

17/06/2000

Bright future for MICE sector

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KUALA LUMPUR, Fri. - Sceptics doubtful of Malaysia's ability to organise major conventions and events following the economic downturn have been proven wrong, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"They have been proven wrong because of the resilience of the Malaysian meetings' industry and continued strong attraction of the country," he said when launching the Millennium Leaders Summit for the International Meetings Industry at the Palace of the Golden Horses Hotel.

Over 100 Meetings, Incentives, Conventions and Exhibitions (MICE) industry leaders from 21 countries are taking part in the summit.

The four-day event, which began yesterday, is organised by the Joint Meetings Industry Council (JMIC) with support from Tourism Malaysia and Malaysia Airlines.

Dr Mahathir said even at the height of the recession, the MICE industry continued to register a growth of 19.9 per cent compared to 1997.

It was during this period that Malaysia successfully hosted the 1998 Commonwealth Games and Apec Summit meeting.

Dr Mahathir said speculators responsible for the 1997 Asian economic crisis exploited unregulated markets to make profits at the cost of real business - including the tourism sector - which was strangled in the process.

He added that "home-grown remedies" had to be taken to arrest further damage to the economy.

Citing an example, he said the ringgit's exchange rate was fixed so that people doing business could set their budgets precisely without having to hedge.

"As you may have noticed the cost of visiting Malaysia is not only low it is predictable," said Dr Mahathir, adding that the predictability contributed to Malaysia's success in organising conventions and events during the recession.

With Malaysia's recovery, prospects for a strong upturn in the MICE industry would be much brighter, said Dr Mahathir.

Outlining the industry's importance, he said tourism was the world's primary export earner, ahead of automotive products, chemicals, petroleum and food.

International tourism receipts combined with passenger transport currently total more than US\$504 billion.

Dr Mahathir said meetings and conference travellers were among the top target groups in the competition for international tourists - they spend three times as much as the ordinary tourist.

"With the increase in the MICE traffic to this region, Malaysia is positioning itself to gain from this opportunity by offering an attractive range of convention services and the necessary infrastructure."

In 1999, there were 1,404 hotels in Malaysia supplying 109,413 rooms to cater for MICE activities.

Dr Mahathir re-affirmed Malaysia's commitment to the industry. "Even during the economic crisis, the budget allocation for tourism promotion was not affected by the Government's austerity measures."

Also present at the ceremony were Culture, Arts and Tourism Minister Datuk Abdul Kadir Sheikh Fadzir and JMIC chairman Dr Vito Marzo.

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