

Media Coverage

Corporate tourism means more to Singapore than hospitality

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Singapore's corporate tourism doesn't just revolve around the hospitality and services market – and its importance should not be underestimated.

On the face of it, discussions at the APEC Tourism Ministerial Meeting in Peru this weekend will be as foreign to Singapore businesses as the meeting's location.

But with the agenda centering on further integration of the Asia-Pacific tourism market, and how a wider range of industries can leverage tourism, its relevance to Singapore becomes clearer and a little closer to home.

ASEAN's focus on trade growth often shrouds another critical contributor to its economic development – the increasing intra-regional people flow and the tourism dollars that follow.

Latest data from the World Travel and Tourism Council show that travel and tourism directly contributed 4.8% to Southeast Asia's Gross Domestic Product, supported 11.2 million jobs and generated US\$49 billion in investment in 2014.

However, tourism is more than just holidays; it can also be serious business for corporates in the local market.

This is certainly true for Singapore, particularly corporate tourism stemming from the Meetings, Incentives, Conventions and Exhibitions (MICE) sub-sector, which contributes more than 30% of Singapore's total tourism receipts.

Singapore is a global destination for MICE events owing to its central location, extensive range of high-tech conference venues, excellent infrastructure and business-friendly environment. Indeed, the city state has been the International Congress and Convention Association's top ranked city in Asia for the past 13 years.

In 2014, Singapore hosted some 3.2 million business visitors who were estimated to have spent S\$5.2 billion, excluding sightseeing, entertainment and gaming expenditure.

The importance of Singapore's continued strength as Asia's top MICE destination cannot be overstated particularly with the decline in retail tourism off the back of a slowing global economy and bearish consumer sentiment.

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Singapore's MICE event pipeline remains strong for the year which will be welcome news for local businesses like hotels, venue providers, event logistics, travel & transport, and the food & beverages sectors.

The sector's medium term prospects also remain strong, assisted by the government's MICE2020 roadmap which is focused on ensuring Singapore retains its competitive advantage as a destination for business events.

However, businesses – particularly in hospitality - whose commercial sustenance comes from corporate tourism should not only be ready for the continued rise in business tourism, but should also be alert to how they can widen and improve their customer offering and experience.

For example, a more creative and experiential destination marketing strategy, such as thematic business tours centered around the Singapore story or unique cocktail experiences hosted in historic venues such as what the Singapore Tourism Board's Inspire programme entails, could go a long way in helping these MICE-related enterprises build upon their competitive position.

While the opportunities presented for the core MICE-related businesses are clear, a thriving corporate tourism market can also be the needed salvo for a wider cross-section of Singapore businesses to remain strong despite the country's slower growth.

Infrastructure, security, retail and business services would be the type of industries who can be secondary beneficiaries to the MICE sector.

Looking further afield, corporate tourism can present potential opportunities for alert property developers and the entertainment and arts sectors as business travellers also look to spend time at shopping malls, galleries and integrated resorts.

From an inbound investment perspective, the connection to corporate tourism may not be as obvious or as direct, but it should not make it any less pronounced for local businesses.

For example, the Singapore government's push to turn Singapore into a core technological and innovation hub is driving efforts to aggressively win the right to host more IT-related MICE events. Information Technology companies, such as emerging FinTech firms, should be alert to this fly-in, fly-out market as a potential source of investment.

Similarly, healthcare firms including those in the med-tech sector can look to leverage on MICE platforms to extend their footprint to the rest of the region, given Asia's sizable aging population and rising demand for health-related services.

Indeed, a larger number of MICE events being held in Singapore essentially translates to more opportunities for companies right at their own doorstep – a platform to reach new customers, advertise their business and build up their share of business in the global market, all without having to travel out of the country.

Local small and medium enterprises, which typically have tighter travel expenditure budgets and limited resource capabilities, stand to gain the most in this aspect.

All these make for solid reasons why the business tourism is a highly promising and lucrative niche within the larger tourism market. Its importance in terms of business opportunities, even to firms outside the core MICE-related industries, should not be underestimated.