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HOTELS-RECOVERY
MALAYSIA'S TOP HOTELS TO RECOVER NEXT YEAR

SINGAPORE, April 9 (Bernama) -- Malaysia's leading hotels are poised for a steady recovery next year as business activity improves and the country's Multimedia Super Corridor (MSC) is operational, said Jones Lang LaSalle Hotels group.

A positive growth in international arrivals should return with active marketing by Tourism Malaysia, the government's tourist promotion arm.

"The depreciation of the Malaysian Ringgit following the high capital outflows from the economy should have made travel to Malaysia attractive.

"However, the regional and domestic issues in the latter half of 1997 had a negative impact on demand. These issues have largely abated and along with pro-active marketing by Tourism Malaysia, international arrivals should return to positive growth," said Antony Karp, vice-president of Jones Lang LaSalle Hotels, the region's leading hotel and tourism property services group, based here.

Business activity in Malaysia was likely to be further improved in view of Prime Minister Datuk Seri Dr Mahathir Mohamad's strong support to develop the MSC which was expected to draw foreign investors and boost the domestic sector, said the group.

It said leading hotels in Kuala Lumpur attracted a relatively high number of corporate guests at about 60 percent followed by lesiure travellers at 20 percent.

Last year, international arrivals to Malaysia declined 16.1 percent to 5.2 million visitors from a peak of 7.5 million in 1995.

Jones Lang LaSalle Hotels said last year, the hotel industry in 14 key Asian markets including Kuala Lumpur fell 21.5 percent.

"With the exception of Phuket - every market in Asia fell in 1998," said Karp.

Jakarta was the worse affected market with room yields falling 62 percent followed by Kuala Lumpur and Bali (39 percent), Shanghai (36 percent), Manila (32 percent), Singapore (24 percent), Beijing (21 percent), Seoul (16 percent), Hong Kong (15 percent), New Delhi (14 percent), Tokyo (12 percent) and Mumbai (11 percent).

Phuket recorded an increase of 25 percent while Bangkok recorded no change and the remarkable performance of the two key Thai markets can be attributed to the success of the Tourism Authority of Thailand, said Karp.

"Oversupply is likely to weigh on most markets in 1999 although those countries that respond with active and orchestrated marketing campaigns will benefit," he added.

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