



THE SIGNIFICANCE OF RECREATION ON THE ECONOMY

Recreation has been contributing to the development of the economy. This contribution can be viewed in terms of employment impacts and expenditure impacts that link to other relevant industries in the economy (Ahmad, 1993).

When a person travels for recreation, he or she has direct expenditure on the travel associated costs (air fare, petrol, toll and etc), on food as well as accommodation for overnight trips. In some cases, he or she may spend on purchasing or renting certain recreational equipments and/or services. For organized trips, tourists may pay for tour packages. These expenditures, substantially contribute to the development of other industries involved in supplying materials, goods and expertise through the multiplying effects. For example, the petroleum industry supplies power and energy, agriculture provides raw materials for food and beverage industry, the educational sector is involved in training professionals and certified personnel and the government agencies in managing public recreational areas.

In 1999, recreation and tourism generated over \$3.5 trillion in gross domestic product (GDP) of the United States (US). World Travel and Tourism Council estimated that this sector provided employment for 200 million people and, accounts for almost 12% of world's GDP and the leading producer of tax revenues (Crossley et al., 2001). Meanwhile, in 2001 the industry alone created 393,600 jobs representing 4.2% of the total employment in the market worldwide. Nevertheless, the multiplier effects in the subsectors created 822,900 jobs representing 6.8% of total employment. By 2010, this should grow to 1.0 million jobs, or 9.6% of total employment (WTTC, 2002). (Table 1) lists various subsectors related to recreational goods and services which provided support to the US tourism industry in 2002. The US Census Bureau estimated \$844.6 billion in expenditure levels, numbers of businesses and employees as accumulation of subsectors mostly in the categories of recreation, leisure and tourism. It was also estimated that Americans spent another \$198 billion at gasoline stations, \$223 billion at departmental stores and a sum of \$150 billion for home computers and software, on-line and mail order shopping, taxi and limo services, residential swimming pools and many other products and services (Crossley et al., 2001).

In Malaysia, the recreational industry is not clearly designed. The impact of recreational activities towards national economy lies within the tourism umbrella. As discussed earlier, one substantial direct impact is on the national economy which can be seen in terms of expenditure impacts. For instance, the expenditure impact is clearly shown by the composition of tourists' expenditure pattern in Malaysia, which contributes to other related sectors (Table 2). The pattern indicated that accommodation was the biggest component increasing from 32.0 percent in 1995 to 32.8 percent in 2000 (GOM, 2005).

In 2005, expenditure related to the recreation industry was the highest for the country rewarding 33.1 percent of overall spending (GOM, 2006). The average per diem expenditure of tourists increased by 20.5 percent from RM255.90 in 1995 to RM308.36 in 2000 (GOM, 2006). Meanwhile, the average per

capita for tourists' expenditure in Malaysia, which was RM 1,228 in 1995, increased to RM 1,939 in 2002, an increment of 58% (Public Bank, 2003). Malaysia has always promoted recreation through the tourism industry as proven by the vigorous promotional programmes and physical development throughout the country. The year 1998 had been declared as the Year of Sports and Recreation. During the campaign, more than 240 events and activities related to sports, nature and adventure as well as celebrations were planned and organized. The opening of the Kuala Lumpur International Airport (KLIA) in 30 June 1998 greatly boasted the tourism and recreation industry. In 2000, airline traffic to and from Malaysia increased by 11.7% to a record 32.7 million passengers (WTTC, 2002).

Table 1: Recreation, Leisure and Tourism Expenditure (US) in 2000

Category	Sales (\$ Billion)	# Establishment (thousands)	# Employees (thousands)
Eating and drinking places	251.9	486.9	7,755
Traveler accommodations	95.0	47.1	1,646
Airline transportation	88.9	---	---
Motion picture services	55.9	22.2	276
Home electronics / entertainment	32.2	18.3	176
Lawn and garden	31.7	21.2	165
Liquor stores	22.7	29.6	131
Book and music stores	20.6	22.8	198
Sporting good retail	20.0	24.4	176
Tax exempt organization	19.6	19.5	380
Gambling industries	15.5	2.1	168
Auto rental	14.8	4.4	102
Gift, novelty & souvenir	14.5	37.3	208
Hobby, toy & game	14.4	10.8	112
Spectators sports	13.7	3.9	92
Recreation vehicle dealers	10.1	3.0	29
Boat dealers	8.9	5.3	35
Golf courses / Country clubs	8.6	8.5	160
Amusement parks	8.4	3.3	138
Fitness & sports centers	7.9	16.6	256
Arts & sports promoters	7.5	5.1	65
Video rental	7.2	2.7	150
Artists & performers	6.4	11.0	27
Athletics footwear stores	5.9	5.3	50
Pet stores	5.5	8.3	61
Photo finishing labs	5.5	7.1	184
Performing arts companies	5.3	5.9	52
Water passenger transport	4.4	0.4	23
Musical instrument stores	3.8	4.5	30
Sewing & needlework stores	3.1	6.6	45
Art dealers	3.0	5.7	19
Bowling centres	2.8	5.6	88
Pet shops	2.7	7.2	38
Marinas	2.5	4.2	22
Camera shops	2.3	2.8	18
Scenic transport	1.9	2.3	23
Charter bus service	1.8	1.5	31
Radio & T.V repair	1.5	5.1	37
R.V. parks and campsites	1.4	4.1	16
Luggage/leather stores	1.4	2.1	9
Other recreation rental	1.4	4.5	22
Recreation and vacations camps	1.3	3.5	19
Sports and recreation camps	1.3	5.7	33

Table 1: Recreation, Leisure and Tourism Expenditure (US) in 2000 (cont)

Category	Sales (\$ Billion)	# Establishment (thousands)	# Employees (thousands)
Skiing facilities	1.3	0.4	59
Fine arts schools	1.0	6.2	32
Other recreation/leisure	7.1	14.5	116
Totals	\$844.6	955.5	13,472
Sources: U.S. Census 2000			

Table 2: Composition of Tourist Expenditure in Malaysia, 1995 and 2000

Item	1995	2000
Accommodation	32.0%	32.8%
Shopping	21.0%	23.1%
Food and Beverages	18.0%	19.5%
Local transportation	8.0%	7.1%
Domestic airfares	5.0%	4.6%
Organised sightseeing	4.0%	4.2%
Entertainment	6.0%	5.0%
Miscellaneous	6.0%	3.7%
Total	100.0%	100.0%
Total (RM Million)	9,174.9	17,335.4
Source: Eight Malaysia Plan		

The opening of a Low Cost Carrier Terminal (LCCT) in 23 March 2006, enhances the volume of air traffic to and from the country. The terminal is mainly to cater for a low cost carriers which mainly operate in within the SEA and Asia Pacific regions.

The Malaysian government has emphasized the significance of tourism industry in Malaysia in the Ninth Malaysian Plan 2006-2010 (RMK9). It is highlighted in Chapter Eight (Realization of Tourism Potential) of the plan, where the tourism sector is focused on enhancing Malaysia as one of global tourism destinations and on promoting domestic tourism. In the RMK 9 budget, the Malaysian government increased the tourism allocation to RM1,847.9 billion, compared to the RM783.6 million in the preceding Eighth Plan (2001-2005), a 58% increment. The Visit Malaysia Year in 2007 (VMY 2007) in 2007 was to further promote inbound tourism and domestic tourism. With an allocation of RM149 million, the VMY 2007 aimed at encouraging international tourists to spend larger and stay longer in Malaysia. To achieve this, the country has to upgrade and diversify tourism products and recreational activities. Over 50 major events and festivals were planned throughout the country during that year.

Over the years, recreation brings positive impact in boosting the economy and it has undoubtedly proven to be a sustainable commodity. This article basically discusses the contribution of recreation to the national economy from a certain viewpoint. The role of the sector should be explored further in the future to identify other benefits it might contribute. Now, from the article we understand the importance of recreation, perhaps, we can play our part by actively participate in recreational activities and/or events as we know this will contribute to the nation's economy.

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