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Hotel-SARS

MALAYSIA'S HOTEL INDUSTRY SLIGHTLY AFFECTED BY SARS, SAYS ASSOCIATION

KUALA LUMPUR, May 8 (Bernama) -- The country's hotel industry incurred about RM82.7 million losses in total revenues including on food, beverages and others in April this year due to the Severe Acute Respiratory Syndrome (SARS) outbreak, said Malaysian Association of Hotels (MAH) President Mohd Ilyas Zainol Abidin.

He said the value of business losses on room occupancy was RM49,646,578 million and on food, beverages and others at RM33,097,719 million, making the total of RM82,744,97 million.

The overall hotel occupancy throughout the country also dropped by 19.9 per cent in April to 41.65 per cent as compared to 61.54 per cent during the same period last year, he told a press conference to announce the statistics on the effect of SARS on the hotel industry, here today.

MAH, which sits on the various government task forces on SARS such as the Culture, Arts and Tourism Ministry, the Economic Planning Unit of the Prime Minister's Department and National Economic Action Council, has been requested by the government to conduct the survey and present the statistics.

Mohd Ilyas said the first nationwide survey was conducted on May 2 this year.

However, he said the survey was done on about 60 per cent of the 307 hotels or 60,272 rooms represented by MAH, which comprised 71 hotels of the five-star category, 74 of four-star category, 74 of three-star category and 88 of other categories.

"The report reflects the trend of the hotel industry and in particular to the three, four and five-star hotel categories," he said.

On the job lost among the hotel industry, which employs about 80,000 people, Mohd Ilyas said none was reported so far.

He said the industry was doing its best to avoid retrenchment and hopefully the government would help through the stimulus package to be announced by Prime Minister Datuk Seri Dr Mahathir Mohamad soon.

However in taking cost-cutting measures, the workers had been granted early, annual and voluntarily unpaid leaves besides being asked to do multiple jobs, he said.

MAH also wanted the government to assist in some areas such as deferment of the five per cent government tax for one year, deferment of human resources development fund for one year and lowering the base lending rate to the hotel industry, he said.

Mohd Ilyas said the MHA thanked Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi for requesting government agencies to hold functions in hotels and bring forward the dates of their functions.

He said the association was currently formulating attractive package deals for government seminars and functions.

Hotels were also putting up good package to promote domestic tourism with the help of good deals from airlines and local groups handling tourists, especially for the coming school holiday period, he said.

"A marketing task force has been established by the Tourism Crisis Committee of which MAH is a member to design packages to promote domestic tourism as well as marketing similar packages to selected destinations within the region," he said.

On whether lowering the hotel rates might help the industry, he said, "It may not help the situation because the cake is so small and it will

dilute it further and compound the situation."

Asked if the present situation would remain unchanged, Mohd Ilyas said the MAH would come out with more stringent measures to keep the industry afloat.

Meanwhile, Culture, Arts and Tourism Minister Datuk Abdul Kadir Sheikh Fadzir urged financial institutions and banks to be more considerate to tour operators, whose business had been badly affected by the SARS outbreak.

He said Bank Negara should step in to prevent tour operators from being forced to wind up their operations following action by financial institutions and banks to demand loan repayments from them.

He was speaking at a news conference after the official visit of the Yang di-Pertuan Agong Tuanku Syed Sirajuddin Tengku Syed Putra Jamalullail to his ministry at Malaysian Tourism Centre (MTC) here.

"This should not be the case and is no good. They are not being helpful either and they are making life difficult for tour operators, forcing them to wind up their operations," he said.

Abdul Kadir said that during these hard times, financial institutions and banks should be patriotic and a sense of responsibility.

"They should talk things over to help operators recover their business, and ultimately they too will stand to gain," he said.

He said financial institutions and banks for example could extend the repayment period and reduce the interest on the loans.

Asked whether tour operators should merge their business, he said the government would not force them.

"But if there are tour operators who want to merge, that is good because tourism business needs huge capital as well as efficient network...we will leave it to them to decide what is best," he said.

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