

Malaysia

Market Summary

Decline in arrivals was predominantly impacted by the shift of school holidays from May to June in 2010. However, market sentiment remained strong with trade partners indicating strong bookings for the June 2010 school holidays. The additional capacity offered by AirAsia X in double daily flights to Melbourne effective July, will further create opportunities for the travel industry, who now expect to see continued growth in Malaysian outbound travel.

1. Market News

Malaysia's GDP grows by 10.1 per cent: The Government recently announced that Malaysia's GDP grew by 10.1 per cent in the first quarter of 2010. The latest IMD World Competitiveness Scoreboard 2010 put Malaysia in the top 10 (from 58) world economies.

Source: The Star online, 7 June 2010

2. Consumer Insights

- Consumer confidence in Malaysia continues to rise with improving economic conditions. The Asian Consumer Confidence Index by InsightAsia registered an increase of 13 points to 125 in Q1 2010, sustaining the trend of two previous quarters that lifted the index above 100 points. Consumers believe the economy has improved and expect this to continue in 2010. Domestic consumption is important for further economic expansion.
- For the 3rd consecutive year, "Youth '10", Malaysia's largest youth festival was held and attracted over 88,000 youths throughout the 3-day festival. The event is a platform for Malaysian youth to engage, connect, learn and develop whilst having fun. 170 activities were included in the 3 day programme and had the support of the Ministry of Youth and Sports, major media partners, corporate sponsors and famous youth opinion leaders. This event provides an opportunity for TA to promote youth-related campaigns.
- A survey done by Silver Group shows up to 80 per cent of Malaysian internet users aged 55 years and above access social networking sites like Facebook and Twitter. This gives TA another media platform for future senior traveller-type of marketing activities.

- Astro was the leading broadcaster for FIFA World Cup 2010, securing broadcast rights to all 64 live matches whilst terrestrial station RTM secured rights to 24 live and 11 delayed matches. As a result, pay TV ad expenditure went up significantly for April to June 10.
- Radio continues to attract a large audience in Peninsular Malaysia, with 15.5 million or 9 in 10 people aged over 10 years tuning in every week, according to the latest Radio Audience Measurement (RAM) Malaysia study by The Nielsen Company. In 2010, the survey extended to 4 weeks (was 2 weeks previously), providing an enhanced measure of radio listening over a longer period of time. Recent results show 11.4% (1.96 million) of people tuned in at any given 15 minute time slot throughout the day. Time spent listening increased from 20.4 hrs per week to 21.1hrs per week. The top Malay channel is *SinarFM*; English channel is *HitzFm* and Chinese channel is *MyFm*.

For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- The 'Best of Australia' co-op campaign with 6 STOs and 12 ASPs from March to June generated strong enquiries with bookings exceeding target by 263 per cent. This tactical campaign offered exclusive land packages and bonus offers for a range of 'Only in Oz' holiday experiences.
- ASP product briefing was held in conjunction with SATC, TQ, TVIC, TWA, DIAC and Qantas in April. 48 ASP agents attended training; 33 product managers attended the Penang networking event.
- An ASP networking event was held in May with 93 ASP agents and 2 STOs attending. 15 agencies received the 10th Anniversary Appreciation Award at the event.
- As of June 10, there were a total of 256 Aussie Specialist agents from 71 agencies in Malaysia, of which 120 agents are fully qualified.

4. Airline News

- Oman Air and Malaysia Airlines (MAS) have a new code share agreement where MAS passengers can fly nonstop from KUL to Muscat and book connecting flights to Amman and Kuwait City on Oman Air. MAS passengers also have more flight options to Dubai and Beirut. In return, Oman Air passengers can book connecting flights on MAS to six new destinations: Singapore, HK and the Malaysian cities of Langkawi, Kota Kinabalu, Penang and Kuching.

- Air Asia recently re-launched its one-stop online travel portal AirAsiaGo.com and gave away 3,000 hotels rooms in conjunction with the re-launch. The airline also won the private-sector category of the World Information Technology and Services Alliances (WITSA) ICT Excellence Award presented at the World Congress on IT in Amsterdam recently.
- In a bid to revive tourism in Thailand, Air Asia also gave away 10,000 free seats to Bangkok, giving customers a choice to fly to Bangkok from ASEAN countries and China.
- Malaysia Airlines won two awards at the 2010 World Airline Awards in Germany recently for 'World's Best Economy Class' and 'Staff Service Excellence'.
- Malaysia Airlines received RM329 million in compensation from Airbus due to delays in the delivery of the A380 aircraft which should have started in 2007.
- Malaysia Airports Holdings Bhd (MAHB) believes the new RM2 billion low-cost carrier terminal (LCCT) at KLIA is on schedule for completion by the end of 2011, enhancing capacity for the regional LCC hub at KLIA.
- Air Asia has completed its migration to a new reservation system, New Skies that allows travellers to book seats for multi-cities in a single transaction. The new system can support language characters such as Mandarin, Thai and Japanese, providing better support to consumers throughout its Asian network.
- AirAsia X offered free seats to all its destinations for the first time i.e. to UK (London), Taiwan (Taipei), China (Tianjin, Hangzhou, and Chengdu), Australia (Gold Coast, Melbourne, Perth) and new India destinations (Mumbai, Delhi). This was to celebrate AirAsia X's move into its next growth phase after carrying 2 million guests since its inception in Nov 2007.

5. Competitor News

- The Macau Government Tourist Office (MGTO) has launched a new Malay language website, providing useful tourist information including places to visit, shopping precincts, accommodation, MICE facilities and a MICE calendar. Malaysia is Macau's fifth largest source market with 332,529 arrivals in 2009, from a total of 21.7 million tourist arrivals.
- Malaysian arrivals to Japan grew 85.2 per cent to reach 10,300 in May compared to the same month last year and is now Japan's 2nd source market after China. Corporate incentives and leisure segments are strongest. The growth came despite limited direct air services between Malaysia and Japan, which is serviced by Malaysia Airlines and Japan Airlines only.
- Visitor arrivals to Nepal increased 16.3 per cent to 26,997 in June compared to the same month last year. This brings the cumulative visitor arrivals for the first six months of this year to 196,319, 18.1 per cent more than in the same period last year. SE Asia showed mixed results with Malaysia and Singapore growing significantly with 59.6 per cent and 100.4 per cent respectively.

- The Singapore Tourism Board (STB) announced visitor arrival forecasts for 2010: expecting 11.5 to 12.5 million and S\$12.6 - S\$13.3 billion in tourism revenue. This expected growth is based on the multi-billion dollar investment in new tourism infrastructure including the two integrated resorts, future Gardens by the Bay comprising 3 waterfront gardens aimed at cementing the Lion City's reputation as "The City in a Garden", and the new International Cruise Terminal.
- The Tourism Authority of Thailand (TAT) has launched the "Amazing Thailand Grand Sale 2010" online activity on TAT's Facebook and Twitter to encourage tourists around the world to participate in the campaign, which runs from 15 June to 15 August 2010. Participating travellers will have an opportunity to win prizes worth over 400,000 Baht by simply joining the online activities held every week.
- 108 Thailand Incentives and Convention Association (TICA) members are offering discounts, handling fee waiver, bonus nights, room upgrades, bidding assistance and immigration fast-tracking to win back MICE business. The stimulus campaign, Thailand Offers for Business Events 2010-2011, targets meetings of 50 to 2,500 delegates but groups must satisfy set criteria to qualify. The campaign will end 31 March 2011.
- Visit Britain has launched a new interactive travel website as part of its digital strategy to use social media, online content, mobile phones and smartphones to grow arrivals. The new visitbritain.com will have 95 per cent user-generated image content throughout and magazine-style travel features.

6. Key Campaigns and Activities in Market

Country Name campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
29 April 2010	October 2010	<p>Estee Lauder Malaysia's Model Search 2010 partnership; TA, as the main partner, in the Estee Lauder Model Search 2010 contest, will leverage on Estee Lauder's PR activities and media coverage. Focusing on uniquely Australian experiences, this partnership will drive awareness to 'Only in Oz' experiences. There will be a focus on the six key chosen uniquely Australian experiences respectively from the six participating states (Western Australia, Victoria, Tasmania, Queensland, South Australia and New South Wales). Activities will drive traffic through to campaign sitelet on australia.com and ultimately, lead to travel agent partners ("Only in Australia" promotional packages).</p> <p>The winners of the Estee Lauder Model Search will have their magazine photo spread taken on-location in New South Wales and also experience the 'Only in Oz' experiences such as the Bridge Climb, Sydney Opera House, the steepest railway at Katoomba, among others. New South Wales was chosen as the destination experience resulting from the 8TV SMS Estee Lauder Model Search 2010 Contest.</p>	Experience Seekers – Singles, Youth	Estee Lauder Malaysia
2 July 2010	4 July 2010	<p>MATTA Fair Penang 2010: An annual consumer travel fair in Penang where TA would support trade partners with collateral to promote Australian packages.</p>	First-time Experience Seekers & Experience Seekers – Singles, Family	Northern ASP Agents
30 July 2010	9 August 2010	<p><i>TV9 Chef Wan Queensland VOLP with The Star & Harian Metro</i> Famous Malaysian celebrity chef Wan films his highly-rated travelogue-'Ekspedisi Chef Wan' in Queensland, joined by The Star and Harian Metro. Among the key experiences he will encounter are nature, coastal lifestyle, food, cities and journeys.</p>	Family	Tourism Queensland
3 September 2010	5 September 2010	<p>MATTA Fair KL September 2010: STOs to participate and promote Australia in the bi-annual consumer trade fair in Kuala Lumpur</p>	First-time Experience Seekers & Experience Seekers – Singles, Family	NT, SATC, TTAS, TNSW, TQ, TVIC and TWA