

## The Race to Catch MICE

VIGOROUS COMPETITION is under way among PATA-member countries for the meetings, incentives, conventions and exhibitions (MICE) business. Though MICE delegates statistically comprise a small share of total visitor arrivals, their much higher per-capita expenditure makes them a lucrative target market.

The aftermath of 9/11 and subsequent security concerns have had a significant impact on both the destinations of MICE events well as the planning process. Economic conditions in Asia have not been the best. However, while buyers have made changes and cutbacks, destinations are still sitting on a vast range of inventory, plus improved products and services, all of which need to be sold via stronger marketing efforts.

Short-haul and regional destinations are now getting priority, with China (PRC) and India both holding huge promise. Outside Asia, South Africa is emerging as a new incentive destination.

This edition of *Issues & Trends* takes a look at the strategies and product developments of some PATA-member countries in pursuit of MICE.

### MACAU SAR

Since the establishment of the Macau Special Administrative Region of the People's Republic of China in December 1999, government policy has been to position Macau SAR as a tourism-gaming destination and transform the city into a regional entertainment, exhibition and conference centre. In line with this, the gaming industry has been liberalised. Three new concessionaries plan to invest billions of dollars in infrastructure that will include upscale hotels and conference and convention facilities.

In 2001, Macau SAR hosted 252 MICE events, a slight increase of 1.61 percent over 2000. These included 30 international events, 89 regional events and 133 national offshore events. The total number of participants rose by 11.4 percent to 22,400 due to the relatively larger size of the events.

Asian countries are the main source markets, especially neighbouring Hong Kong SAR. As Hong Kong SAR executives have become extremely value-conscious when selecting meeting destinations, Macau SAR has gained an advantage due to its proximity, value-added packages, cultural heritage and range of facilities.

China (PRC)'s accession to the World Trade Organization is expected to give Macau SAR a further boost as a launch-pad for foreign companies which are setting up their regional headquarters both in Macau SAR and Hong Kong SAR.

New convention and exhibition facilities in Macau SAR include the Macau Tower Convention & Entertainment Center, the upcoming Fisherman's Wharf Complex and the Cultural Activities Center in Taipa, extension of Macau Stadium, Macau Dome, A-Ma Cultural Village, Nam Van Lake Square, Cultural Centre Plaza, Border Gate Checkpoint, the third Macau-Taipa Bridge as well as the Macau Science Centre.

One major landmark, as both a physical location and an icon, will be EAST TV City, one of the largest studio complexes in Northeast Asia being built at an estimated cost of US\$38 million.

Macau SAR will soon set up a new MICE Research and Information Centre. The Macau Government Tourist Office (MGTO) and World Trade Center Macau (WTCM) have signed a cooperation agreement that will allow the MGTO to take advantage of the WTCM's affiliate membership status in the World Trade Centers Association and gain access to its database of market studies, statistics and support services.

Upcoming events include the 4th East Asia Games and PATA's 54th Annual Conference, both in 2005.

### SRI LANKA

The dawn of lasting peace in Sri Lanka has injected a strong sense of confidence in the future of the island nation. The predominantly Tamil areas in the north and east, once racked by the civil conflict, are opening up to travel and tourism.

Hotels are enjoying unprecedented occupancy rates. More airlines are expressing interest in flying to Sri Lanka. Hotel developers are planning small niche market hotels in the north and east, which will provide a major fillip for small, exclusive meetings. Improved telecommunications, transport and domestic flight services in those areas will mean increased business and MICE travel.

With its street checkpoints gone, Colombo is attracting the eye of international event organisers. In September 2002, two major international events were held: the cricket Champion's Trophy Tournament with 12 countries competing, and the Miss Tourism International beauty pageant.

Home to seven UNESCO World Heritage sites, Sri Lanka is repositioning its image and products. Tourism is the fourth largest foreign exchange earner, generating over US\$250 million, and creating direct and indirect jobs for nearly 100,000 residents. In 2000, 10 percent of all visitors to Sri Lanka were MICE visitors, rising in 2001 to 12.7 percent. The Sri Lanka Convention Bureau was targeting 15 percent in 2002.

Most international conferences and meetings being held in Sri Lanka are small- to medium-sized events (50-300 delegates) in Colombo, although a growing number are now favouring provincial destinations.

SriLankan Airlines has created a dedicated MICE division. Cooperation is also on the rise between the airline, the private sector and the Sri Lanka Convention Bureau. In 2002, a promotional road show travelled to London, Amsterdam and Brussels. Neighbouring India, too, is a primary market. Promotions have been held in Hyderabad, New Delhi and Mumbai for many Indian and multinational companies, as well as Indian trade associations. Approved destination status (ADS) from China (PRC) was gained in November 2002.

Upcoming events include the first travel and tourism mart showcasing Sri Lanka and South Asia from May 17 to 20, 2003 and an Asian festival of food and dance, plus a street carnival, planned for August/September 2003. The annual congress of the International Organization of Securities Commissions is to be held in 2005, with a targeted participation of 700.

### **SINGAPORE**

Singapore's MICE industry continues to be resilient. In 2001, the number of exhibitions and meetings increased by 42 percent and 40 percent, respectively. Singapore has been ranked the top convention city in Asia for the 19th consecutive year and fifth in the world for the third consecutive year, by the Brussels-based Union of International Associations.

Between January 2001 and September 2002, Singapore won 32 bids from various industry sectors, representing a 70 percent success rate. Two major bids won recently include the 2006

annual meetings of the International Monetary Fund (IMF) and the World Bank, estimated to bring 15,000 delegates to Singapore. The East Asia Economic Summit headed by the World Economic Forum has anchored the next three meetings in Singapore in 2003, 2005 and 2007, respectively. SIBOS, a leading financial services event, has also pledged to stage its 2003 convention in Singapore, which is expected to bring in more than 5,000 financial and banking experts.

Also heading for Singapore are the World Congress of the International Vegetarian Union 2004, the World Hydrogen Technologies Convention 2005 and the 5th International Conference on Urban Pests, attracting up to 1,850 delegates in total.

Singapore has gained a strong reputation as a regional medical hub and works closely with the medical profession to retain that edge. More than 350 medical-related conferences have been held between 1990 and 2001, attracting over 175,000 participants.

2002 saw a major focus on the arts, as the nation strives to become the epicentre of the arts in the region. In October 2002, the Esplanade – Theatres on the Bay, a premier performing arts centre, was opened. Its facilities include a 1,600-seat concert hall, a 2,000-seat theatre, two recital studios for smaller performances and outdoor performing venues along the waterfront. The Esplanade Mall houses a library for performing arts and retail and dining outlets on three levels.

The opening of the second wing of the Asian Civilisations Museum at Empress Place is planned for February 2003. Located along the banks of the Singapore River, the venue will be available exclusively for corporate groups, dinners and events.

In April 2002, Singapore Tyler Print Institute was opened in a restored 19th century warehouse in the historic Robertson Quay area. The new Merlion Park, which opened on September 15, 2002, can be used exclusively for outdoor functions for group sizes of up to 400.

The Spa Botanica, due to open on Sentosa Island in November 2002, will be Singapore's first garden spa. Other new incentive products and activities are on the way, including the Chinatown Heritage Centre, a museum that documents the stories of Chinatown's early settlers and former residents.

### **MALAYSIA**

"Meet and Experience Malaysia, Truly Asia" is the name of a campaign to position Malaysia as the region's premier MICE destination. Launched on September 16, 2002, the campaign is a partnership between Tourism Malaysia

and Malaysian MICE suppliers to commit to a list of incentives that will be offered to organisers planning to hold meetings in the country. These include specific products and services to potential organisers, with prices and special offers that are guaranteed over a period of time.

The campaign will see the Malaysian MICE industry target new markets, such as Chinese Taipei, Hong Kong SAR, China (PRC) and India; form strategic alliances with tourism and non-tourism organisations; coordinate and synergise efforts of the public and private sectors in bidding exercises and marketing programmes; develop local expertise for the MICE industry; research and prospect for leads of international meetings; encourage Malaysia-based international and regional companies to meet in Malaysia; undertake selective advertising and PR campaigns; and encourage the creation of more centres to accommodate conventions of 6,000 participants or more.

Tourism Malaysia also launched its own MICE show, The Global Meet 2002, held in Kuala Lumpur on September 17. The show attracted 107 buyers from Europe/UK, Australia/New Zealand, USA/Canada, China (PRC), Chinese Taipei, Japan, the Middle East, South Africa and ASEAN. Many of them were new buyers, a move that was hailed by Malaysian sellers who said they felt it was time to lower dependence "on the big boys who dictate terms."

In 2001, Malaysia hosted 925 international conventions and exhibitions, attracting 473,486 foreign delegates, with a spend of RM1.278 billion (US\$336.32 million) or 5.3 percent of total tourism receipts. In 2002, it hosted the 53rd World Congress of International Real Estate, the 35th International Federal Meeting of Pacific Basin Economic Council and the 13th Association of National Olympic Committees.

Malaysia has also gained extensive recognition for its numerous world-class sporting events, in particular the XVI Commonwealth Games in 1998, the Formula One Petronas Grand Prix and the World Cup Golf in 1999.

#### **AUSTRALIA**

"Choose Australia – Your Best Business Partner" is the new campaign launched by the Australian Tourist Commission in Asia. Targeted at decision makers or influencers of incentive

#### **PATA Acknowledges the Business Event Sector**

PATA recognises the importance of the sector. In October and November it partnered with *CEI Asia Pacific* magazine to conduct an online survey of current trends in the MICE industry. Results will appear in the January edition of *CEI Asia Pacific* and in *PATA Compass*. PATA Managing Director-Events, Ms. Sheila Leong, says she is targeting business event buyers to attend the 2003 PATA Travel Mart in Singapore. "Business event buyers look for innovative, high-quality products offering an 'authentic' experience in a well-managed environment. And for this they're willing to pay – if the product is right. Higher yields associated with business event clients make the sector attractive to suppliers such as hotels," she says.

travel or corporate meetings, the AU\$1 million campaign is part of an additional AU\$6 million granted by the federal government in 2002.

The campaign has an integrated marketing approach and a range of new initiatives. One initiative is the corporate familiarisation programme, which will bring potential customers from Asia to experience Australia's infrastructure and meeting facilities and make contact with the teams who will be involved in assisting clients with the process from planning to implementation. The target industry sectors include direct selling, insurance, pharmaceutical and IT companies.

The first phase of the campaign was undertaken from October to

December 2002 and a second phase will be carried out from March to May 2003. The ATC plans to step up its participation in major trade events in Asia, in line with growing demand from Australian companies to expand their sales activities and gain access to Asian buyers. Australia has attracted a lot of incentive groups from Asia recently, such as Nan Shan Insurance from Chinese Taipei, ALA from Thailand and Amway from China (PRC).

Key industries for the incentive sector include insurance, automotive, pharmaceutical and IT. The size of incentive travel groups to Australia vary, with the largest groups coming from Asia, followed by the United States and Europe.

In 2002, the International Congress and Convention Association predicted that Australia is likely to take second place (after the U.S.) for the number of meetings per country. There were 563,800 business visitors to Australia during the year ending June 30, 2002. This includes 429,100 "business" visitors and 134,700 convention/conference visitors. There were 157,800 business visitors from Asia to Australia during that period. This includes 115,300 "business" visitors and 42,500 convention/conference visitors. In Asia, China (PRC) delivered the most business visitors in that period, followed by Singapore, Hong Kong SAR, Korea (ROK) and Malaysia.

#### **THAILAND**

Convention delegates to Thailand have more than doubled from 61,846 in 1997 to 135,854 in 2001. Thailand's convention facilities are buttressed by its appeal as a shopping destination

and a broad range of pre- and post-conference tours, especially to the neighbouring countries of Cambodia, Lao PDR, Myanmar and Vietnam.

The annual Incentive Travel & Conventions, Meetings Asia event (IT&CMA), one of Asia's most important gatherings of buyers and sellers of MICE products and services, moved to Bangkok for three years, commencing October 2002.

The ASEAN Trade Fair, a mammoth exhibition organised for the first time by the 10 member countries for the Association of Southeast Asian Nations (ASEAN), was held in Bangkok in October 2002. It brought together some of the region's most powerful business executives in an effort to promote intra-ASEAN trade and commerce.

Other high-profile events include the 20th World Scout Jamboree in December 2002, the APEC Leaders Summit in October 2003 and the 15th International AIDS Conference in 2004. The World Youth and Student Travel Conference (WYSTC) is to make a comeback in 2003, only four years after being hosted in Thailand in 1999. It will be the first time that the WYSTC will return to a host country within such a short period of time.

A little further down the road, in 2008, the world's largest convention, Lions Clubs International, will bring in 30,000 delegates. All these build upon the success of previous high-profile conventions held in Thailand, such as the recent World Congress of Gastroenterology.

Thailand is attracting these events because of a surge in convention and exhibition space, and the increased competition to fill it. One recent development has been the conversion of a major sports complex and stadium built for the Asian Games in 1998 into what is claimed to be Asia's largest exhibition and convention arena.

Another major convention centre has sought to gain a higher marketing profile by linking up with a global hospitality chain. A third centre, the first purpose-built exhibition structure, opened in September 1997; it has already embarked upon a three-billion baht expansion plan to double its size. A fourth centre, partially owned by the government, is also planning a major upgrade.

One of Bangkok's major advantages is the presence of the United Nations Conference Centre (UNCC). Built to UN standards, this centre has some of the best translation facilities in the country and is now open for business from private companies. At the same time, new centres are emerging in provincial destinations, an attraction for those who wish to stay clear of big cities.

In early 2003, plans call for the establishment of a Thailand

Convention & Exhibition Bureau to more aggressively market Thailand overseas. This non-profit bureau will help related private agencies improve the quality of their bids and public relations as well as sales and marketing.

## INDIA

India has the potential to greatly increase its share of the global MICE market. The India Convention Promotion Bureau (ICPB) was set up in 1988 under the sponsorship of the Ministry of Tourism, in close coordination and consultation with the tourism and conference industry of India.

One of the ICPB's main activities is a continuing programme of creating better awareness of the role and benefits of congresses and conventions in the context of national objectives. A member of the Union of International Associations, the Bureau has developed excellent software that includes in-depth information on international conferences and a comprehensive database of national associations and institutions.

This helps Indian associations to present bids in various parts of the world, covering all disciplines. A database of conference facilities in India, accessible to any conference organiser in India or abroad, further enhances the ICPB's reach.

The ICPB is working to convince Indian associations and institutions that attracting national and international conferences can bring many advantages. In addition to boosting national prestige, it can gain increased recognition for individual associations and attract immense academic and scientific value, especially for those who cannot otherwise travel overseas.

The marketing slogan is certainly quite creative: "We'll make sure the applause never stops."

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