

# Increase rooms, Dr M tells hoteliers

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PRIME Minister Datuk Seri Dr Mahathir ~~Mohamad~~ has called on hoteliers to have more confidence in the Government's efforts to develop the tourism industry. They should stop doubting the Government's seriousness on the industry and invest in building more hotel rooms to meet the rising demand.

Officiating at the opening of Kuala Lumpur's latest five-star hotel, the Crown Princess, he said hotels should add more rooms when the room occupancy rate reaches 70 per cent. At that level, hotels should be

making profits, he said, adding that the policy of maintaining the number of rooms to inflate profits is a shallow view.

Stressing the importance of having adequate hotel rooms, Datuk Seri Dr Mahathir said full occupancy is not necessarily a healthy situation as it distorts the hotel's performance. This will prompt hotel operators to raise tariffs, inflating costs which will affect operations when there is a dip in the number of guests.

"The Government is worried because we hope the

tourism industry will continue to grow and help develop the economy as well as boost the inflow of foreign exchange. If the industry stagnates due to narrow-mindedness, everybody will eventually feel the consequences," he stressed.

The Prime Minister reminded the tourism industry that the Government is allocating hundreds of millions to promote the sector. Hotels and others in the industry which benefit directly from the Government's efforts, he said, should reciprocate by participating actively in ac-

tivities aimed at attracting more tourists to the country.

He also reminded hotel staff of the need to provide excellent service. In a country where excellent service to guests is part of the culture, life will be made much more comfortable.

Datuk Seri Dr Mahathir also called on employees to adopt the correct attitude towards their organisations. Taking a leaf from the failed US airline company PanAm, he said workers should help their companies reduce costs and not make undue demands.