

# PM: Exclude subsidy when calculating profit

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KUALA LUMPUR: Profits made from the tourism industry should be "net of tax and subsidy," Prime Minister Datuk Seri Dr Mahathir ~~Mohammad~~ said yesterday.

"The industry's contribution to the nation would be meaningless if what is termed as profits include tax relief and subsidies," he said.

The Government's allocation and subsidies for the industry were made with the hope of making profit eventually, he added in his speech at a dinner given by the National Tourism Council of Malaysia.

He also said if tourism industry was to improve Malaysia should be promoted as a favourable and cheap destination.

He said this could be achieved as the cost of living in Malaysia was low.

He urged tourism operators not to fix prices according to the rates in developed countries where

the cost of living was higher.

He said that they might gain in the short term but

would make less profits eventually in the long run.

He also warned that while cheaper tariff or

rental would attract more tourists, poor accommodation facilities would discourage them from

coming.

"We must ensure that facilities provided would attract tourists with big and medium budgets and not just back-packers with little money to spend," he said.

Dr Mahathir said the tourism industry did not end with Visit Malaysia Year and that it was an on-going process.

"As such, it's important for us not to think only of what we make today but of what we'll make in the future as well," he said.

He said this should be given emphasis as there were those who believed that tourists visiting the country should "squeezed dry."

"Such opinions would be disastrous for the industry as tourists would feel that they were getting a raw deal and would not return and also influence others against visiting the country," he said.

He said tourism helped to reduce the country's invisible trades deficit