

**THE NON-ALIGNED MOVEMENT'S BUSINESS FORUM ON
SOUTH-SOUTH COOPERATION**

“BRIDGING THE DIVIDE, ENHANCING OPPORTUNITIES”

**SMART PARTNERSHIPS IN TOURISM
- TRENDS AND PROSPECTS -**



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Distinguished Participants

Ladies and Gentlemen

I am indeed very honoured to have been given this opportunity to provide input to this workshop on smart partnerships highlighting the trends and prospects in Tourism, in the Malaysian context as well as touch on the potential for smart partnerships between South-South countries.

The Malaysian tourism industry had, since the “beginning of time”, that is the late 60s or early 70s, settled into providing their overseas counterparts with the standard tour itineraries covering general tourism attractions as well as tour packages involving resorts and city-stays. However, since the past decade, Malaysian tour operators have become increasingly creative, and general tourism products have been developed further into more specific products such as driving holidays, golfing tours, cruises, nostalgia tours and so on. While some of these went beyond the traditional description of tourism, they still focused on tourism as being the main activity.

In order to expand the market further, it became necessary for the tourism industry to look even beyond that and therefore exploited opportunities that

involved non-traditional tourism activities, or even “non-tourism” activities where tour and travel services are a necessary component. Among those identified are:

➤ M.I.C.E. Tourism

This activity that we are all involved with now, having this business forum, is termed “MICE” i.e. Meetings, Incentives, Conferences & Exhibitions. The success and growth of this sector has led to the development of conference and exhibition centres as well as specialist companies that involve themselves in MICE. It is proven that those on MICE travel have deeper pockets and are much sought after by destinations and both international as well as domestic conference and exhibition attendees have helped boost this sector.

➤ Sports & Activities Tourism

Activities such as golfing, diving, mountaineering, yachting, and other activities that would involve the active participation of the visitor himself, not just as a spectator are included in this sector. Malaysia has a myriad of attractions and facilities for such activities and many of the facilities have become renowned the world over.

➤ Events Tourism

This covers a wide range of possibilities including spectator sports events, cultural festivals, show extravaganzas and so on. These may be one-off events like the Commonwealth Games or annual events like the Formula1 Grand Prix. The “Colours of Malaysia” month culminating in the Citrawarna Parade is another example as is the Langkawi International Festival of Arts that took place recently. And of course our many festivals in Malaysia like the Eid, Chinese New Year, Deepavali, Christmas and so on makes Malaysia an ideal destination for promoting cultural tourism.

➤ Education Tourism

Malaysia has lately been successful in positioning itself as a center for excellence in the field of tourism with students from overseas coming to Malaysia to undergo studies from school level through university degree studies. In this, we look at not just the student being in Malaysia for the duration of his studies, but the visits of his relatives and friends while he is here and, perhaps even more importantly, his affinity to Malaysia continuing after he completes his studies, starts work, gets married and comes back with his business colleagues, wife and kids for holidays.

➤ “Wellness” Tourism

This broad area includes “Health Tourism”, as our country has a very efficient health system with not only advanced government hospitals, but also highly qualified private doctors, clinics and also hospitals of international standards, services have become easily obtainable at very reasonable cost. With the English language being widely used, Malaysia is also fast becoming a center of excellence for medical facilities in the region. It also includes using spas and rejuvenation centres, which are more in the realm of “R+R” category of travel. This is a fast-expanding sector that many countries are jumping on the bandwagon e.g. Thailand, Kerala in India, Bali and so on. These promote not just spas but also “fat-farms”, rejuvenations resorts and motivational weekends.

Last year, over 13 million tourists visited Malaysia. Some 60% were from Singapore and Thailand, adding to the growing arrivals from the ASEAN region. The Middle East, India and China have also become sizeable markets. Strategies have to be established to encourage these tourists to avail of health/medical tourism facilities in Malaysia. Our potential growth markets are indeed the ASEAN countries, the Middle East, China and South Asia.

The 13.3 million arrivals resulted in a contribution of some RM67 billion, that is approximately US\$17.6 billion to Malaysia's economy. This represented a 4% growth over 2001, in spite of the tragedy of September 11 2001 and the Bali bombings in October 2002.

What is it that makes Malaysia attractive to these visitors ? Of course we are a natural destination for the Singaporeans who only have to drive over and enjoy our highways and open roads. Visas are required of very few nationalities. Our unique and authentic mix of cultures makes us that special melting-pot, lending credibility to the tagline, "Malaysia – Truly Asia". And of course, our value-for-money proposition with the Malaysian Ringgit being not only undervalued but also stable against world currencies makes us attractive for holidaymakers, MICE participants and also avid shoppers.

I would be so bold to say that no one will feel uncomfortable in Malaysia. On the contrary, many would feel truly "at home" and many would feel in a "comfort zone", including those from the South-South countries, the Middle East, Asia, Africa and elsewhere.

How can we work on creating a "smart partnership" between our industry here in Malaysia with the tourism industry in other South-South countries ? Among the few that I can offer as suggestions in the short time we have are:

- A Tourism web-portal that would promote tourism between the South-South countries. With travel being the product most researched and bought on the Internet, this is an opportune time to use this valuable information and communications channel.

- Bilateral and Multilateral synergistic partnerships between the tourism sectors involving the travel and tourism associations of the South-South

countries. The association that I represent, the Malaysian Association of Tour & Travel Agents Association or MATTA, has been able to create programmes with neighbouring countries of Singapore, Indonesia and Philippines as well as take a leading role in programmes created by the ASEAN Tourism Association.

- Organise a “travel mart” that will showcase the tourism attractions as well as the tour operators and hotel/resort operators from the various countries to travelers as well as outbound travel companies from other countries.
- Exchange training and education courses that exists presently in each of the countries, perhaps through the use of the Internet providing for distance or online education and training.
- Exchange staff and employees to enable them to gain international working experience and return with better knowledge and an appreciation of the tremendous potential of the tourism industry.

The MATTA International Travel Fair or MITF is held 4 times a year in Malaysia, twice in KL, and once each in Penang and Johor Baharu. The next one, in March, will definitely be another record breaker, with over 800 booths, over 120,000 visitors and will outdo the sales that was achieved last March, of over RM120million of sales to consumers over the 3 days. In October, we shall add on an element of trade and that will be an excellent opportunity for us to test the waters on the travel mart concept.

Ladies and Gentlemen:

The tourism industry is, arguably, the largest industry in the world and is a significant economic driver for many of our countries. It is only logical that we use it to create business opportunities between our countries and enhance the knowledge that we have of each other. Thank you.