

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background**

The MICE industry is one of the sectors in the tourism business today. It is because MICE as a business tour that offers business activities consisting of business and tourism is enjoyed together. In meetings, incentives activities, conferences, and exhibitions, there are a series of business activities that can be used as products for tourism packages that are ready to be marketed in MICE terms. In addition, the MICE business is a combination of business and leisure activities that can increase the number of tourist visits in a region of Indonesia.

Now, Palembang city included in the sixteenth list of MICE cities set by the Ministry of Tourism. These destinations are Jakarta, Bali, Bandung, Surabaya, Solo, Yogyakarta, Makassar, Batam, Medan, Manado, Padang, Palembang, Balikpapan, Bintan, Semarang, and Lombok (Astuti, 2017). Therefore, Palembang city is one of the regions that is developing its potential to become a MICE tourist destination. This is realized by the holding of MICE events in Palembang such as the Asian Games 2018. It was one of example of the strengths of Palembang as a MICE city.

Since Palembang hosted the holding of Asian Games 2018, ideally it could encourage Palembang to become a MICE tourism destination area. The existence of the event resulted in increasing construction of MICE facilities and infrastructure development. For example, the development of Palembang from the transportation sector is the construction of the LRT (Light Rail Transit) that connects Sultan Mahmud Badaruddin II Airport - the Great Mosque of Palembang - Jakabaring Sport City. This shows that the Palembang city is able to become a MICE city with easy to access places using LRT (Light Rail Transit). Futhermore, Palembang has other MICE support facilities, such as the fields of accommodation, , culinary (food and beverage), tourist destinations, and places for conducting MICE activities.

Even though Palembang has the strengths to become a MICE city, it also has several weaknesses in its facilities, for example : lack of MICE vendors. If these weaknesses are allowed then it will have a negative impact on the potential of Palembang city as a MICE city, such as the lack of tourists who come to Palembang. Therefore, this weakness needs to be known so that tourism industry players can improve and find the right solution in order to strengthen the potential of Palembang city to become a better MICE city.

Based on the explanation above, the writer wants to know more and the strengths and weaknesses of the potential development of Palembang City as a MICE city which wrote in the final report with the title “The Strengths and Weaknesses of The Potential Development of Palembang City as a MICE City”.

## **1.2 Problem Formulation**

Based on the previous background, the problem which are going to discuss in this report are :

- a. What are the strengths of the potential development of Palembang city as a MICE city?
- b. What are the weaknesses of the potential development of Palembang city as a MICE city?

## **1.3 Purpose**

The purpose to be achieved in writing this report is to know the important of culture in MICE activities.

- a. To find out the strengths of the potential development of Palembang city as a MICE city.
- b. To find out the weaknesses of the potential development of Palembang city as a MICE city.

#### **1.4 Benefit**

This report is expected to have benefit for various parties, including : the government and the local community.

- a. For the government, this report can be used as a reference to determine policies in strengthening the law on MICE tourism.
- b. For State Polytechnic of Sriwijaya institutions, this report can be used as a reference to determine policies in an effort to support.