



PRESS STATEMENT
FOR IMMEDIATE RELEASE
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**“MAH Calls for Stronger Support for Hospitality Sector in
National Budget 2025”**

KUALA LUMPUR - The Malaysian Association of Hotels (MAH) acknowledges the National Budget 2025 presented by YAB DATO' SERI ANWAR BIN IBRAHIM on 18 October 2024. While MAH appreciates the RM 550 million allocation earmarked for the ASEAN Tourism Forum (ATF) 2025 and Visit Malaysia Year (VMY) 2026, the Association urges for careful channelling and funding to ensure that the hospitality and tourism sectors can maximize the benefits.

The additional RM 110 million for ecotourism is a welcome step, as it is crucial for maintaining and upgrading the country's natural attractions. With significant potential to attract both domestic and international visitors, this investment is essential.

However, MAH expresses its concerns regarding the overall budget allocations. The increase of approximately 29% year-on-year is commendable, yet it falls short of the substantial investments needed to address the current challenges facing by the industry.

Moreover, the absence of targeted tax incentives is particularly concerning. Hoteliers had hoped for measures to alleviate the pressing operational costs that they face daily. Specifically, the lack of mention regarding tax exemptions for 4- and 5-star hotels under the “Pioneer Status and Investment Tax Allowances” is a missed opportunity to encourage further investment in the sector.

MAH's wish list for “green and sustainable” practices remains unaddressed, even as the government has set ambitious goals through the National Tourism Policy to achieve a

sustainable tourism industry by 2030. Without special incentives, it will be challenging for industry players to transition effectively towards these goals.

The increase in the minimum wage to RM 1,700 from RM 1,500, effective 1 February 2025, will further exacerbate operational costs. This increase also impacts overtime rates during weekends, public holidays, and peak hours, adding additional strain on financial resources.

Additionally, MAH wishes to highlight the importance of transparency in the collection and utilization of the Tourism Tax (TTx). Since its implementation in 2017, hotels have been tasked with collecting this tax from foreign guests and remitting it to the Royal Malaysian Customs Department (RMCD). It is crucial that the collected funds are transparently disclosed and reinvested back into the tourism industry, specifically for infrastructure maintenance, upgrades, and promotional incentives that benefit hotels and the broader tourism landscape.

As President Datin Christina Toh states, “While we appreciate the government’s efforts to invest in our industry, it is imperative that these measures address the pressing needs of hoteliers and ensure sustainable growth for the future. We urge the government to consider additional support mechanisms to empower the hospitality sector as we work towards a resilient tourism economy.”

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About Malaysian Association of Hotels (MAH)

Malaysian Association of Hotels (MAH) is the umbrella body for hotels in Malaysia formed in 1974 and initially established by a group of concerned and dedicated hoteliers to bring about a more dynamic hospitality industry aimed at building a workforce of highly skilled, innovative and disciplined individuals. Its long-term goal was to enhance the efficiency of the hospitality industry, thus, bringing about a more dynamic Malaysian hospitality industry. MAH, as the official national network for the hotel industry, represents more than 1,000 hotels throughout Malaysia supplying more than 150,000 rooms which is over half of the total number of hotel rooms available as guest accommodation in this country. With 13 chapters across the nation, MAH acts as a voice of the industry, working as one body to promote, protect, represent and advance the interests of its members.

About MAHTEC

MAHTEC Sdn Bhd commenced its fiscal year in 1998 to profile MAH as a human resource development provider and to upgrade the skills and knowledge of staff-in-service in the industry. MAHTEC is the training arm of the Association specializing in developing quality human resources in the hospitality industry. Highly specialized in the areas of Hospitality Skills Training and Managerial Development Training, all programs are facilitated by experienced and qualified Trainers through workshops and practical sessions.

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