

S P O T L I G H T



MALAYSIA TOURISM



SPOTLIGHT: MALAYSIA TOURISM

MALAYSIA'S MAGNETISM

The powerful attraction of Malaysia's growing tourism industry is drawing more Hong Kong and China tourists to the multicultural wonder that is – Malaysia: Truly Asia.

To date, Malaysia's tourism industry remains one of the country's largest sources of revenue. From a mere 5.5 million tourist arrivals in 1998, contributing some RM8.5 billion (USD2.8 billion) in tourism receipts, Malaysia has successfully attracted 24.6 million tourists in 2010, earning a staggering RM56.5 billion (USD18.67 billion) in tourist receipts.

Despite encountering various obstacles throughout the years, the tourism industry has remained resilient; it continues to be a fundamental economic activity benefiting various business areas such as hospitality, transportation, retail trade, recreational and leisure facilities.

Assured Growth

According to the World Tourism Organization (UNWTO) barometer, Malaysia made it into the top 10 countries with the highest international tourist arrivals for 2009, securing the 9th position, up two notches from the previous year. In the Asian market, Malaysia was second after China in terms of tourist arrivals.

The rise in tourist arrivals can be attributed to factors such as increased regional travel and greater air services connectivity. The rapid expansion of budget airlines within the region such as AirAsia, ValuAir and Tiger Airways, along with budget hotels, has made travelling more affordable to consumers. In brief, low airfares and attractive holiday packages by low cost carriers have helped stimulate regional travel.

Over the years, Malaysia has steadily worked its way into the hearts of travellers as a unique holiday destination. It was chosen as one of the world's top ten countries in Lonely Planet's "Best in Travel 2010" as well as one of the "Best Value Destinations" for 2010. This wasn't the first time Malaysia was recognised by Lonely Planet; in 2008, it was Lonely Planet's top pick of countries for best holiday destinations. Malaysia was similarly honoured by US magazine Global Traveller as Best International



Tourism Destination for three consecutive years from 2006 to 2008.

Tourist Appeal

Many factors contribute to Malaysia's appeal as a tourist destination and the success of its tourism industry. Generally, the country's rich and colourful multi-cultural heritage is a major attraction. It gives rise to a variety of festivals, arts and crafts and cuisines influenced by the Malays, Chinese, Indians, and other various ethnic groups that make up the Malaysian population.

There is also a great range of natural attractions here – tropical rainforests that date back to some 130 million years ago, interesting cave systems, and exotic marine parks with rich biodiversity and ecosystems. Some of the attractions in Malaysia are recognised as UNESCO World Heritage Sites, namely the Gunung Mulu National Park, Kinabalu Park, and the cultural and historical enclaves of George Town and Melaka.

Meanwhile, Malaysia's modern cities are a shopping paradise offering a wide array of quality merchandise that caters to all budgets and tastes. Due to the great exchange rate, things are retailed at reasonable prices even when purchased outside the three major shopping carnivals held each year, namely the Malaysia Grand Prix Sale (held in conjunction with the F1 Petronas Malaysian Grand Prix), Malaysia Mega Sale and the Malaysia Year-End Sale.

Another of Malaysia's unique tourism offering that's been getting popular is the homestay programme. Taking up one of these packages gives tourists the experience of living in a traditional village or kampung with a local family. It has attracted many foreign tourists, students and non-students alike,

particularly those from Singapore, Japan, Australia and South Korea. Between 2006 and 2010, a total of 102,881 foreign tourists participated in the programme with a choice of close to 3,000 participating homes involving 139 homestays nationwide. With the integration of these homestay packages with rail travel, the programme is expected to be even more attractive.

My Second Home

While the homestay package largely attracts a younger crowd, it is the Malaysia My Second Home (MM2H) programme that appeals to the older market. Endorsed by the Ministry of Tourism, it aims to attract more foreign citizens to stay long-term or even retire in Malaysia, as well as draw high net-worth individuals to invest in the country.

From 2002 to July 2011, the programme accumulated 15,951 participants, with majority of them from China, Bangladesh, UK, Japan and Iran. In order to attract more foreigners to join the programme, the Ministry of Tourism set up the Malaysia My Second Home One-Stop Centre in May 2006 as a central hub to address MM2H-related enquiries and process applications.

The year-long programme of activities in Malaysia also adds to the excitement of travelling to the country. These include the Colours of 1Malaysia, the F1 Petronas Malaysian Grand Prix, Malaysia International Floral Parade, the Malaysia Mega Sale and Year-End Sale, Malaysia International Shoe Festival, Fabulous Food 1Malaysia, and the 1Malaysia Contemporary Art Tourism Festival.



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Malaysia is also a good value-for-money destination. According to the World Economic Forum's Travel and Tourism Competitiveness Report 2009, Malaysia ranks among the top 32 countries (out of 133) for most competitive Travel and Tourism country. The ranking also placed Malaysia in the 4th spot for Price Competitiveness.

MICE Incentives

The MICE industry – which stands for meetings, incentives, conventions and exhibitions – warrants its own sub-heading. Due to the availability of excellent infrastructure and facilities in the country, the MICE market has become a high-yielding market with the potential to attract high volume and quality business travellers to Malaysia. Consequently, the Malaysia Convention and Exhibition Bureau (MyCEB) was established in 2009 to intensify the promotion of MICE.

Last year, over 6,000 delegates flooded the Kuala Lumpur Convention Centre for the 18th World Congress of Accountants, while most recently, Malaysia welcomed the Institute of Internal Auditors (IIA) Conference 2011 with over 2,200 delegates from 93 countries.

In fact, in 2010, a total of 1.3 million international business tourism visitors visited Malaysia, a 132 percent jump from the mere 550,000 business visitors in 2003.

So what makes Malaysia a viable destination for business events? Geographically, Malaysia is strategically located in Asia where over 55% of the world's population resides, with two giant economies, China and India, on either side. Accessibility is excellent with 50 airlines serving routes to Malaysia from over 100 destinations worldwide, while within the country, many affordable travel options are available.

Built to Serve

Malaysia's multi-cultural yet peace-loving population and a stable government also provide a destination that is both safe and secure. Malaysia was recently ranked as the most peaceful country in South East Asia and the 4th safest in Asia Pacific behind New Zealand, Japan and Australia by the Global Peace Index 2011.

The wide range of meeting facilities also means that there are various options to choose from. Among them is the multiple award-winning, technologically-advanced Kuala Lumpur Convention Centre, located in the heart of the capital city and overlooking the iconic PETRONAS Twin Towers. The world-class venue offers a 3,000-seat Plenary Hall and 9,700 sqm of exhibition space. The expansion of the facility is expected to boost meeting space by 10,000 sqm upon completion by 2013. There are 1,500 hotel rooms on site with a further 12,000 rooms

within its vicinity.

Another feather in Malaysia's cap is the Borneo Convention Centre Kuching (BCKK) in Sarawak. Opened in June 2009, BCKK is the first purpose-built convention centre in Borneo to accommodate conferences, exhibitions and multi-dimensional events with a Great Hall measuring 2,800 sqm and complemented by 14 additional meeting rooms. In 2012, it will be the host venue for the 2012 Triennial Meeting of the Commonwealth Dental Association, an event which is expected to bring in 2,000 delegates and an estimated RM12.5 million (USD4.1 million) in economic impact to the country.

While Malaysia boasts of a world standard infrastructure, it's the people and culture that win the hearts of many. A HSBC report in 2011 found Malaysia to be among the top ten friendliest countries in the world, and ranks No. 1 in Asia.

Another attraction of Malaysia as a business destination is the fact that Malaysia has a multi-lingual population with many English speakers. The English Proficiency Index Country Rankings ranks Malaysia as No. 1 among non-native speaking Asian countries.

Much of the innovation within the industry can be credited to the Malaysia Convention and Exhibition Bureau (MyCEB) and its industry partners. MyCEB is the national agency set up in 2009 by the Ministry of Tourism to promote Malaysia as a leading business tourism and international events destination. The organisation provides subvention support – financial and non financial incentives – to business event organisers including site inspection, event promotion, itinerary development, government liaison, and on-site support.

For the whole of last year, MyCEB provided support towards 189 business events, comprising 124 meetings and conventions, 49 incentives and 16 tradeshows which attracted a total of 71,075 participants.

In its first 12 months of full operation, the bureau, in collaboration with Industry

partners such as the Kuala Lumpur Convention Centre and Sarawak Convention Bureau, successfully secured 52 business events for Malaysia over the next few years. These events are expected to attract over 64,000 delegates and RM638 million (USD210.8 million) in economic value for the Malaysian economy. This includes the 7th International AIDS Society (IAS) HIV Conference in Pathogenesis, Treatment and Prevention 2013 (5,000 – 6,000 delegates) and the Human Genome Meeting 2015 (1,000 delegates).

Clearly, it's a serious business with a lot of paperwork, logistics and liaison work involved, but the economic impacts of business tourism to the nation is highly rewarding. A wide sector of the community – retailers, restaurants, hoteliers, transportation providers, tour operators and even regional destinations – stands to gain from the spin-offs.





Value for Money

Malaysia's business tourism sector is estimated to have brought in more than RM10 billion (USD3.3 billion) in visitor expenditure last year. The economic impact value, meanwhile, is estimated to be worth more than RM17 billion (USD5.6 billion). Studies show that business event delegates spend three times more than the average leisure traveller with an average length of stay of 5.85 days. Moreover, Malaysia sees the potential of a business event delegate returning as a leisure tourist possibly with family or friends in tow.

To further strengthen Malaysia's business tourism brand and position globally, MyCEB recently launched the International Events Unit (IEU), to identify and support international bids for sports, art and culture and lifestyle events. This segment is expected to contribute RM427 million (USD141.1 million) in incremental Gross National Income (GNI) and provide 8,036 job opportunities to Malaysia by year 2020.

It's not just the tourism industry players who are happy about business tourism benefits, though. Even the Prime Minister of Malaysia, YAB Dato' Sri Najib Razak is aware of the great potential of this growing sector. In outlining the nation's blueprint for development, the Economic Transformation Programme (ETP), he specifically called for the strengthening of the business tourism sector.

Investing in the Future

This endorsement is a strong boost for industry players. The good news is that the government has announced a RM50 million (USD16.5 million) funding under the ETP to strengthen

Malaysia's competitiveness in the global industry. Of the total, RM25 million (USD8.3 million) has been allocated for the subvention programme.



At the same time, the pressure is now on to grow business tourism arrivals from five percent to eight percent of the overall tourist arrivals, which translates to an increase from 1.2 million (2009) to 2.9 million by year 2020 and to position the country as one of the top five destinations in Asia Pacific for international meetings (currently, Malaysia is ranked 7th among Asia Pacific countries, and 28th worldwide).

The future for Malaysia's business tourism looks bright, though, with key infrastructure projects nationwide expected to boost the industry. Within the next five years, new venue options will be ready, offering international and regional associations and meeting planners more choices in other parts of the country such as Pahang, Penang, Sarawak as well as Kuala Lumpur.

Key developments in the pipeline include the construction of the Penang International Convention and Exhibition Center by 2014, and the proposed development of the MATRADE Centre (93,000 sqm) by 2014.

Other new infrastructure to support the growing industry include the upcoming Kuala Lumpur International Airport (KLIA) 2, an integrated urban mass rapid transit (MRT) system and the construction of a series of pedestrian walkways throughout the capital city as part of the Greater Kuala Lumpur plan.



Malaysia's Target

The target under the Tenth Malaysia Plan (2011 – 2015) is to improve Malaysia's position to be within the top 10, in terms of global tourism receipts in 2015. Malaysia is also targeting to increase the tourism sector's contribution 2.1 times, contributing an estimated RM115 billion (USD38.0 billion) in receipts and providing 2.7 million jobs in the tourism industry in 2015.

A key target now is China; with its rising economy and increased tourism relations with Malaysia, Malaysia is beginning to cater more towards Chinese tourists. The results are encouraging; a total of 1,130,261 Chinese tourists visited Malaysia in 2010, a 10.8% increase compared to 1,019,756 Chinese arrivals in 2009.

Tourism Malaysia is also determined to attract specific market segments with the development of niche tourism products such as nature adventure (including ecotourism), cultural diversity, family fun, golfing and affordable luxury.

In terms of advertising, the highly successful "Malaysia, Truly Asia" (MTA) brand image campaign implemented since 1999 continues to be used in the country's marketing and promotional campaigns. This brand has propelled Malaysia to international stardom as proven by the significant growth in tourist arrivals since its inception.

The Malaysian tourism industry players also play a critical role in growing the industry, and have shown their support many times. For instance, with travellers being more conscious of green tourism, hoteliers have made concrete efforts to be responsible towards the environment. Some of them have adopted the "Green Hotel" classification of accommodations according to the ASEAN Hotel Standards.

Barring any further crises, Malaysia can look forward to the development of a more robust tourism industry, and in turn, greater foreign exchange earnings as well as new business and employment opportunities. With resilience, innovation, product quality and excellent service standards, the tourism industry, as part of the larger services sector, is seen to have a vital role in Malaysia's journey towards making the country a developed nation by the year 2020. ■ *Text & Pic Courtesy: Tourism Malaysia*