

By	:	DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK PERDANA MENTERI MALAYSIA
Venue	:	Pulau Melaka, Melaka
Date	:	07/02/2014
Title	:	THE OFFICIAL LAUNCH OF MELAKA GATEWAY

Chief Minister of Melaka
Yang Amat Berhormat Datuk Seri Ir. Hj. Idris bin Hj. Haron

YB Exco members of the Melaka State Government
Distinguished Guests, Ladies and Gentlemen,

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh, Good morning and Salam 1Malaysia.

“Selamat Datang”

1. I am delighted to join you on this special occasion to launch Melaka Gateway, an epic setting waterfront development. Let me thank the Chief Minister of Melaka, CEO, Chairman and Board of KAJ Development for inviting me to do the honours.

2. With this iconic harbour and waterfront development, the historic city of Melaka is poised to reclaim its glory; this time as an unparalleled world-class tourist destination and a coveted waterfront home, adding its green building character and vibrancy to Melaka.

Ladies and Gentlemen,

3. Malaysia is recognized globally as one of the leading tourism destinations. We are the destination "where the best of Asia comes alive! It has been acknowledged by the Lonely Planet as one of the top 10 destinations; by New York Times as one of the top 40 places to visit. These are tributes to our country's natural beauty, multicultural heritage and world-class hospitality and attractions.

4. These attributes allow us to showcase the best of traditional and contemporary Malaysia to international visitors. Some 200 of these are showcased in our 2014 festivals and events calendar this year in line with Visit Malaysia Year. From eco-tourism and rainforest festivals, unique Straits Peranakan and Portuguese culture to the Twin Towers, all these diversity can be experienced – only in Malaysia.

Ladies and Gentlemen,

5. The tourism sector has grown to be at the forefront of Malaysia's economic development. The Economic Transformation Programme (ETP), our country's dynamic plans to propel Malaysia towards becoming a high-income nation by the year 2020, has designated the sector as a National Key Economic Area (NKEA).

6. Our NKEA tourism target is 2020:36:168. That is in the year 2020, we aim to receive 36 million tourist arrivals and RM168 billion in tourist receipts. This would mean that the tourism industry will grow by three times and contribute RM3 billion receipts per week. To achieve our 2020 goal, we have shifted our focus to growing yield per tourist. To attract the higher yield segment, we are improving and upgrading tourist offerings and services, as well as enhancing connectivity to key priority markets in the tourism sector.

7. As such, we are delighted to know that the Melaka Gateway, an innovative tourism product, complements the government's tourism target. This development is projected to attract an additional 2.5 million tourists over the span of 12 years with high-yield consumers expected to contribute substantially to the tourism earnings.

8. Coming back to Malaysia's strategy for the tourism sector, there are four megatrends that we have taken into consideration in our planning. The first is the creation of a global elite. This refers to the increasing number of high-income or high net worth consumers around the world. As such, the importance of offering high-end products and high service levels is growing ever greater. The Melaka Gateway with its luxury offerings of an international cruise jetty and the largest marina in Asia, is therefore, poised to bring in this crowd. Cruise Tourism is a culture that is now spreading its wings to a new frontier, Asia. Malaysia has done well in cargo and container ports, and it is now time that we focus on cruise ports. We are pleased that the cruise port is a critical component in the Melaka Gateway project, as international tourists have long highlighted that they wished to disembark at our port cities.

9. We are confident that the success of the Melaka International Cruise Jetty, will not only bring in high yield international cruise visitors but also lead to the opening up of other potential cruise port sites in the east coast of Peninsular and also Sabah and Sarawak. The vision that is the "Straits Riviera" will soon be a reality increasing the potential for both international and domestic tourism.

10. This will be complemented by a different segment - the largest marina in Asia. We may already have a few successful marinas, but now the development of the elite brings new demand for luxury or mega yachts with spin off into residential, commercial and a high-end Repair & Maintenance dockyard.

11. The second megatrend is the faster pace of life which means that consumers are growing more interested in having many short holidays as a means to alleviate stress. They are looking for holiday experiences, spa and wellness getaways, amongst others. Melaka Gateway too, has to offer the iconic Melaka Gateway Beacon Tower and prestigious waterfront residential addresses to Malaysians and world citizens alike.

12. The third megatrend is the trading up and down. This refers to selective spending. A consumer may choose to splurge on one item while economizing on others. Hence, it is important that we are able to offer a wide variety of tourism offerings; low, mid to high range. Melaka Gateway offers the opportunity for this and features an international designer street, offering high-end consumer goods, to the unique traditional food and antiquities at the replica of Jonker Walk.

13. Last but not least is the rise of the new market leaders, such as China, India, Middle East countries. We have been doing well in penetrating a few of these markets, but more needs to be done especially to attract the increasingly wealthy Chinese, Indians, Arabs as well as the Russians. I believe this mega developmental project of RM 50 billion with its partnerships with world class international brands is a funnel for the influx of international investors.

14. With that, this world class development is truly a national project and is surely being seen as part of the Economic Transformation Programme.

Ladies and Gentlemen,

15. The growth potential in the tourism industry in Malaysia is huge. And I would like to say to investors and partners: come and participate in our growth story. Having shared the tourism strategy and targets, let me give you another compelling reason to invest in Malaysia. The tourism industry's contribution to the gross domestic product (GDP) is on the uptrend. For 2014, the sector is expected to contribute about 12.5% to GDP, an improvement over the contribution of nearly 12% in 2013.

16. In absolute terms, a 12.5% revenue from tourism would amount to some RM125 billion. This is based on our country's GDP in 2013, which is expected to reach over RM1 trillion. In just the last nine months of 2013, Malaysia's revenue from tourism rose about 9.6% to RM46.4 billion, compared to RM42.4 billion for the same period of 2012.

17. Last but not least, here's another reason to invest. Malaysia offers highly attractive incentives through the ETP as well as the tourism programs. These include tax incentives as well as a 100% foreign ownership for tourism projects. I am delighted to say that many foreign investors have taken the opportunity to invest in this sector.

Ladies and Gentlemen,

18. The Melaka Gateway is a perfect fit for the state of Melaka which has been single-minded in growing the tourism industry, and have been building many new attractions. The strategy is a success. From 2.2 million arrivals in year 2000, Melaka saw 13.7 million visitors last year with a majority of the foreign tourists from China, Singapore, Indonesia, Taiwan and Hong Kong.

19. Earlier, I spoke about the need to grow tourist yields. With Melaka Gateway's multi-fold attractions which have the potential to encourage visitors to extend their stay, attract cruise ships with big-spenders, and global elites as island residents, the development will serve as an important engine of our tourism sector, creating spin-offs and boost the overall economy of Melaka and Malaysia. This multi-billion development is expected to contribute a significant contribution to Malaysia's GDP.

Ladies and Gentlemen,

20. In the CEO's speech earlier, she spoke about the development of Melaka Gateway and the investment opportunities. Indeed, the visionary and pioneering spirit of KAJ Development in developing this exclusive project will, I believe attract savvy investors.

21. I believe this development will attract key international partners and established brand-names which will offer dynamic business growth to the Melaka State. These partners will surely bring necessary foreign direct investment, expertise and in some cases the global market with them. They will thrust Melaka Gateway and Melaka as a world city to be reckoned with. We all hope that Melaka Gateway will progressively transform Melaka into an even more vibrant tourist destination, a must-visit destination in Asia and help spur the tourism sector in Malaysia.

22. I am also delighted to know that Melaka Gateway will create job opportunities for 15,000 people, and look forward to see Malaysians hired in line with the government's policy of creating more high-value jobs under the ETP.

Ladies and Gentlemen,

23. In this borderless age, it is no longer countries but cities that are at the forefront of competition. With the dawn of this epoch, it is cities and their dynamism within and the growth of such cities that are critical for us to be a high income nation. This project will re-position Melaka city in the correct dimension and I wish the State of Melaka every success in the development of Melaka Gateway.

Thank you.

Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.