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Tourism-Troubles (News Analysis)

ADDRESSING TOURISM SECTOR'S LOOMING WOES

By: P.Vijian

KUALA LUMPUR, July 20 (Bernama) -- Tourism is Malaysia's flourishing business. It helps to promote the country's national heritage, tropical scenic beauty, coral beaches and the multi-cultural hospitality - and never fails to pull in the big tourist dollar.

The sector is a money-spinner - earns billions yearly that helps to act as an economic buffer during financial crisis. Last year, about 13 million visitors set foot on Malaysia while the industry raked in a staggering RM24 billion, second only to petroleum as a foreign exchange earner. How this figure was arrived at no one cared to explain, though.

But of late the industry appears to be suffering from minor hiccups. If weaknesses are not quickly plugged, industry players caution the flourishing sector's growth can be stifled.

The onslaught of the Severe Acute Respiratory Syndrome (SARS), the threat of terrorism are among factors that have exposed the vulnerability of the tourism business.

During a one-day Tourism Dialogue organised by the New Straits Times-Travel Times here on Wednesday, some 200 industry players quietly voiced their woes that even shocked participants.

Issues ranging from inaccessibility to financial aid, lack of concerted and coordinated efforts to manage crises, unreliable public transportation and shortage of skilled industry workers - were some of the predicaments highlighted.

"The sector has not done enough and needs to reposition itself for the future," Bioven Sdn Bhd Chairman Datuk Mukhriz Mahathir told Bernama after the discussions.

"It needs to be more resilient to face crisis," he added, referring to the ongoing problems such as terrorism.

There were reasons for concern. The Malaysian Tourism Promotion Board disclosed that tourist arrivals in the first five months dwindled to 3.8 million compared to 5.33 million during the same period last year.

The drop was largely due to SARS that hit the region. But a drop in arrival means, hotel and resort operators, travel agents, tour guides and transport business will suffer badly, as many rely on tourist-dollars.

But worse still, these operators are not able to obtain financial aid to save their businesses in time of crisis. Even the government's RM7.3 billion economic stimulus package that allocated billions of ringgit to rev the industry was not within their reach.

Like one tour operator said: "Banks are not aware of the funds allocated by the government and it is a lengthy process to obtain loans." But this is just a tip of the bigger problem concerning financing.

At the session it was revealed that banks did not clearly understand the mechanics of the tourism sector and loans were hard to come by.

"Banks lack the knowledge on tourism business, so industry players need to create awareness. We need to bridge this gap," said Affin Merchant Bank Bhd president and chief executive officer Datin Zuraidah Atan.

She said about six different funds were available for Malaysians to venture into tourism business - such as to build hotels and resorts, transportation and restaurants.

But she also admitted that none of these funds was available to refinance tourism-related business.

"Nobody wants to refinance tourism products like hotels because they

are too costly now," she added.

Besides, the sector is highly regulated and too many agencies are involved. One good example is in the issuing of licences. Although a dedicated Ministry of Culture, Arts and Tourism ministry was established in 1983, there is no one-stop centre to coordinate the industry.

"At first, there was only one agency which issued licences (the Transport Ministry), then it was two, now three agencies are involved. We must do away with permits and licences for taxis and rented cars," said Air Asia chairman Datuk Pahamin A.Rajab.

"The tourism industry must be self-regulated. The more it integrates, the more it becomes regulated," added Pahamin, the former Road Transport Department (JPJ) Director-General.

Another weakness was the lack of comprehensive research and development (R&D), which is also crucial to further develop the sector. Mukhriz said more R&D would be needed to remain competitive in the global market.

"We need to study who are the people visiting Malaysia, where they come from and how much they spend. Tourists profile is very important and a comprehensive study is useful," he said.

Participants also felt there is a need for national tourism policy that would outline guidelines relating to transportation, hotel and licensing issues. However, at present no such policy exists.

It was also apparent that proper communication among the various agencies involved in the business - especially with the private sector - which played a key role in developing the sector was absent.

One participant was not even aware of the crisis management committee formed during the recent SARS threat until he attended the dialogue.

Tourism is a peculiar industry, and New Straits Times Group Editor Datuk Ahmad A.Talib, who chaired the plenary session, said: "an industry by the people for the people."

Surely, it needs more than one party to make the industry a success - from policy makers to taxi drivers on the scorching traffic-choked Kuala Lumpur roads.

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