

RETABLED 2023 BUDGET

HELP ABSENT, FOR RECOVERING HOTEL INDUSTRY

SELANGOR, 24 February 2023 – Malaysian Association of Hotels (MAH) deeply appreciates the government, allocating a sum of RM 250 million to promote the tourism sector. However, seeing as MOTAC is targeting over 16 million tourist arrivals with RM49.2 billion in revenue for the year 2023, we feel the allocated amount is insufficient as it constitutes to less than 0.6% of the expected receipts.

Additionally, the blanket method of allocation for the tourism industry may not fully reach struggling sectors and address the industry's needs. Case in point, we were saddened to learn that there are no provisions to aid the recovery of our struggling hospitality industry more so now, when the sector is facing challenges on various fronts.

Hotels throughout the country have had to contend with severe Electricity tariff hike early this year that has resulted in a significant increase in their monthly operational costs. The sector also had to cope with higher minimum wage and lower work hours; as the hospitality sector is very labor-intensive, our industry is very vulnerable to the legislation and have been especially affected by it further stymying our recovery.

MAH hopes that the government will acknowledge our industry's plight and employ more defined aid to our sector as we are far from recovery by considering the following proposals:

- Moratorium for the new electricity tariffs to hotels, theme parks and convention centres until the end of 2023 as to provide us time to recover.
- Provide stimulus package for hotels via a one-off financial aid or continuous added value programs.
- Introduce special tax allowance or deductions in regards to hotel's renovations and refurbishment post covid-19.
- Fast track hotels application for foreign workers.
- Regulation of Short-Term Accommodations (STA) to ensure a level playing field and safety of guests.

- Collection of Tourism tax at the country's entry points to guarantee all inbounds are taxed and not restricted to those that chooses to stay at legitimate hotels.

Lastly, MAH welcomes the Visit Malaysia Year 2025 announced by the government. We hope that in light of the auspicious year, the government will be keen to help our flagging industry in these crucial 2-years interim as part of their preparation for VMY 2025. MAH hopes with the aid of the government, we can provide the patrons and tourists that visit us during VMY 2025 the best Malaysia Hospitality experience we can offer.

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