

22/09/2002

Tourism industry players happy with additional RM200m fund

KUALA LUMPUR, Sat. - Tourism industry players are happy with the additional RM200 million introduced under the Tourism Infra-structure Fund under Budget 2003 and hope access to it would not be too difficult.

This appeal comes following the bureaucracy involved in the application for loans under the existing Special Tourism Fund.

"The mechanism to secure the loan should be simplified. It is difficult to access. Make it easy to apply," vice-president of the Malaysian Association of Hotels Ivo R. Nekvapil said.

In the previous budget, the Special Tourism Fund was increased to RM400 million from RM200 million.

However, it is believed that the fund has not been implemented as guidelines for the application were being finalised.

This fund was allocated for Bumiputera applicants for building new resorts, hotels and to improve facilities.

The new Tourism Infrastructure Fund is not restricted to Bumiputera applicants but is limited to setting up of amenities and the upgrading of hotels.

Nekvapil hailed the introduction of the infrastructure fund as it would be especially useful to upgrade hotels at locations where there are already many hotels.

"Private sector industry players especially resort/hotel and tour operators are now endowed with more allocations to either start on new projects or refurbish their existing facilities," said economist Azrul Azwar from MIDF Sisma Securities Sdn Bhd, referring to both funds.

"The question now remains whether certain terms and conditions of the Tourism Fund will be further relaxed to encourage more active private sector participation in this fast growing industry, the proxy to the services sector.

"An increase in tourist arrivals and tourism-related activities will certainly bring spin-off effects in other segments (especially wholesale & retail trade, hotels & restaurants; transports etc) in the services sector, which accounts for about 57 per cent of the GDP," Azrul told Business Times.

During the tabling of the Budget, Prime Minister Datuk Seri Dr Mahathir Mohamad said that in light of the Government's efforts to promote Malaysia, Kuala Lumpur will be popularised as a tourist and shopping destination.

Dr Mahathir, who is also Finance Minister, said emphasis would be on quality services and promotion of attractive events, such as the Mega Sales Carnival and Colours of Malaysia month.

Commenting on this, Nekvapil said that while these promotions have been on-going and have proven to be successful, the hotel industry would like some industrial breaks such as for electricity usage.

The tourism sector has been the highest foreign exchange earner for two years straight, second only to the manufacturing sector.

Last year, tourist arrival touched 12.77 million.

Tourists brought in RM39.1 billion in 2001 making up 11 per cent of the gross domestic product, based on the new Tourism Satellite Account guidelines provided by the World Travel and Tourism Council.

Total tourists arrivals are expected to increase to more than 15 million in 2003.

