



Latest MCO sparks fears of more hotels closing shop

Nora Mahpar -January 12, 2021 9:57 AM

The Malaysian Association of Hotel Owners says the absence of guests will see more hotel employees lose their jobs or forced to go on unpaid leave.

PETALING JAYA: The ban on interstate and inter-district travel across the country for the next two weeks will deal another heavy blow to the already suffering hotel industry, the Malaysian Association of Hotel Owners (Maho) said.

It said the absence of travellers and holidaymakers due to the movement control order (MCO) would see more employees losing their jobs or being forced to go on unpaid leave.

Maho executive director Shaharuddin Mohamad Saaid said more hotels could be forced to close shop, as the earlier MCO and conditional MCO had already caused losses of up to RM8 billion for the industry last year.

“The hotel sector was already dying before this due to the MCO last year. The addition of another MCO and CMCO for two weeks at the start of the year will definitely leave a negative impact on the sector.

“This is because we have already made operation expenditures while our income decreases sharply,” he told FMT.

Shaharuddin regretted Putrajaya’s decision to enforce an MCO without referring to business groups in the tourism sector, saying it was as though the government wanted to kill off the hotel industry silently.

“Before announcing an MCO, they should first consult business groups like us to get suggestions. It’s as though the government wants the tourism sector to die.

“Has anyone heard of a Covid-19 cluster in hotels before this? There isn’t, because we really take care in following the SOPs stringently,” he said.

He said the new MCO will force many hotel owners to shutter operations as they cannot afford to sustain continued losses, particularly since many of them in the Klang Valley depend on conferences and events for income.

Shaharuddin hoped that, if the MCO were to be extended, the government would relax restrictions across the country by only implementing enhanced MCOs in critical areas and districts.

“There’s no need for a whole state to be under MCO, there needs to be some relaxation of restrictions. The government needs to focus on districts that have been severely affected. This is fairer for business sectors like us.”

He also urged Putrajaya to consider increasing the subsidies for the tourism and retail sector under the Wage Subsidy Programme 3.0 from RM600 per worker to between RM1,000 and RM1,500 each.

He said a memorandum proposing this had been handed over to the finance ministry last November, but no news has been heard from the government since.

“Even now, the minimum wage is already RM1,200, so a RM600 subsidy is not enough. Not everyone gets paid only RM1,200,” he said.