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MAHATHIR CALLS FOR REDUCTION IN HOTEL ROOM RATES

Mahathir-Hotel

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LANGKAWI, Aug 7 (Bernama) -- ⁹² ^(Y) Datuk Seri Dr Mahathir Mohamad wants hotel room rates in Langkawi and the rest of the country to be lowered to attract tourists and ensure long-term profits for hoteliers, the people and the country.

The Prime Minister said Malaysia would then be known as a country offering reasonably priced accommodation compared with other areas of similar standard.

He expressed regret over the current high hotel rates and cost of goods in Pulau Langkawi as the long term effects would cause a loss to the country.

+The cost of accommodation in some places in Langkawi is too expensive. Even small rooms without air condition and sometimes without any window is high,+ he said when opening the Delima Resort here today.

He said the government's intention was to see that the cost of accommodation was low in order to attract tourists from far-away countries although they would have to pay a high fare to come here. -- more

▼07/08/17-43MST

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Mahathir-Hotel 2 Langkawi

+We need not charge high rates to obtain profits in the hotel industry,+ he added.

He added that high room rates would lead to an increase in prices of other services and goods and raise the standard of living which would eventually require the hoteliers to pay high salaries to workers to enable them to cope with the high standard of living.

+This will cause costs borne by hotels to go up while the margin of profit will not be that high,+ he said.

He said hotel and tour operators in the country should not to be too greedy by seeking become rich quickly.

Hotel rates and prices of goods in Langkawi should not be expensive as the cost of living here was low after the government gave free port status, he added.

Dr Mahathir said he had repeated his observation on the same matter several times for the long term good of the people, hoteliers in Langkawi and the country as a whole. -- more

▼07/08/17-46MST

CNS1819

R GE 07-08 00168 EA033

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Mahathir-Hotel 3 Langkawi

He was aware many gave the excuse that hotel operators in cities like Tokyo, London and Singapore, imposed much higher rate.

But though hotels in these cities were more expensive their profit margin was not high, he said.

Dr Mahathir said high costs would cause tourists to choose to visit other places which were less expensive.

He reminded those in the trade to realise that Malaysia was located far from countries where there were many tourists like from Europe and that they would have to pay a lot in fares in order to come here.

+Even if Japan is nearer, Japanese tourists have many other options, like Hawaii, Guam and other places. There must be a reason for them to come here,+ he said.

He added that if rates remain high, an increase in income for the people would be meaningless because their purchasing power would be reduced. -- more

▼07/08/18-01MST

R GE 07-08 00132 EA034

aae the

Mahathir-Hotel 4 (last) Langkawi

He called on hoteliers in Langkawi and the rest of the country to emulate Delima Resort here where the rates were moderate but service of a high standard.

Delima Resort, he said, offered better facilities than those of three-star hotels and it needed only to improve a little more to attain five-star status although its rates were much cheaper compared with other hotels in the country.

+The price may be increased later but if we charge a high price we must provide more special service, equivalent to a six-star hotel,+ he added.

Dr Mahathir said the government wanted to promote greater domestic tourism but if prices were high this would not be achieved. -- Bernama