

# Press Release

*FOR IMMEDIATE RELEASE*

## **MALAYSIA ANNOUNCES RM50 MILLION FUNDING FOR BUSINESS TOURISM**

*- Business Tourism as Catalyst for Economic Growth in 10<sup>th</sup> Malaysia Plan*

**Kuala Lumpur, 22 November 2010** – Minister of Tourism Malaysia, YB Dato’ Sri Dr Ng Yen Yen has announced government funding of RM50 million (EUR12 million, USD16 million) for the business tourism<sup>1</sup> sector for 2011, as part of the 10<sup>th</sup> Malaysia Plan.

The announcement was made at a media conference held in conjunction with the inaugural Industry Briefing organised by the Malaysian Convention and Exhibition Bureau (MyCEB) at the Kuala Lumpur Convention Centre today.

Recognising the untapped potential in the business tourism segment and given that it attracts high-yield visitor, the funding will be channelled towards enhancing Malaysia’s competitiveness in the Meetings, Incentives, Conventions and Exhibitions (MICE) arena.

The Malaysian government’s decision to prioritise focus on the business tourism sector came after a series of brainstorming sessions conducted with the private sector on the tourism industry as part of the National Key Economic Area (NKEA) project led by the Prime Minister’s department.

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<sup>1</sup> Business tourism refer to Meetings, Incentives, Conventions and Exhibitions (MICE)

“We have identified the need to establish Malaysia as a leading business tourism destination globally,” said YB Dato’ Sri Dr Ng, “and I am pleased to note that it has been recognised as one of the NKEA’s Entry Point Projects (EPP).”

“Under the Economic Transformation Programme’s NKEA project, Malaysia targets to grow business tourism arrivals from 5 percent to 8 percent of the overall tourist arrivals; which translates to a an increase from 1.2 million to 2.9 million by year 2020. In addition, the business tourism industry is expected to contribute RM3.9 billion (EUR0.9 billion, USD1.2 billion) in incremental Gross National Income (GNI) and 16,700 additional jobs to the nation by year 2020.

“We remain focused to propel Malaysia to top five in the ICCA, International Congress and Convention Association country rankings in Asia Pacific by year 2020,” added YB Dato’ Sri Dr Ng.

In 2009, Malaysia welcomed 1.2 million international business tourism visitors, generating an estimated RM10 billion (EUR2.4 billion, USD3.2 billion) in visitor spending to the local economy. Statistics showed that the estimated spending for each international business tourism visitor is RM7,418 (EUR1,774, USD2,372); which is three times the spending of an average leisure visitor.

Equally delighted with the announcement was the Chief Executive Officer of MyCEB, Mr Zulkefli Hj Sharif. “The funding would provide a significant boost to Malaysia’s business tourism industry. Besides supporting the nation’s bid for international meetings in key industry sectors crucial to the economy, it will also help to stimulate growth in business tourism arrivals and foreign exchange earnings over the next decade,” he said.

Core strategies of the budget include strengthening the role and resources of MyCEB, the lead agency established by the Ministry of Tourism to assist meeting and event planners to secure and stage international business events in Malaysia.

Zulkefli continued, “As part of the RM50 million funding, RM25 million (EUR6 million, USD8 million) will be allocated for a subvention<sup>2</sup> programme. The programme focuses on supporting bids for very targeted international business events which offers a high economic value to the nation. Support

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<sup>2</sup> Subvention refers to financial and non-financial incentives to attract international business events to Malaysia

given will be based on an economic assessment, the agreed performance criteria as well as mutual benefits for the government and the local host organisation.”

Instrumental to the development of the national strategy for business tourism under NKEA, Datuk Peter Brokenshire, General Manager, Kuala Lumpur Convention Centre, said “The allocation of a subvention fund in 2011 for the business tourism segment is a very positive step towards the advancement of Malaysia’s tourism industry as the segment targets high yield, quality, super tourists. This milestone bodes well for the industry as not only will it make Malaysia more competitive globally but also facilitate the delivery of more international and regional associations meetings to the country. Without a doubt, the subvention fund will help to achieve the government’s business tourism objectives,” he said.

The MyCEB Industry Briefing is a forum for MyCEB to outline and share its programmes and initiatives for 2011 – 2012 with the local business tourism industry’s stakeholders, including meeting and event planners, exhibition organisers, industry providers, as well as state tourism officials.

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**NOTE TO EDITORS**

**About the Malaysia Convention & Exhibition Bureau (MyCEB)**

MyCEB was established in 2009 by Ministry of Tourism, Malaysia to further strengthen Malaysia’s business tourism brand and position for the international meetings, incentives, conventions and exhibitions (MICE) market. A non-profit organisation, MyCEB serves as a one-stop centre to assist meeting and event planners to bid for and stage regional and international business tourism events in Malaysia and act as a conduit for national product development.

**About the Economic Transformation Programme (ETP)**

The Economic Transformation Programme (ETP) is a comprehensive effort that will transform Malaysia into a high-income nation by 2020.

The programme provides strong focus on a few key growth engines; the 12 National Key Economic Areas (NKEAs), including tourism (incorporating business events/tourism). The others are oil, gas and energy; palm oil; financial services; business services; electrical and electronics; wholesale and retail; education; healthcare; communications content and infrastructure; agriculture; and Greater Kuala Lumpur.

These NKEAs are expected to make substantial contributions to Malaysia's economic performance, and they will receive prioritised public investment and policy support.

For the tourism sector, 12 EPPs (Entry Point Projects) have been developed across six themes to deliver significant results within a 10-year timeframe. The themes are business events (business tourism), affordable luxury, nature adventure, family fun, events-entertainment-spa and sports and cross-theme projects: medium-haul connectivity and better quality hotels.

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