

PM: Minimise costs to make Malaysia cheaper

LANGKAWI, Fri. — Hoteliers and operators of tourist activities should strive to minimise costs to make Malaysia a cheaper destination than its competitors, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the future of tourism could become bleak and Malaysia's image tarnished if those in the tourist industry tried to make fast profits by increasing room rates and other charges for services to visitors.

Dr Mahathir reminded them that Malaysia was far away from many major tourism markets like Europe and that Japan was the nearest country representing a large market.

Malaysians should maintain the competitive edge in

terms of prices if they wanted to draw Japanese tourists who also had a choice of Guam or the Pacific nations.

Dr Mahathir was speaking at the opening of the De Lima Resort at Kuala Muda here. Also present were Menteri Besar Tan Sri Osman Aroff and Lada chairman Tun Daim Zainuddin.

Delima Resort is the country's largest resort, with 1,500 rooms and the biggest conference hall and swimming pool.

Dr Mahathir said the Government felt that the nation's tourism selling point was lower prices.

However, he said, consumers in the country did not benefit from a stronger ringgit because importers failed to lower prices.

Importers should have passed on the benefit of the appreciation in the value of the ringgit by lowering the prices of goods they brought in.

However, he said, certain people, including those from Pulau Langkawi, continued imposing exorbitant charges.

Dr Mahathir said he had repeatedly reminded them of the consequences of increasing prices and costs.

"Higher costs will reduce the purchasing power and affect the inflow of tourists to Malaysia," Dr Mahathir said.

Hoteliers should not compare the local room rates with that imposed by hotels in Japan, the United States or Singapore which were

much higher.

"Hoteliers in these countries are getting lower profits due to high costs.

"We do not want tourists to come here and be burdened by having to pay more than in any other tourist destination," he said.

Dr Mahathir said some chalet operators were charging \$70 for a small, non-air conditioned room.

"Such treatment will hinder tourists from returning to the island and they may discourage others from coming here.

"The tourism industry will suffer if such a situation persists," the Prime Minister said.

Dr Mahathir hoped that cheaper accommodation facilities like the De Lima Re-

sort would be built in other tourist destinations in the country.

Hoteliers and tour operators should emulate the De Lima Resort which was charging minimal rates for its rooms.

Dr Mahathir said the influx of tourists to Pulau Langkawi was the result of Government efforts in constructing an international airport at Padang Mat Sirat and according to the island free-port status.

On the De Lima Resort, Dr Mahathir said the Government did not receive much in terms of profit in building the budget resort.

"Our intention is to ensure that Pulau Langkawi can offer lower rates."

Dr Mahathir said al-

though the resort was a three-star hotel, the service was of five-star quality.

He praised Woodhouse Sdn Bhd chairman Mr Ting Pek Khiing, who is the turnkey contractor responsible for the construction of the resort, for completing the hotel in record time.

Ting built Phase I of the resort's 300 rooms in 53 days for last year's Langkawi International Maritime and Aerospace exhibition (Lima).

The second phase of the resort, which was completed recently, comprises 1,200 rooms.

The room rates are \$100, inclusive breakfast, for the old rooms, \$75 for new rooms facing the sea and \$55 for the other rooms.