

Reaching Asia – Horse Racing in Malaysia

Separated by a narrow strip of water, Singapore and Malaysia shared a unique relationship well before 1963 when Singapore joined the Malaysian Federation (only to separate two years later and become independent). In racing terms, the relationship is epitomized by the Malayan Racing Association (“MRA”), the overseeing governmental body in the region, headquartered at Singapore’s Kranji race course.

The MRA consists of four clubs: the Singapore Turf Club (“STC”), and three Malaysian turf clubs (Selangor Turf Club, Perak Turf Club, and Penang Turf Club.) Races are conducted on Friday evenings in Singapore and both weekend afternoons in both Singapore and Malaysia. Historically racing in Singapore and Malaysia rotated between the 4 clubs: Penang, Ipoh, Kuala Lumpur, and Singapore. Unlike the STC which is owned by the Singapore Totalisator Board (a statutory board controlled by the Ministry for Finance), due to various religious and socio-political reasons the four clubs in Malaysia are private members’ associations.

Malaysia is, in many ways, unique in Asia. It is a predominantly Muslim country (60% of the population ethnic Malay Muslims. Ethnic Chinese and Indian Buddhists, Christians and Hindus constitute the remainder). Islam, which forbids gambling, provides the political backdrop. Only non Muslims can gamble, and then only on horse racing and lotteries. Although the MRA has an office in Kuala Lumpur, the head office is in a separate country (Singapore).

Malaysia’s distinct religious and cultural differentiators have greatly impacted the public positioning of the sport, and the industry has also struggled in recent years with problems associated with illegal bookmaking and reduced public confidence in the sport’s integrity. The issues have been compounded by its cross-border cousin raising average stakes money which has allowed it to attract a higher quality of horse. As a result it has been some years since a Malaysian horse has been invited to compete in a major race outside the MRA circuit.

It has been disease that has posed some of the biggest challenges to the country’s racing however. Singapore imposed a ban on the movement of horses from Malaysia to Singapore following the outbreak of the Nipah virus in Malaysia in 1999. There have also been more recent issues with strangles. Malaysia has therefore largely been left on its own. In an attempt to rebuild the cross-Straits races, the Totalisator Board of Malaysia has recently granted RM\$4.2million to the three Malaysian clubs to assist them in building the Singapore government mandated isolation stables that will allow cross-border racing to recommence.

A man who intimately understands the industry is Dato Teh Choon Beng, recently conferred the title of Dato Seri for his contributions to the racing and tourism industry. Teh - considered a legend in Malaysian racing having being crowned champion trainer 13 times, and earning the world record for the greatest number of winners saddled on one day for the same owner (7), is also a prominent committee man of the Penang Turf Club.

“Penang Turf Club will be the first among the three Malaysian clubs to resume limited cross border racing with Singapore during our September Sprint Trophy Meeting 2005,” Teh says. “Hopefully, this will be the beginning of more cross border races to follow so that our races can be more exciting, competitive and colourful.”

Horse numbers, meanwhile, have continued to decline (from a high of 484 horses in January 2003 to 290 horses in June 2005). The Penang Turf Club ("PNTC") is therefore looking offshore to boost numbers. A Cash-Incentive-for-Purchase Scheme ("CIPS") will be implemented from January 2006 to increase numbers and also the quality of horses in the country. Increasing the quality of the horses and fields - and ultimately prize money - will ideally raise the profile of the local industry and in time, attract international trainers and jockeys, as well as improve crowd attendance and turnover.

Increasing horse numbers will also protect local trainers. Training fees in Malaysia are significantly lower than in other countries in the region. Despite this more than 20 local trainers have been told to increase the number of horses in their stable to comply with a new MRA Rule of Racing that states that each trainer must have in their care an average of not less than 20 horses a month over a period of one year. If they are unable to meet this requirement, then after a warning letter has been issued, and if non compliance continues for the remainder of the year, the trainer's license won't be renewed.

Teh agrees that the horse population has declined over the years, but says that "[the] Penang Turf Club is sparing no effort to check this unhealthy phenomenon. The club's CIPS scheme is one of the ways to make horse ownership more attractive to the owners. We are also throwing in a lot of incentives to bring the cost of horse maintenance down and at the same time increase the returns to owners by giving out higher stakes. Every Malaysian club is doing its best to boost local horse population and attract more quality horses."

According to a PNTC Circular, depending on the purchase price, an owner purchasing a racehorse under CIPS shall be eligible to receive a cash incentive ranging between 8% and 18% of the purchase price for horses bought at Magic Millions Sales (a 5%-7.5% incentive is offered for horses purchased at William Inglis & Son and Tattersalls Ltd). There is also a 5% incentive for the purchaser to agist the horses at approved studs/farms prior to coming to Penang. Vendor studs/farms where the purchaser will qualify for the additional 5% incentive are Wadham Park, Durham Lodge, Mungrup Stud, Lyndhurst Farm, Oakwood Stud, and Dawson Stud.

Australia has historically supplied most of the horses racing in Malaysia. Demonstrating this domination, one only needs to flick back through the race records. An example from December 2001 is a good one. That weekend – the final two days of the Penang Turf Club's Sprint Trophy Meeting – 14 Australian-bred horses won 19 races (NZ-breds claiming 4, and a French horse the final).

"Being one of the leading horse breeding countries in Australasia and also a major trading partner with Malaysia is a big plus factor for the Australian horse industry," says Teh. "The proximity to Malaysia has also made the transportation cost of bringing a horse to Malaysia reasonable. Through the years, Australian horses have also proven their abilities on the tracks here, resulting in their popularity with our local owners. The Australian horses are successful in Malaysia because they acclimatise well in Malaysia and are able to adapt to the racing conditions here; they represent good value for money and are tough, sound, and durable; and are generally bred along sprinting lines and as such are suited to the majority of races conducted in Malaysia."

The Breeze Up Sales in particular as well as the Queensland, Adelaide, and Perth sales have remained lucrative hunting grounds for Malaysian buyers.

"Magic Millions has been very pro-active in marketing its company in Malaysia and has developed close relationships with numerous racing participants in Malaysia, particularly within the Penang Turf Club," Teh says. "For the last 6 years, it has sponsored the Malaysian Magic Millions Classic race at Penang Turf Club with stakes of RM\$350,000. Magic Millions provides a high level of hospitality for visitors from Malaysia at its sales and also offers incentives for buyers to attend its sales".

In 2006 Magic Millions will give an added incentive with a bonus of RM\$50,000 if a Penang-based trainer wins the race. Such sponsorship together with additional money from breeders, feed companies, Pay-Channel TV and the MRA, are all quietly aiding the sport to forge a new identity and increase its popularity. Magic Millions is also the appointed selling agent for the Malaysian National Stud Farm ("NSF") Invitational sale in Perak. The NSF is the only breeding farm in the country and in 2005 the Farm offered its first yearlings at auction since 1972. The draft of 93 horses in total was the largest in the farm's 35 year history.

A famous Chinese proverb states that there is no wave without wind. Teh ticks off a number of developments that aim to fan the sport back towards the limelight it enjoyed in recent decades. "[There have been] an improvement in facilities for trainers, setting up of off-course betting centers, the introduction of more types of exotic bets such as the trifecta, forecast 4, double bet and place quinella, lifting of the historical mobile phone ban at the club to cater to customer demand, 'live' telecasting of horse racing to the homes is now possible and we are moving slowly towards this direction, introduction of telephone betting for our punter, the simulcast of overseas races, development of a strong relationship between Penang Turf Club and Magic Millions, introduction of incentives to owners of Australian bred horses racing in Malaysia and in the pipeline is the planned relocation of Penang Turf Club to a new ultra modern racecourse".

"The horses that I have purchased at Magic Millions are, in my opinion, good value for money," says Teh, who with Oaklands Stud principal Neville Stewart and Loh Kim Tai and Tan Li Li co-owns the well performed Australian galloper EMIT TIME, who has won 3 races and been placed twice from just 7 starts for \$245,000 (including a second in the 2yo Magic Millions [3/4 length to Bradbury's Luck]). "The Australian thoroughbreds have improved in quality. They are tough, sound, and durable and are on par with any country. For value, the sprinting types score an extra point in Malaysia".

From challenge often springs great change. With the commitment of some of the greatest names in Malaysian racing (with ancillary support from a number of international companies and individuals) the local industry appears favorably positioned for the future.

"There are strong reciprocal ties between the Malaysian and Australian clubs," concludes Dato Seri Teh. "The introduction of the CIPS will encourage buyers to be active at sales, especially those conducted by Magic Millions. With the resumption of cross border racing and the impending increase in prize money, racing will become more competitive. Owners will need to seek out thoroughbreds that are of sufficient quality to meet their needs. Australia is ideally located to provide quality thoroughbreds at realistic prices."

© Athlone & Associates 2005
www.AthloneAssociates.com