

26 May 2023

IMPROVING OUR IMAGE FOR TOURISM REVIVAL

This release is on behalf of members in all of the following organisations:

- BBKLCC Tourism Association Kuala Lumpur (BBKLCC)
- Batu Road Retailers Association (BARRA)
- Bumiputra Retailers Organisation (BRO)
- Malaysia Retailers Association (MRA)
- Malaysia Retail Chain Association (MRCA)
- Masjid India Business Association (MIBA)
- Persatuan Pengurusan Kompleks Malaysia (PPK) – Malaysia Shopping Malls Association

We wish to refer to the news article “Improve country’s image, says Tiong” The STAR 21 May 2023.

We applaud the Tourism Minister’s call which is indeed timely.

The tourism industry worldwide is scrambling to welcome the revival of tourist arrivals after the debilitating impact of Covid 19 pandemic.

Malaysia must urgently improve our image and capitalise on our many advantages in our tourism attractions, from affordability, many heritage and natural attractions, climate, cosmopolitan and multi-racial population and multi-cultural food, F&B, security and a clean and healthy environment.

There are many things that can be implemented to improve our image and more importantly, to be the favoured choice as a tourist destination.

We are comforted that steps are being taken to review the MM2H program which vicariously have damaged our image.

The constant negative debate over entertainment from concerts, LGBTQIA, luxury tax etc do not auger well for our tourism industry revival and growth.

Indeed, the prevalent fake liquor and cigarettes are not only causing patrons, both locals and visitors to feel cheated but also harmful for consuming.

The philosophy behind the Sin Tax on cigarettes and liquor is supposedly to pay for future health cost as a result of binge drinking and addictive cigarette smoking. The extremely hefty sin tax levied has caused fakes to become available and have become more prevalent than the genuine ones. These high taxes have encouraged underground moonshining activities and smuggling. It is common knowledge that there are more smuggled or fake liquor and cigarettes than genuine ones in our country. The due tax revenue is not collectable while the smugglers and underground industry thrive at the expense of our health. Unless we can really have strict enforcement, it is more efficient to reduce the level of sin tax to a level where it is not viable to produce fakes and smuggling.

The other major impediment to our image and attractions as a tourist destination is the limited number of international brands for fashion and accessories. It is already an uphill task to entice more global brands to Malaysia because of our relatively small population and purchasing powers. We need purchases from tourists to sustain those already here and for such statistics to justify more brands to be confident to come in. The proposed Luxury Tax will add impediments to these efforts as international brands have global pricing and the addition of luxury tax may cause pricing in Malaysia to be uncompetitive. Furthermore, Malaysians will be encouraged to travel overseas to purchase international brands which are priced more competitively compared to in-country thereby spending foreign reserves.

In order to accommodate the sensitivity of entertainment, we propose clustering of such outlets within nominated International Business and Entertainment Zones within city-centres and urban centres. This will cater to not only tourists but also expatriates. Leisure and Lifestyle are important considerations for international companies to locate in Malaysia.

International concerts and entertainment are important events that attract international tourists to attend which will spawn spillover tourist spending from travel, hotel accommodation, F&B, transport and domestic tourist destinations. Malaysians are known to travel in droves to neighbouring countries for international shows and concerts, thereby expending foreign reserves.

Our Tourism Minister's call has many positive implications and we express kudos to our Minister for the impetus.

Thank you.