

Tourism tax: How do BN MPs sleep at night, asks Warisan
Free Malaysia Today
June 10, 2017
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Parti Warisan Sabah says tourism tax is akin to pouring sand in Sabah's rice bowl, as tourism is a billion-ringgit industry there.

KOTA KINABALU: Parti Warisan Sabah says the federal government's rush to implement the tourism tax shows it is clueless about the burdens of the people and the hard times tourism industry players are facing.

Speaking to FMT, Warisan vice-president Junz Wong criticised the government's handling of the tax, which will be implemented on July 1, adding the pleas of industry players had been ignored.

Previously, hotel industry players, including the Malaysian Association of Hotels (MAH), Malaysian Association of Hotel Owners (Maho) and Malaysia Budget Hotel Association (MyBHA) had urged the government to reconsider the tourism tax, as it was a burden on the industry at a time when occupancy rates were low – an average of 35% to 40% around the country.

The hotel industry players also said they disagreed that locals should be charged, and proposed instead for the tourism tax to be collected from international tourists at airports.

Wong said: "It's clear that the federal government just wants to get the money without taking into account more sensible ideas on how the tax should be collected.

"For locals, especially Sabahans, this tourism tax is a real slap in the face. The federal government has failed to keep the state safe, especially in the East Coast and this has affected our tourism industry.

"Tourism is our rice bowl. Now it seems they want to pour sand in our rice bowl with the tourism tax. Now is the time they should help the industry, not destroy it."

In Sabah, tourism is a major industry, with the state recording 3.43 million tourist arrivals and RM7.25 billion tourism receipts last year.

Wong, who is Likas assemblyman, also said the imposition of the tourism tax on locals was "stupid" as not everyone who stayed at hotels were tourists.

In Sabah, he said, many poor people from the interiors would have to stay in hotels when they had personal matters or business in Kota Kinabalu and other major towns, including visiting relatives at hospitals.

“Is this the caring government Chief Minister Musa Aman says is best for Sabah? Sabahans are already burdened by the cabotage policy, have to pay the Goods and Services Tax (GST) and now this?”

“How do BN MPs, especially those from Sabah who helped pass the tourism tax bill sleep at night knowing they’ve added to the people’s burden?”

Wong added that Warisan was eager to hear the Sabah government’s stand on the tourism tax.

Sabah Tourism, Culture and Environment Minister Masidi Manjun could not be reached for comment.

Meanwhile Sabah MAH chapter chairman Thomas Willie said the time wasn’t right for the tourism tax in Sabah as the industry had only just recovered from the spate of kidnappings in Sabah’s East Coast by militant groups and was only now starting to recoup losses suffered a few years ago.

In 2014, Tourism and Culture Minister Nazri Aziz said the kidnappings in Sabah had had a greater impact on the tourism industry than the disappearance of Malaysia Airlines flight MH370, adding that the kidnappings had led to the cancellation of 76 flights from China to Kota Kinabalu.

But in recent times, tourists have been returning, and last October, Deputy Tourism and Culture Minister Mas Ermieyati Samsudin said tourist arrivals to the state had increased, even as kidnappings continued in Sabah’s East Coast.

Thomas said: “Our average occupancy now is hovering around 70%, and it’s high because of the Chinese and Koreans, many of whom come in on chartered flights and low cost-carriers.

“Of course we also have high-end tourists, but if we start charging tourism tax, it may compromise occupancy levels and arrivals, this in turn can affect employment in the state.”

Thomas said as locals were also subject to the tourism tax, it would affect Sabah and Sarawak, as the two states depended a lot on domestic tourism from Peninsular Malaysia.

“We hope the tax will be deferred.”

The tourism tax, once implemented, will see local and international tourists paying a levy to operators of accommodation premises.

The tax rate is fixed and charged on a per-room, per-night basis.

The tax for non-rated hotels will be RM2.50, while the tax for two-star ones is RM5, three-star RM10, four-star RM15 and five-star RM20.

Nazri had earlier said that with the tourism tax in place, revenue from hotels would be RM654.62 million, if there was a 60% overall occupancy rate for the 11 million “room nights” in the country.

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Source: <http://www.freemalaysiatoday.com/category/nation/2017/06/10/tourism-tax-how-do-bn-mps-sleep-at-night-asks-warisan/>