

Malaysia

Market Summary

Market sentiment has remained strong across Malaysia. Despite the global economic crisis and strong Australian dollar, there was strong growth in arrivals for the final quarter of 2009. Both the low cost carriers and legacy carriers were reportedly running at near full capacity for their Australian sectors.

1. Market News

- **Rebound in Passenger Air Travel**
Malaysia Airlines (MAS) is seeing encouraging forward bookings, and to some extent, a return of travellers to the premium segment is also seen. Air Asia in the meantime, has expanded aggressively during the crisis with both airlines tapping vast opportunities in growing their businesses.
Source: The Star, 30 November 2009
- **MAHB (Malaysia Airports Holdings Berhad) anticipates significant increase in 2010 passenger volume**
Malaysian airport operator, Malaysia Airports Holdings Berhad (MAHB) expects passenger volume in Malaysia to grow 4 per cent to 5 per cent in 2010, with 'conservative estimates' showing that passenger volume may hit 49 million. Cash perks were offered by MAHB to encourage airlines to increase traffic, in anticipation of the economic recovery boosting air travel worldwide.
Source: News Straits Times, 18 November 2009
- **More Visitors Expected for March MATTA Fair 2010**
The organising committee of the MATTA (Malaysian Association of Tour and Travel Agents) Fair is expecting an increase of 10,000 visitors to this year's fair. The fair will be held from 12 to 14 March at the Putra World Trade Centre.
Source: The Star, 7 January 2010
- **Better Economic Growth Expected**
Malaysia's economic growth is expected to improve further with signs pointing to a recovery of the global economy. Deputy Prime Minister Tan Sri Muhyiddin

Yassin said among the favourable signs was the increase in the country's export volume, particularly from the manufacturing sector, to China. Besides an increase in the value of exports, the rise in global oil prices had also helped to increase income for the country. At the end of last year, Malaysia was able to reduce the economic deficit by one per cent compared to the three to four per cent deficit at the beginning of 2009. *Source: BERNAMA, 6 February 2010*

2. Consumer Insights

- A MasterCard survey conducted in October and November 2009 revealed that Malaysian consumers continue to save for a rainy day despite renewed optimism. The survey revealed that economic uncertainty had caused 85 per cent of Malaysian consumers to either maintain or increase their level of savings, in preparation for unforeseen emergency expenditures. The majority of Malaysian consumers (32 per cent) plan to save between 1-10 per cent of their income over the next six months. *Source: The Star, 22 January 2010*
- Newspapers will continue to dominate the media landscape in Malaysia for 2010. Although its market share will reduce, newspapers will continue to account for more than half of the estimated advertising expenditure (as calculated by Nielsen Media Research) as experts do not see immediate serious threats from digital media. According to Omnicom Media Group's (OMG) Optimum Impressions 2009 study, OMG revealed that 57 per cent of newspaper ads got noticed. It was also reported that ad awareness among Malay language readers were the highest, probably due to the lower ad clutter in Malay language titles.
- The *Star* newspaper (Malaysia's leading English newspaper) is set to expand its operations to Sarawak, East Malaysia. This would enable readers to have greater access to wider news coverage across Sabah and Sarawak. A dedicated Sarawak edition will carry more local stories and events. A Sabah edition is also slated to be launched after the Sarawak edition. This increases Tourism Australia's media coverage opportunities in East Malaysia.

3. Trade Update

- Air Niugini initiated joint promotions with Parlo Tours to promote Cairns via Port Moresby, providing a new experience for consumers to travel to Australia.
- Golden Deluxe has managed to send its first group to Tasmania which departed on 13 January. Golden Deluxe has reported 11 group departures in December 2009.
- *Best of Australia* phase nine, which was launched during the September MATTA Fair 2009, has achieved a total of 1868 packages as at end December 2009.
- As of December 2009, there were a total 269 Aussie Specialist agents from 63 agencies in Malaysia, of which 42 per cent are fully qualified.

4. Airline News

- Malaysia Airlines will launch two new weekly non-stop flights from Kuala Lumpur to Brisbane from 28 March 2010. The flights on Fridays and Sundays will complement its five times weekly flights from Kuala Lumpur to Brisbane via Sydney. The airlines have also offered fares as low as RM89 for domestic travel and RM193 for international destinations, in line with its 'Everyday Low Fares' promotion. In other news, Malaysia Airlines had hosted an indie concert and charity bazaar to raise funds for charity and launched a new reality travelogue with ASTRO, offering contestants to go on their holiday of choice and a chance to host their own show.
- Air Asia is in the midst of securing rights to land in Seoul and Sydney by mid 2010. The airline is also expanding to 12 new routes in India.
- Low cost carriers Jetstar and Air Asia will work together to reduce costs, pool expertise and push air fares even lower. The alliance covers cooperation in future fleet specification, airport passenger and ramp handling services, pooling of inventory arrangements for aircraft components, joint procurement for engineering and maintenance supplies and reciprocal arrangements for passenger management, among others.
- Emirates will operate direct daily flights from Kuala Lumpur to Melbourne from 1 February, utilising the A340-500 with a configuration of 12 first class, 42 business class and 204 economy class seats. This will result in more capacity in the route which is already serviced by Malaysia Airlines and Air Asia X.
- Air Asia X will spend USD10million to refurbish the premium class on all its eight aircraft with flat beds. The fares will be increased after refurbishments are done.

5. Competitor News

- The Tourism Authority of Thailand promoted the New Year countdown party with a full page in the New Straits Times. Party venues in key cities (Bangkok, Hat Tai, Pattaya and Phuket) were highlighted.
- The Taiwan Visitor Association promoted their 2010 Taiwan Lantern Festival from 28 February to 7 March with press ads in The Star. This special promotion targets group travel and free gifts to tourist visiting the Taiwan Lantern Festival.
- The Macau Government Tourist Office held a 'thank you' cocktail event for travel agents on 21 December and 80 guests attended this function held at the 'Petroleum Club' in the PETRONAS Towers.

6. Key Campaigns and Activities in Market

December and January campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
6 October 2009	19 January 2010	<i>'Travel Times Tenth Anniversary'</i> contest promoting Great Australian Journeys through self drive Editorial with a contest element in the New Straits Times (NST) running for eight weeks with two monthly winners and a grand prize to Tasmania worth a total of RM15,000.	Repeat Seekers, Experience couples and singles	MSL Travel, Tourism Tasmania & NST
22 January 2010	March 2010	<i>The Ultimate Aussie Road Trip Online Game, in-conjunction with the Great Australian Journeys Campaign:</i> An online game on the www.australianroadtrips microsite was launched on 22 January to 4 March 2010, in-line with the Great Australian Journeys campaign. The objectives of the game is to engage consumers to participate in a virtual self-drive holiday, whilst standing a chance to win a real road trip holiday to Australia worth RM10,000. The Great Australian Journeys campaign is supported by print and online ads, search engine marketing, bloggers engagement and PR support.	Repeat Seekers, Experience couples and singles	STOs, ASP, Trade

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
2 February 2010	3 February 2010	<i>Team Australia CNY sales blitz</i>	BOA partners and key travel partners	STOs
3 February 2010	3 February 2010	<i>MICCI Corporate Cocktail reception</i> Targeted at corporate companies with the potential to Australia for M.I.C.E activities.	Corporate companies	PCB & MCVB
4 February 2010	9 February 2010	<i>Emirates Inaugural Flight to Melbourne Joint IMHP:</i> In-line with the inaugural Emirates flight launch 1 February to Melbourne, a joint IMHP with Emirates and Tourism Victoria will be organised for five media titles, comprising <i>TV3, The Star, News Straits Times, Harian Metro</i> and <i>Citta Bella</i> .	Repeat Experience Seekers - Singles/Couples	Emirates, Tourism Victoria
22 February 2010	26 February 2010	<i>The Star, South Australia Self Drive IMHP:</i> In-line with the Great Australian Journeys campaign, a self drive themed IMHP is organised for The Star daily in South Australia.	Repeat Experience Seekers - Singles/Couples	South Australia Tourism Commission
12 March 2010	14 March 2010	<i>MATTA Fair March 2010</i> There will be 20 booths in TA's pavilion this MATTA Fair. Using the MATTA Fair as a platform, TA will launch the BOA campaign phase 10 with 12 trade partners.	Repeat Experience Seekers, First timers, Yuppie couples and singles	STOs
March 2010	June 2010	<i>Only in Australia Campaign:</i> Campaign aimed at generating high awareness on the unique experiences found only in Australia targeting Experience Seekers. The secondary aim is to build and reinforce the 'halal' values to potential Malay prospects which Australia has to offer. The <i>Only in Australia</i> campaign will be supported by print and online ads and PR support.	Experience Seekers - Families	STOs, ASP, Trade