

MAH RESPONSE TO THE TABLING OF BUDGET 2023

SELANGOR, 8 October 2022 - Firstly, MAH appreciates that during the tabling of the budget, the government acknowledges that the tourism industry is one of the most affected economic sectors during the Covid-19 pandemic.

In 2020, the tourism industry employs over 3.46 million people. Whilst we have seen an uptick in tourist arrivals, as of July 2022, Malaysia recorded only 3.2 million tourist arrivals with tourism receipts of RM9.4 billion for the year 2022; a far cry from prepandemic numbers of 26 million tourist arrivals with tourism receipts of over RM86.1 billion for the year 2019. For the year 2023, the government targets to attract 15 million tourists with tourism receipts of RM47.6 billion.

On this note, MAH strongly believes that the allocation of RM200 million in the budget to aid the recovery of the tourism industry is insufficient as it is less than 0.5% of the targeted tourism receipts of RM47.6 billion for 2023.

MAH also believes that more can be done to support the recovery of the hotel sector and hope the government would consider the following proposals:-

- To extend the personal tax relief for domestic travel for 2023.
- To provide discount in assessment rate and quit rent for 2023.
- To re-introduce wage subsidy program for 2023.
- To provide discount for utilities such as electricity and water.
- To regulate the home-sharing industry such as Airbnb so as to provide a level playing field for all industry players.

Finally, at MAH, we laud the effort of the Ministry of Tourism, Arts and Culture for its active engagement with all stakeholders to ensure the recovery and success of the tourism industry in Malaysia.

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