tourism economy. This study examines tourism demand recovery and hotel industry performance in Melaka after the COVID-19 pandemic and identifies key operational challenges affecting the sector. The analysis is based on secondary data from tourism statistics, industry reports, academic literature and media sources covering the period from 2023 to 2025. Findings indicate a strong domestic-driven tourism recovery, supported by heritage attractions, weekend leisure travel, and government initiatives such as Visit Melaka Year 2024. The state recorded more than 15 million visitors and generated RM12.68 billion in tourism revenue in 2024. Despite improving tourism demand, recovery remains uneven across hotel categories, and the industry continues to face challenges, including labour shortages, rising operating costs, and reliance on online travel agencies. The study highlights the need for strategic adaptation to sustain competitiveness in Melaka's hotel industry.

Keywords: *COVID-19 recovery; Hotel performance; Melaka tourism; Operational challenges; Tourism demand*
