

**OPENING REMARKS
MADAM CATHERINE RIDU
SENIOR DIRECTOR, SERVICES SECTOR DEVELOPMENT
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI)
CONFERENCE ON TOURISM POTENTIAL
IN SABAH AND SARAWAK
18 JUNE 2019 (TUESDAY), MIDA SENTRAL**

SALUTATIONS

Mr. Ahmad Khairuddin

Senior Executive Director Strategic Planning and Development, MIDA

Mr. Mohd Daud bin Mohd Arif

Undersecretary, Tourism Policy and International Affairs
Ministry Of Tourism, Arts And Culture Malaysia (MOTAC)

Madam Mary Malangking

Principal Assistant Secretary, Research & Tourism Development Division,
Ministry Of Tourism, Culture And Environment Sabah (KePKAS)

Mr. Hii Chang Kee

Permanent Secretary

Ministry Of Tourism, Arts, Culture, Youth And Sports Sarawak (MTACYS)

Madam Noredah Othman

Acting General Manager, Sabah Tourism Board

Madam Sharzede Datu Hj. Salleh Askor

Chief Executive Officer, Sarawak Tourism Board

Madam Jesi Majungki

Deputy Vice President, Marketing & Corporate,
Sabah Economic Development and Investment Authority (SEDIA)

Mr. Anthony Wong

Council Member, Malaysian Association of Hotels Owners (MAHO)

Distinguished Guests

Ladies and Gentlemen,

Introduction

Salam Sejahtera and very good morning.

1. It is good to see so many enthusiastic faces participating in today's Conference on Tourism Potential in Sabah and Sarawak. This conference is an excellent platform for the Government and industry players to come together to learn and discuss the growth prospect of the domestic tourism industry. There are indeed exciting times ahead for the industry as we look into positioning Sabah and Sarawak as the ultimate gateway to Bornean adventures in Malaysia.

Ladies and Gentlemen,

Tourism Industry Outlook

2. The tourism industry has become one of the fastest growing economic sectors and one of the primary income sources for many countries. The global international tourist arrivals have increased by 29.1% from 2013 to 2018. The analysis by the World Travel and Tourism Council (WTTC) revealed that the tourism industry accounted for 10.4% of global Gross Domestic Product (GDP) and created 319 million jobs in 2018.
3. As for Malaysia, the tourism industry also contributes significantly to the economic growth. It helps promote new investments in the country, creating new job opportunities for the locals. Malaysia remains positive that the tourism landscape in the country will continue to be blessed with many success stories in the future. Nevertheless, we are also fully aware that the industry will face many challenges and obstacles along the way, as we strive to achieve the Government's target of 30 million tourist arrivals and RM100 billion in tourist receipts by the year 2020.

4. Having said that, the tourism industry in Malaysia continues to grow from strength to strength. This year is a crucial year for our country's tourism leading up to the much-anticipated Visit Malaysia Year 2020.
5. The industry has grown steadily, from 24.6 million tourist arrivals in 2010 to 25.8 million last year; an increase of 4.9%. With the upcoming Visit Malaysia 2020 campaign, Malaysia hopes to target 30 million international tourists and RM100 billion tourist receipts. There are many exciting opportunities for our domestic tourism stakeholders, especially those in Sabah and Sarawak, to support this landmark campaign.
6. Therefore, it is crucial for us to strategically position our domestic tourism industry and maximise its capacity to propel the country's economic transformation.

Tourism potential opportunities in Sabah and Sarawak

7. Sabah and Sarawak offer crystal clear water island getaway at Tunku Abdul Rahman Marine Park or Semporna, breath-taking adventure hiking trail of Mount Kinabalu as well as intricate cave systems at Gunung Mulu National Park, which are both included under the UNESCO World Heritage Sites. Not forgetting, the world-renowned Rainforest World Music Festival held annually, has been recognised globally with devoted followers worldwide.
8. Last year alone, Sabah and Sarawak recorded tourist arrivals of 3.9 million and 4.4 million respectively with tourist receipt amounting RM8.3 billion and RM7.9 billion. This is a commendable achievement given that both states accounted for 32% of total tourist arrivals to Malaysia, and 19% of tourist receipts.
9. These numbers are only tip of the iceberg of what Sabah and Sarawak's tourism industry is capable of. These states undoubtedly possess the necessary charms for eco-tourism with its incredible natural landscapes and diverse wildlife. Based on data from

departing visitor surveys conducted with tourists visiting Malaysia, findings have shown that 30% of tourists have engaged in ecotourism proxy activities during their stay in Malaysia. MOTAC has identified this trend and has formulated the National Ecotourism Plan (2016-2020) to maximise the potential of ecotourism sustainably in the country.

10. Furthermore, Malaysia is also promoting the development and growth of hotels, tourism projects, recreational camps and convention centres. Given Sabah and Sarawak's hospitality ecosystem opportunities that will be further elaborated by the presenters during the Conference, there are undoubtedly vast opportunities available in Sabah and Sarawak for tourism industry stakeholders to tap on moving forward.

Ladies and Gentlemen,

Government's support and facilitation

11. There is still much to be done to ensure that the tourism industry in Sabah and Sarawak continues its commendable growth prospects. The Government, across its many ministries and agencies, is working closely with the relevant stakeholders to facilitate investment ventures in the tourism industry in Sabah and Sarawak through incentive, grants and handholding programmes.
12. The various incentives provided by the Government includes Pioneer Status and Investment Tax Allowance, import duty exemptions and expatriate posts approvals for selected business activities of hotel businesses and the tourism industry. MOTAC also plays a vital role in assisting investors in obtaining soft-loans at very competitive rates, such as the Tourism Infrastructure Fund and Special Tourism Fund
13. To help you in making a well-informed investment decision, you may also visit the i-Incentives portal that has been launched by the Government last year. This portal, which can be accessed via MIDA's website, offers information on all types of incentives

provided by the Federal Government including tax exemptions, grants, soft loans and other types of incentives such as equity funding, regional establishment status, training as well as other facilitation programmes.

14. We hope that through a platform such as this, we will be able to provide the necessary updates to all industry players to keep abreast with the facilities made available by the Government to move up the tourism industry into exceptional heights.
15. It is important to note that the success of the industry is currently determined by the digitalisation efforts by the businesses involved in the tourism industry. More firms are investing in their transformation journey either by acquiring new technologies, upgrading legacy systems through retrofitting and up-skilling as well as reskilling their workforce to embrace Industry 4.0. As an evident, more tourist agents are moving away from the conventional way to the online platforms. As such, I urge so that the industry will quickly embark on the digitalisation effort, so that together we will be able to ensure that Malaysia's tourism sector remains competitive, and is able to keep pace with the rapid advances in technology.
16. The Government is currently drafting the National Tourism Policy 2020-2050 to transform the tourism industry in Malaysia. The transformation agenda is needed to strengthen the competitiveness of Malaysia's tourism industry in an increasingly competitive and uncertain world by increasing revenue, securing partnerships and investments, empowering local communities and ensuring sustainability and resilience of the industry. The new national tourism policy will certainly enhance Malaysia's position as a global tourism destination.

Ladies and Gentlemen,

Conclusion

17. In preparation for Visit Malaysia 2020, Sabah and Sarawak are undoubtedly strategic partners to this landmark campaign. Industry

players and relevant authorities need to move together to seize this opportunity to ensure the growth and sustainability of the domestic tourism industry.

18. We look forward to engaging with all of you and indeed welcome your valuable inputs towards making Sabah and Sarawak a vibrant tourist destination not only in Malaysian but regionally. Thank you once again to MIDA's team, who have worked hard to make this conference a great success. We hope that the hosting of this event today will contribute towards bringing in more investments into Sabah and Sarawak. With that, I wish you a productive discussion ahead.

Thank you.