

7 February 2023

JOINT PRESS STATEMENT - NEWLY IMPLEMENTED ELECTRICITY SURCHARGE SHOCKS BUSINESSES

This is a joint statement by the following associations:

- Malaysian Association of Hotels (MAH)
- Malaysian Association of Hotel Owners (MAHO)
- Malaysia Budget & Business Hotel Association (MyBHA)
- Malaysian Association of Theme Park & Family Attractions (MATFA)
- Malaysian Association of Convention & Exhibition Organisers & Suppliers (MACEOS)

A month have passed since the implementation of the new electricity surcharge by the Ministry of Natural Resources, Environment and Climate Change (NRECC). The surcharge, introduced during the Electricity Tariff Adjustment for Peninsular Malaysia announcement on 16th December 2022 that saw Medium Voltage (MV) and High Voltage (HV) users as well as Multinational Corporations paying 20 sen/kwj as opposed to the previous rate of 3.7 sen/kwj. As electricity is an essential utility for businesses to operate, it therefore also constitutes a significant portion of its operational costs. Recently, hotels and related industries all over the country were shocked when they received their January energy bills as they, on average, faced a 20% to 30% increase in their monthly energy bill compared to the year prior with similar usage.

The hotel industry, business events (also known as M.I.C.E.) industry and related businesses was one of the hardest hit during the pandemic and we were only able to start recovering when the country border reopened at the start of the 2nd quarter last year. We were also unable to fully capitalize on the recovery period due to still being affected by the lingering aftereffects of the pandemic such as the manpower shortage and the growing general caution for people to travel. Additionally, recent legislation such as the minimum wage revision and amendments to the Employment Act have further hampered our industries recovery process.

Now, we also must contend with this immense and sudden upsurge in our energy bill price which hits below the belt.

Hence, we would like to sincerely urge the Government to provide a 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.

These constant and increasing pressure towards our businesses especially at the time where Malaysia is stepping up their tourism efforts to be the destination of choice is taking its toll as we are unable to operate efficiently and effectively which stands to undercut these efforts.

We hope to hear a favourable response soon and we are always open for talks with the Ministry for the overall betterment of the industries in Malaysia.

Thank you.