

ETP to boost nightlife and spa industry
Malaysiakini.com
October 26, 2010

The Najib administration wants to turn Malaysia into a major nightlife hub to boost its tourism industry under the Economic Transformation Plan (ETP).

This will see the establishment of several major nightclubs, the hosting more major concerts, relaxing of guidelines for performers and the "repackaging" of international events such as Formula 1 and MotoGP.

According to the ETP roadmap released yesterday, this is part of the government's 12 entry-point projects (EPP) to resolve the problem of having steadily increasing tourist arrivals, but being hampered by a relatively low yield.

This move is likely to see political repercussions from religious conservatives who regularly protest against concerts by international stars, with openly gay US pop sensation Adam Lambert being the latest target.

One of the 12 EPPs involves the relaxing of stringent guidelines for concerts and international events, which currently keep many foreign performers away, but are yet panned by critics as being too lax.

From the last quarter of 2010, international performers who fulfill three minimum criteria are being exempted from the existing guidelines imposed by the Central Agency Committee for Application for Filming and Foreign Artists Presentation (Puspal).

The three criteria for exemptions are:

- A-rated, based on the Billboard top 100 in the past five years;
- Attract a minimum of 2,500 spectators per event; and,
- Have performed in at least three international venues.

Instead of the Puspal guidelines, events that fulfill all three criteria will be treated with "more flexible guidelines", tax exemptions and relaxed immigration requirements for performers and their crew to help develop Malaysia as a hub for international events.

Performances will also have to carry audience warnings (such as 'G: General' or '18+: 18 years old and above').

Under this EPP, RM467 million will be spent on the cumulative investment required on this portion of the plan and it will be completely borne by the government, with the overall gross national income (GNI) estimated at RM427 million and the creation of 8,000 jobs.

Five new 'party zones'

What is even more surprising is the EPP on the establishment of dedicated entertainment zones in Greater Kuala Lumpur/Klang Valley, Genting Highlands, Penang, Langkawi and Kota Kinabalu to triple Malaysia's nightlife earnings to RM1.8 billion by 2020.

The move will see six new nightclubs capable of coping with at least 900 visitors on

weekends begin operation by early 2012, with two more opening in 2013 and 2014 respectively.

"By 2014, there will be at least 10 nightclubs in the new entertainment zones. The expected impact of this will be RM0.7 billion in GNI and approximately 5,614 new jobs by 2020," the report says.

These dedicated zones will also see the extension of operating hours for entertainment outlets, extension of working visas for foreign artistes and crews and the relaxing of the local to foreign artistes ratio specified in the current Puspal guidelines.

This EPP also states that there will be a clear demarcation of entertainment zones to minimise any adverse impact on local residents and ensure a buffer zone of 100m from residential and religious areas.

The announcement of the five new party-friendly zones is also likely to stir up conservatives who earlier this year forced the Najib administration to scuttle plans to legalise sports gambling.

Regulating and boosting spa industry

The ETP also seeks to boost and regulate Malaysia's spa industry, which is expected to reach RM830 million by 2020, driven mostly by tourists.

"However, skills requirement and service delivery remains the most pressing issues hindering potential growth," notes the report.

This is also hampered by immigration policies that severely restrict the hiring of foreign semi-skilled workers and the limited number of local spa therapists.

To resolve the human resource shortage, three centres of excellence (CoEs) are to be established to serve as training centres to produce local spa therapists.

The goal is to produce 1,500 therapists annually and bring the ratio of local to foreign therapists to 70:30.

The three centres of excellence will be located in the Greater Kuala Lumpur/Klang Valley, Johor and Sabah due to their "proximity to spa establishments".

The ETP report also states that a Spa and Wellness National Council will be established by mid-2011 to regulate the industry. Its board members will comprise industry players and government officials.

Funding for this project is RM23 million, and will be borne by the three centres of excellence and the national council. The estimated GNI is RM0.4 billion, with the creation of 3,500 new jobs.