

SHORT TERM ECONOMIC PLAN BUT WHAT ABOUT TOURISM

“Long Awaited Stimulus But Is It Enough?”

Wisma MAH, Ampang (5 June 2020) – Two and a half months after the Movement Control Order started, the tourism industry is finally seeing hope with the just announced Short Term Economic Plan. The hotel industry saw business dropped to almost zero while having to bear overheads and payroll costs over the same period.

Hotels were forced to make difficult decisions to place employees on unpaid leaves, pay-cuts and even laying off employees, in the last survey by Malaysian Association of Hotels (MAH), 26% of employees had been given unpaid leaves, 20% taken pay-cuts while 6% were laid off. The number would have grown by now with more hotels announcing closures.

The industry appreciates the announcement of new initiatives and welcomes the extension of the Wage Subsidy Program (WSP), despite the amount remaining the same at RM600 for another three months, which is deemed as insufficient for the industry to sustain. The hotel industry had long proposed a 50% wage subsidy for employees with monthly pay of RM4,000 or below and 30% for those between RM4,000 to RM8,000.

With unemployment on the rise, even more from the tourism and hospitality industry, the incentive to hire unemployed would encourage the industry to re-hire for the recovery of tourism. This is however is dependent on actual recovery of demand which at the moment is still unknown for Malaysia. The industry is still in the dark as to when interstate leisure travel will be allowed or as to when the borders will be open.

The industry is in need of more, and specifically in the midst of the Covid-19 pandemic, an indication at bare minimum, when will the Government ease travel restrictions. Driving demand should be a focus and this must be done in advance. Domestic market is undoubtedly the immediate target, but eventually international tourism needs to reopen, and for Malaysia the target would begin with ASEAN, and then China and India.

The announced recovery plan did not highlight specific tourism recovery plan but we are convinced that the Ministry of Tourism, Arts & Culture (MOTAC) is working on revitalising tourism not just for the industry but for the country. MAH had been engaging with the Ministry and other agencies with plans to drive demand both domestic and international, and is well aware that Malaysia is in competition with neighbouring countries on tourism.

“Malaysia could take the lead in ASEAN tourism and unite ASEAN member states in tourism marketing for the entire region. ASEAN could be a destination by itself with nothing less to offer in comparison with Europe. Governments need to take advantage of the situation and re-introduce ASEAN as ONE,” said Yap Lip Seng, Chief Executive Officer of MAH.

In general, the industry appreciates the Government’s assistance but it is in serious need of a specific stimulus plan for tourism.