

10/04/2001

US slowdown will not hurt local tourism sector: PM

Hamisah Hamid

THE local tourism industry will not be affected by the US economic slowdown as most of the foreign tourists are from the Asia Pacific region, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

He said Malaysia does not receive many tourists from the US and expects more tourists from the region to visit Malaysia.

Malaysia, which registered 2 million tourist arrivals for the first two months this year, will enhance efforts to promote regional tourism.

"The US might go into a recession but that is not going to affect us that much.

"We hope to make up to it by encouraging regional tourism," he told a news conference after opening the 50th Pacific Asia Travel Association (Pata) Conference in Kuala Lumpur yesterday.

Also present were Minister of Culture, Arts and Tourism Datuk Abdul Kadir Sheikh Fadzir, Pata chairman 1999/2000 Madan Prasad Bezbaruah and Pata chairman-elect 2000/2001 John Stanford.

Bezbaruah, who is also India's Tourism Ministry's secretary, said the Asia Pacific region recorded the fastest growing tourism industry.

"The world's average growth of the tourism industry is 4.3 per cent while in the Asia Pacific region, it is growing between 6 and 8 per cent," he said.

He does not foresee the rapid growth in regional tourism to be weakened by the US economic slowdown.

Dr Mahathir said there is a high potential of tourism in the region, citing the 200 per cent growth in the number of Indian and Chinese tourists to Malaysia last year.

He said the Government will continue to ease travel regulations to attract more tourists from China and India.

The move by the Indian Government to accord more landing rights to Malaysia will also contribute to greater tourist arrivals from both sides, he said.

Dr Mahathir also asked foreigners to forward their complaints to the Government as all grouses will be addressed.

"Sometimes we are not aware of what is happening on the ground because our own staff are not reporting to us," he said, commenting on complaints that strict visa requirements are hampering efforts to attract tourists from India and China.

For instance, he said tourists from China were previously allowed to travel in groups but responding to the complaints, the Government has now allowed them to visit Malaysia on a single basis.

The Government is also considering providing multiple entry visas to visitors to allow them longer stay in the country, he added.

At the homefront, Dr Mahathir said Malaysia will register 12 million tourist arrivals this year if it can sustain an average of 1 million tourist arrivals as in January and February.

Last year, Malaysia registered 10.22 million tourists with US\$4.95 billion (US\$1 = RM3.80) in tourism receipts. It was the third highest tourist arrivals after China and Hong Kong.

The tourism sector, the second major foreign exchange earner after manufacturing, registered 7.93 million tourist arrivals in 1999 with US\$3.24 billion in receipts.

He said it would take some time for the tourism industry to be the main

foreign exchange earner as the manufacturing sector is still doing well with its huge demand for microchips.

Earlier in his speech, Dr Mahathir said the Government has invested a lot of resources in building the necessary infrastructure for the tourism industry and has incorporated incentives in the Seventh and Eighth Malaysia Plans to further develop the industry.

While the Government strongly supports the tourist trade, he said it will continue to ensure that the industry is managed on "sustainable development" concept.

"In Malaysia, the Government has advised those intending to develop eco-tourism projects to adopt a responsible attitude and be sensitive towards environment conservation," he said.

He noted that tourism is a high value-added industry and with its estimated added value rate of 50 per cent, it is exceeding that of the semiconductor industry.

(END)