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## HOTEL INDUSTRY'S NARROW PERCEPTION HARMFUL TO TOURISM

Mahathir - hotel

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KUALA LUMPUR, Dec 12 (Bernama) -- The hotel industry's narrow thinking can stifle the country's tourist industry, retard economic growth and check the inflow of foreign exchange, Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight.

The Government was concerned that the hotel industry's narrow views would result in the cost of living going up and in the end everyone would feel the bad effects, he said.

Opening the five star Crown Princess Hotel in Jalan Tun Razak here, the Prime Minister said the government provided a big allocation for tourism promotion and the profits that accrued went to the hotel industry as most hotels received tax exemption.

Datuk Seri Dr Mahathir said certain people in the hotel industry still questioned the government's earnestness in promoting the tourist industry as could be seen from the inadequate investment in hotels and there was still a shortage of hotel rooms, for instance, in Kuala Lumpur.

+Refraining from investing because they already owned a hotel and the feeling that shortage of rooms will bring bigger profits is shallow thinking,+ the Prime Minister said. -- more

Mahathir - hotel 2 Kuala Lumpur

+It's true at one time because of rapid development of hotels there was a glut and hotel development came to a halt.+

+But in the last two years, there has again been a shortage of rooms but no increase in the number of hotels particularly in Kuala Lumpur which is continuing to experience a shortage of hotel rooms,+ he said.

Datuk Seri Dr Mahathir also criticised certain hotels for increasing rates as this would cause their costs to go up.

+When there is a small drop in the number of guests, hotels will stand to lose for once when costs go up it will be very difficult for them to bring them down,+ he said.

The Government felt that once there was 70 per cent room occupancy, additional rooms should be built as the hotel was then making profits. -- more

Mahathir - hotel 3 (last) Kuala Lumpur

The Prime Minister also stressed that the importance of good service should be remembered by all those involved in hotel management.

He said one of the reasons why Pan Am Airlines closed down was because of the attitude of its staff who felt that the company existed only to provide them with work and high salaries.

+Air hostesses who were more than 50-years-old were still employed and they in turn gave poor service and other staffers asked for salary increases without considering the company's income,+ he said.

+What happened to Pan Am can happen to any airline or big hotels which forget to provide good service to customers,+ Datuk Seri Dr Mahathir said.

The Government had plans and projects to help the small traders as well as the big ones but needed the support and co-operation of all, he said. -- Bernama