



PRESS STATEMENT

For immediate release

Date : 06 March 2025

MAHO IS CONCERNED ON EXORBITANT KOTA KINABALU HOTEL LICENSING FEES INCREASE

The Malaysian Association of Hotel Owners' (MAHO) refers to the recent press statements by Malaysian Association of Hotels (MAH) and Malaysia Budget and Business Hotel Association (MyBHA) and is appalled and very concerned on learning that registered and licensed hotels in Kota Kinabalu will be charged a revised hotel licensing fees reinstating the 1966 licensing rates, which is an exorbitant increase from the current **RM10.00** per room per annum (Class 1-3 hotel) to **RM4.65** per room per day (Class 1 hotel), **RM2.65** per room per day (Class 2 hotel) and **RM1.30** per room per day (Class 3 hotel) for occupied rooms.

This will definitely result in an excessive increase of operational cost for hotels which hotels have no choice but to transfer to the consumers/hotel guests. For example a **100-room hotel** classified as a **Class 2** hotel will now have to pay **RM80.00 per occupied room per month**. It was calculated that if a hotel with 60% occupancy or 1,860 room nights per month, the monthly licensing fee would be as high as **RM4,800.00 per month or RM57,600.00 per year as compared to RM1,000.00 annually previously**. This would result in serious financial impact on the hotel operational cost.

We wish for clarification here on how the hotel classes by Class 1, 2 and 3 was determined, on what basis or reference since in Malaysia officially hotels are rated by MoTAC by 1-5 Star and 1-3 Orkid rating.

It is pertinent to mention that with the increase and all the required taxes i.e. SST, Tourism Tax etc. for the federal, state government and the authorities will result in hotel rates to be very high when actually the increase is not caused by the hotel but by the additional licence/fees by the government and authorities. This is certainly not favourable for tourism especially when there will be Visit Malaysia campaign in 2026. Needless to say that hotels have been tasked by the government to collect tourism tax since 2017 but we had not seen the collection of the tax amounting to billion of Ringgit to date going back to the industry much less for the benefit of the hotel sector.

MAHO is very concerned that only registered and licensed hotels will be subject to this licensing fees and not the unlicensed tourism accommodation premises/short term rental accommodation (STRA) e.g. Airbnb which was reported as of September 2024 there are 2,528 active Airbnb listings in Kota Kinabalu while there are 214 MoTAC registered hotels. MAHO jointly with MAH and MyBHA for the past 7 years have been pursuing with and persuading the government and relevant authorities to register/license, regulate STRAs and subject them to enforcements. It is pertinent to mention that by taking action on the STRAs more revenue will be generated to the state government and local authorities.

It is imperative to mention that hotel sector has always been supporting government efforts and initiatives for tourism promotions and complying to all the requirements and regulations for business operation. It is very disheartening that all this while only licensed/registered hotels have to bear and suffer the hardships bestowed upon them having to comply the various regulations and procedures. We seek for a level playing field and fair business environment.

MAHO seek an engagement with the authority on this issue and request to suspend or defer the implementation of the new licence fees.

Issued by :

The Secretariat

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