

Events sector sees appeal of ASEAN

Region rises with world-class facilities and services that combine business and leisure

By PRIME SARMIENTO

Last year marked a banner year for SMX, a convention center operator in the Philippines, having hosted as many as 40 events per month.

Among these were mega events like the TRAVEX trade expo of the ASEAN Tourism Forum, and Madrid Fusion Manila, the Asian edition of an international gastronomy congress.

This year, SMX's vice-president and general manager Walid Malik expects the company to host 10 to 15 percent more events compared to 2016.

SMX operates convention centers and trade halls in Metro Manila, Bacolod, Cebu and Davao cities and is eyeing further expansion in the country. Malik expects SMX and the Philippines to host more regional and global conferences, trade expos and training seminars in the coming years.

"We are looking into more expansion as a result of (increasing) demand," he said.

Malik's optimism is a reflection of Southeast Asia's positive outlook for the meetings, incentives, conventions and exhibitions (MICE) sector.

According to the 2017 *Global Meetings & Events Forecast* report by American Express Meetings & Events, Asia Pacific "stands out amongst the other regions as an area of meeting growth".

"Respondents echo those in other regions suggesting that some meeting types such as senior leadership, advisory and incentive meetings will remain flat or decrease slightly in number," the report said.

However, it added that some respondents predicted growth in the number of sales and marketing meetings, product launches and conferences or trade shows.

"Moreover, they predict that the number of attendees for most meeting types will increase."

The report listed Singapore, Kuala Lumpur and Bangkok among the top 10 host cities for events and meetings in Asia Pacific.

Tourism is a key economic driver in the Association of Southeast Asian Nations (ASEAN). According to the latest report by the World Travel & Tourism Council (WTTC), in 2015

tourism accounted for 12.4 percent of ASEAN's GDP and generated more than 12 million jobs.

In 2015, leisure travel spending in ASEAN countries hit \$158.4 billion, compared with \$62.8 billion in business travel spending.

WTTC predicts leisure and business travel spending to grow steadily in the next 10 years.

MICE is a contributing sector to the region's increasing tourism receipts.

According to the International Congress and Convention Association (ICCA), Singapore, Malaysia and Thailand each hosted over 100 meetings in 2015, putting them in the top 40 list of the international meetings market.

These countries are noted for aggressively marketing themselves as MICE destinations and offering premium facilities and services to business travelers.

The Thailand Convention & Exhibition Bureau (TCEB), for instance, has offered financial incentives, which include over \$30,000 worth of support funding for two-day industry conventions hosting at least 1,000 delegates; discounts in restaurants, spas and retail shops; and subsidies for international corporate clients who organize incentive meetings outside Bangkok.

The Malaysia Convention & Exhibition Bureau gives incentives and discounts to international event planners and has partnered with Malaysia Airlines to promote the country as a preferred destination for business events.

The Singapore Tourism Board developed the MICE 2020 Roadmap, which seeks to build Singapore into a Smart MICE City by providing a "seamless mobile experience" to business travelers through stable Wi-Fi connections. It also helps MICE-related businesses to access big data analytics to understand their market.

Apart from having world-class airports, Singapore, Malaysia and Thailand also have exceptional convention centers to host huge international events.

Singapore, for example, has the Sands Expo and Convention Centre, Raffles City Convention Centre and Suntec Singapore International Convention & Exhibition Centre. It also



TWO JAPANESE CULINARY EXPERTS cut a tuna fish during a demonstration at the Oishii Japan food and beverage exhibition in Singapore on Oct 22, 2015. The event is the largest showcase of Japanese food in Southeast Asia. AFP

62.8

billion dollars

Business travel spending in ASEAN in 2015

30,000

dollars

Amount of support funding available to large conventions in Thailand

offers unconventional venues like the Singapore Sports Hub and the National Gallery Singapore.

The creation of the integrated ASEAN Economic Community in 2015 and the recent launch of the GoAsean campaign — which promotes the region as a single and united tourism destination — have also pushed the need to market ASEAN as a single MICE destination.

"The outlook for the ASEAN MICE sector is very positive as we see these nations are working closely together to encourage tourism and especially high-yield event tourism between the countries," said Kerry Healy, vice-president for sales in Asia Pacific at AccorHotels.

Healy said the region's location and the increasing prosperity of ASEAN's member states will attract more companies and event organizers.

"They (ASEAN countries) are all close to the two biggest emerging economies in the world — China and India — so they need to take advantage of this geographical position to encourage intra-regional travel."

She added that many ASEAN nations are seeing growing wealth

and this comes with increased MICE activity, as companies realize the importance of meetings, incentives and conferences to expand.

Darren Ng, managing director of TTG Asia Media, which publishes travel trade magazines and organizes events, noted the "huge potential for ASEAN" to get a bigger share of the global MICE market.

He said increased accessibility due to more flight routes, affordability and safety will make the region more marketable as a MICE destination.

Industry participants have made moves to promote the region as a single MICE destination. During the ASEAN Tourism Forum in January, ASEAN tourism ministers voted for the TCEB to lead the development of a MICE Venue Standard for ASEAN members.

This is a nod to the bureau's success in implementing the Thailand MICE Venue Standard, which helped the country's meetings and exhibitions venues meet quality benchmarks.

The ASEAN Tourism Strategic Plan for 2016-2025 also includes plans to develop standards and certifications for MICE venues, upgrade skills of workers in the MICE sector and to create a regional business travel campaign with emphasis on MICE.

ASEAN is also working on a unified visa system, making it easier for foreign tourists to move around the member countries.

But challenges remain to make ASEAN rise as a premier MICE destination. Infrastructure development, for one, is uneven across the region.

On the one hand, Singapore, Malaysia and Thailand have invest-

ed significantly in tourism-related infrastructure.

WTTC said from 2010 to 2015, Thailand and Malaysia allocated 1.5 percent of their GDP, while Singapore earmarked 5 percent, to renovate airports, buy new aircraft for their flag carriers and develop resorts.

On the other hand, the Philippines and Myanmar allotted less than 1 percent of their GDP for infrastructure development over the same timeframe.

Another main challenge is for industry players in the region to work together in crafting a multi-destination program for business travelers.

Ng of TTG Asia Media said most business travelers go to a single destination, with only one specific purpose in mind, such as attending a meeting or networking with potential clients at an expo.

But he said event organizers can encourage business travelers to visit other destinations by including post-events in their itinerary.

AccorHotel's Healy said ASEAN countries can make "cross-nation promotions that will bring more long-haul MICE business".

"For example, Singapore and Malaysia could work to encourage events that encompass both destinations. Thailand, Laos, Vietnam and Cambodia can work together to present richer, deeper events that provide a greater cultural immersion (for business travelers)."

"It is important that ASEAN nations can offer a variety of destinations within each country to give event organizers greater choice," she said.