

LURING THE BIG SPENDERS

High yield, potential for growth in the Arab tourist market.

By Ooi Sue Hwei

THE summer holidays have started. And for hotels and shopping malls, this will mean the arrival of Arab tourists by the planeloads during the peak periods from July to September.

Hafiz Hazin, assistant director of the Middle East and North Africa Unit in the

It is no surprise then that the top-five places that Arab tourists favour are Kuala Lumpur, Langkawi, Penang, Genting Highlands and theme parks like the Sunway Lagoon Theme Park.

According to the third quarter of 2005 edition of *Insights*, a MasterCard International publication on the Asia-

Malaysia done to lure more Arab tourists? This year, the total advertising budget for the Middle East market stands at RM11 million while another RM15 million has been allocated for 2007.

Besides taking part in travel fairs in the Middle East, Tourism Malaysia says the effort to portray the country as a safe place to visit is essential to attract Arab tourists. Locally, this is done by engaging the help of the Royal Malaysian Police Force to station tourist police at several locations around Kuala Lumpur.

Additional efforts also include promoting Malaysia as the most developed Muslim country. The country's unique multiracial and multicultural mix is also a draw to these tourists.

Other promotional programmes include putting up more Arabic signages at the KL International Airport, major shopping complexes and main tourists attractions as well as hiring Arab-speaking officers to be

TOURIST ARRIVALS FROM THE MIDDLE EAST

Region/ Country of Residence	2005				2004				2003				2002		
	Jun	Jul	Aug	Sep	Jun	Jul	Aug	Sep	Jun	Jul	Aug	Sep	Jun	Jul	Aug
Saudi Arabia	2,883	10,564	17,507	8,723	2,471	6,754	12,515	6,920	567	1,012	2,815	4,693	3,221	13,635	11,050
UAE	932	5,308	16,006	1,930	629	2,418	13,280	1,502	183	395	1,089	911	735	3,183	4,605
Jordan	174	233	282	179	157	143	271	272	128	86	106	233	214	420	524
Kuwait	400	2,155	5,317	1,698	456	1,356	6,110	1,893	44	133	517	943	366	1,954	4,556
Lebanon	691	545	1,013	1,001	698	672	834	1,001	520	341	367	679	295	437	592
Syria	340	402	502	368	727	642	479	598	1,012	1,076	918	883	1,650	1,303	2,828
Oman	969	1,694	2,256	644	782	1,260	1,951	695	370	470	755	476	508	1,438	1,915
Iran	739	942	1,124	880	961	474	1,187	1,893	285	219	475	1,377	505	738	781
Others	830	2,638	5,515	1,928	1,196	2,045	4,501	2,569	787	685	908	1,490	832	1,966	3,830

Source: Tourism Malaysia

International Promotion Division, reveals that Tourism Malaysia is expecting about 200,000 Arab tourists to visit the country this year. This is a considerable increase from 147,646 Arab tourists in 2005. The majority of them come from Saudi Arabia and the United Arab Emirates followed by Kuwait, Oman and Lebanon.

Out of this number, more than 95% are families on vacation who stay an average of two weeks. According to results of a 2004 survey, Arab tourists spend the most on accommodation (32.78%), followed by shopping (21.72%) especially for electronic goods and clothing, food and beverage (14.57%) and entertainment (9.1%).

Pacific region, tourist arrivals from the Middle East have grown by over 27% annually between 2002 and 2004. These arrivals are aged between 25 and 44 years old.

On average, Arab tourists are also the highest spenders at RM5,500 per person compared with RM2,650 and RM1,770 for East Asian and Asean tourists respectively. Their spending on shopping is also the highest at about RM1,000 per person per visit. This is followed by RM800 by tourists from New Zealand, RM500 by East Asian and European tourists and RM400 by Asean tourists.

In light of all these facts, what has

stationed at the KLIA and KL Sentral for their convenience.

The Government has gone so far as to designate a street in the heart of Kuala Lumpur as Arab Street or Ain Arabia. The project, which is under the Kuala Lumpur City Hall, is being well received. For tourists who feel homesick, Arab Street is intended to make them feel at home.

Through surveys conducted by Tourism Malaysia, it has been found that Arab tourists tend to favour staying at serviced apartments because of the cooking facilities that are provided. Topping the list is PNB Darby Park (Service) Apartments Kuala Lumpur.

Its sales coordinator, Norlin Baharuddin, says that its Arab guests prefer renting the two- or three-bedroom units which can fit about four families. They usually indulge in leisure activities like shopping and swimming and stay between one and two months.

Despite the preference, hotels in the city are still expecting an increase in their room occupancy rate. Grand Plaza Parkroyal Kuala Lumpur director of marketing, Eugene Yeo, says that the hotel is expecting to sell about 3,000 room nights with the majority of the guests coming from Saudi Arabia. On average, the hotel's Arab guests stay between seven and 10 days, occupying the deluxe rooms and suites.

Berjaya Hotels & Resorts director of sales, Nazri Abdul Rahman, also forecasts an increase of between 5% and 10% in the occupancy rate from Arab guests to the hotel from last year's 30%.

Hotel Nikko Kuala Lumpur's director of

2001				
Sep	Jun	Jul	Aug	Sep
4,635	3,164	11,873	12,827	2,413
842	916	3,125	4,161	987
262	303	357	639	235
1,058	327	1,121	3,690	773
421	357	418	708	419
1,055	2,117	1,226	1,888	1,047
517	698	1,171	1,734	439
1,092	1,292	982	928	857
1,430	1,422	1,688	691	1,132

sales, Zolkifli Ayob, is confident of selling about 8,000 room nights to Arab guests from Saudi Arabia and the UAE. This will make up about 10% of the hotel's occupancy rate.

Efforts to court these tourists in greater numbers should be stepped up. The Middle East market, while small at present, has a high yield and a promising potential for growth.

According to *Insights*, if the trend of growth for all tourist groups continue, an overall growth of 14% per year can be expected. This could mean that total tourist spending would reach about RM60 billion by 2010. **mb**