

SPEECH BY

YB. DATO' WIRA OTHMAN AZIZ

DEPUTY FINANCE MINISTER I

SIC-MOTORSPORTS ASSOCIATION OF MALAYSIA AWARDS 2016

**TAMING SARI GRAND BALLROOM, ROYAL CHULAN HOTEL
13 FEBRUARY 2017 (MONDAY)
8.00 PM**

Yang Berbahagia Tan Sri Azman Yahya

Chairman of Sepang International Circuit,

Board members of Sepang International Circuit,

Yang Berbahagia Dato' Razlan Razali

Chief Executive Officer of Sepang International Circuit,

Distinguished inductees and nominees of the SIC-Motorsports Association of Malaysia Awards 2016,

Esteemed members of the motorsports community and friends from the media,

Ladies and gentlemen,

1. I am pleased to be here with all of you this evening for the very first SIC-Motorsports Association of Malaysia Awards 2016, It is good to see more recognition being given to our motorsports competitors and teams, and to the leading figures that have worked so hard and contributed so much to the development of motorsports in Malaysia. While the current stars may be well known to our youth, the Malaysian Motorsports Hall of Fame will go a long way, towards ensuring that those who have excelled and made contributions in the past will not be forgotten, and will continue inspiring the generations to come.

2. Congratulations to Sepang International Circuit and the Motorsports Association of Malaysia for this initiative. Well done also to the Sportswriters Association of Malaysia for their collaboration with SIC and MAM, in recognising the role of our media friends in improving appreciation for motorsports among all Malaysians. This awards event is a positive step, and I am glad I will be able to congratulate all the winners and the inductees to the Malaysian Motorsports Hall of Fame in person, as an award presenter.

Ladies and gentlemen,

3. As SIC is incorporated under the Ministry of Finance, and due to the contribution motorsports brings to Malaysia, the Ministry of Finance, as part of the Malaysian Government, will continue to support the development of Malaysian motorsports.

4. International motorsports championships like the F1 and MotoGP are major international events, on par with mega events like the Olympics and the FIFA World Cup. Like these events, there is generally a significant investment required to host the event – and this generally involves funding from the Government. The positive economic impact to the country such as media exposure resulting from international media coverage, the foreign exchange inflow from international spectators which helps to boost for the local economy - these are common economic impact benefits. Then, there are unquantifiable benefits such as the unifying power of sports, which brings together fellow Malaysians in support of a countryman, despite any other differences they may have.

5. Income from these major international events is generally tabulated on a national scale, as the hosts typically do not expect ticket sales and other hospitality income to be significant. For example, from report by Pricewaterhouse Coopers, we can see that in Malaysia, the F1 in 2011 generated RM274 million in economic impact, and 11% increase in gross economic impact the following year. The same event also generated RM385 million in media exposure to 65 million global viewers, besides creating 4,760 jobs. These numbers vary from year to year but the intrinsic value of hosting such event is undeniable.

6. This same impact can be seen from the MotoGP. From the PwC study, the Malaysian MotoGP in 2013, the economy return generated at 3.2 times from its initial investment. The spectators spent RM102 million, especially the international visitors, who contributed 83% of the total amount. In that year, MotoGP generated economic impact that included output worth RM147 million and gross national income of RM107 million.

7. I know that SIC has done its very best to ensure a great experience for spectators at events like the F1 and MotoGP, but sometimes spectator attendance is influenced by factors beyond our control – anything from team performance to the economy. We can observe that F1 spectator numbers have fluctuated over the years. On a positive note, there was a 4% overall growth last year. At the same time, the MotoGP has been doing very well. The spectator numbers have an average increase of 7% over the past 5 years with a record-breaking attendance of 161,553 over three days last year.

Ladies and gentlemen,

8. I can reassure everyone that even with the news that Malaysia wants to take a break from hosting the F1 after 2018, the Ministry of Finance is in no way planning to step back from supporting motorsports in Malaysia. We will be putting our full support behind SIC's plans to further grow local motorsports in Malaysia. Growth at the grassroots level will also benefit the economy by providing more career options to our youth, from technical and engineering jobs to other industries providing goods and services to support the motorsports sector.

9. At this point, I'm sure you're all eager for this awards event to get rolling, so in closing, I would like to heartily congratulate all nominees and inductees tonight. Regardless of who wins, I believe being nominated is itself an indicator that you have done very well despite the odds.

Thank you.
