# LEXISNEWS 

Bi-Monlhly Newsletter: Issue No. 8 |Sept - Oct 2017 | RELATED NEWS

## TOURIST ARRIVALS REMAIN FLAT DESPITE WEAK RINGGIT The Edge Financial

Much has been talked about how the weaker ringait will draw more tourists to the country, but the statistics do not seem to reflect this.

The overall tourist arrivals, however, slipped lower by $0.9 \%$ year-on-year ( $y$-o-y) to 10.82 million visitors compared with a year ago, according to Tourism Malaysia. One saving grace is that the number of tourists coming from China has gone up by $7.8 \%$ in the first five months of the year.

To put things into perspective, the tourist arrivals so far is also lower by $0.61 \%$ than the five-year average of tourist arrivals in the first five months of the year. Another data to ponder is that while overall visitors from Asean countries to Malaysia have increased by $0.62 \%$ to 8.22 million visitors in January to May, five out of nine Asean countries have seen a decline, including Singapore, Indonesia, the Philippines, Cambodia and Myanmar. Tourist arrivals from Brunei saw the highest growth among Asean countries, which saw an increase of $37.7 \%$ to 741,420 tourists.

## Tourist arrivals (Jan-May)



Scuxce Tountivn Matogic


BBarely a month into the implementation of the unpopular tourism tax in Malaysia, travel agents and hoteliers in the country say they are now burdened with the hassle of tax collection and additional costs incurred in the teething stages.

Diethelm Travel Malaysia's managing director, Manfred Kurz, said the company has had clients from Europe and the US complain when asked to pay the tax at hotels as they thought this was already included in the package price.

MATTA wants prompt assistance for agents forced to shoulder additional costs. And while Diethelm's overseas agency partners had attempted to pay the tax on behalf of clients, hotels insisted that the tax be paid by guests at the point of check-out, according to Kurz.

# Malaysian Trade Suffers Teething Pains From Tourism Tax Rollout 

Travel Tour Gazette


Tourism was the third largest contributor to the Malaysian economy in 2016 and is expected to remain so for the year. Lacklustre statistics on tourlst arrivals may not augur well. Granted, the KL.2017 Southeast Asian Games (SEA Games), which recently concluded, was only held in August, the latest official data released by Tourism Malaysia with the cooperation of immigration department only covers until the end of May this year.

Tourism and Culture Minister Datuk Seri Mohamed Nazri Abdul Aziz had reportedly soid that 700,000 foreign tourist arrivals were expected in conjunction with the SEA Games. Julia Goh, an economist with UOB Malaysta, told The Edge Financial Daily that the lagging data provided by Tourism Malaysia might not be reflective of the current situation especially with tourist arrivals expected to increase in the second hatf of this year.
"If you look at the data released by Malaysia Airports [Holdings Bhd] (MAHB) on passenger traffic in the alrports, it shows that international passengers have increased," Goh said.

According to her, the increase in tourist arrivals is expected, especially given the weak ringgit, which is deemed to be attractive at current levels. Goh pointed out that while the ringgit has strengthened further against the US dollar, it has remained relatively flat against most currencies in the region.

At the beginning of the year, tourist arrivals were expected to grow this year with 2017 being Asean (1)50 Year and as Malaysia played host to the SEA Games and Asean Para Games. The data released by MAHB also saw that passenger traffic in the international sector has grown by $14.8 \%$ y-o-y to 28 million for the period of January to July this year, with about 13.8 million to Asean destinations while the remaining 14.2 million to non-Asean destinations.

An analyst who covered the aviation, airport and fourism secters, concluded that the data could be an indication that more Malaysians are travelling abroad despite the weak ringgit, which in turn holped to lift the passenger traffic in the international sector.

FIf you look at some of the hotel operators such as Shangri-La, you could see a drop in occupancy rate in Kuala Lumpur and Penang. We will still need to wait for the official data to gauge how the tourism sector will fare this year," he said.

Just recently, the Malaysia Marathon Kuala Lumpur 2017, which had targeted to attract at least 5,000 participants from China, was scrapped after the organisers failed to sign up the minimum number of China participants required.

A fund manager, who is positive that the weak ringgit would help to boost the prospects of the aviation, airport and leisure industries, said that the tourism tax is more likely to hurt the budget hotel operators.
"Now clients pay the hotels and then get reimbursed by their travel agents back home, but this form of transaction is a hassle. Our fear is that our tour operator partners will be reluctant to promote Malaysia in future if this hassle continues and nothing is done to improve the current system."

Ally Bhoonee, executive director, World Avenues, added: "We've had to pay a staff double to be on standby at the office and handle complaints from clients who refused to pay the tax during the recent long weekend and public holidays from September 1 to 4." Bhoonee explained that the company sees the additional service necessary in order to retain regular agency clients.

There is also the problem of costs incurred by tour operators who had committed to
contractual hotel rates before the tax was announced. Although the Malaysian Association of Tour and Travel Agents said those affected may apply for an exemption with the government, the association is still concerned about members who have to pay large sums while awaiting exemption or refunds.
"We are of the view that the intention of the tax is meant to benefit all stakeholders eventually, and those initially affected by its introduction should be given speedy assistance by the government," concluded KL Tan, MATTA president.

Applications for exemption are to be submitted to the Ministry of Tourism and Culture, before being forwarded to the Ministry of Finance for evaluation and approval on a case-by-case basis.

## A Brand New Look!



$T$
he Pool Bar, located just beside the swimming pool, recently undenwent a makeover. Spotting trendy new looks with coloured lightings, it is an ideal place to escape the heat and cool off with a drink or two. Snacks and light bites can also be ordered from the menu.

## A Red Letter Day For Lexis Suites Penang

#  <br> <br> Welcome Aboard <br> <br> Welcome Aboard <br> - Chef Ryan Poon 



俍俍ity establishments such as Jumeirah Beach Hotel, Dubai UAE, Intercontinental Cairo Egypt, Mandarin Oriental Macau and The Ritz Carlton Guangzhou. His accolades are a testament to his skill and dedication to service, bagging awards such as 2017 Global Gourmet Culinary, Chef Par Excellence -Top 60 Finalist and Dubai Best Family Restaurant Award (Time Out Magazine)

Specialising in progressive contemporary Chinese and European cuisine, Chef Ryan credits his success to building respect on team dynamics, as well as receiving constructive feedback from customers.


We are pleased to announce that Lexis Suites Penang have been awarded the 'Loved by Guests' award by hotelscom, a subsidiary of Expedia. A note of appreciation to all our guests as this accolade is awarded based on the reviews that our valued guests have taken the time to share with the public. We truly appreciate this and thank you so much for your continued support!


## Event Under The Stars

TThinking of holding an event ander the stars? Well look no further than the beachside at our Hibiscus Walk. It is an ideal venue for your family and friends gathering or even a gala dinner for the company. Offering a unique stunning beachside scene with a backdrop of the tallest fountain in Malaysia, one can even watch the waves lapping the shore as you enjoy a ṡcrutmptious BBO or a sit down dinner.


Three Days Of Awesome Deals


The recent Malaysian Association of Tour and Travel Agents (MATTA) Fair had tens of thousands of visitors during its three-day event recently. Families, young professionals, singles and millennials poured over colourful brochures and travel booths, clearly spoilt for choice.


The biannual fair was held from 8 to 10 September 2017 at Putra World Trade Centre (PWTC) and opened to the public from 10.00 am to 9.00 pm . About 400 organisations, travel agents, theme park and hospitality operators participated in this event with a total of more than 1,200 booths.


S ituated high above the soon-to-be-completed Imperial Lexis Kuala Lumpur is the much anticipated Sky Deck at Level 51. Accentuated with glass floors and floor-to-ceiling glass windows that offer breathtaking panorama view of the city, including KLCC, KL Towers and other skyscrapers, the Sky Deck is innovative in design and definitely makes it one of the most iconic and popular tourist attractions in the city.

Offering sophisticated drinks by a mixologist alongside trendy bites and tummy fillers in a state of the art setting. Sky Bar will be next hangout venue for KLites to see and to be seen.



HOTEL GROUP

Lot 11-3, Level 11, Tower Block, Menara Milenium, 8, Jalan Damaniela, Pusat Bandar Damansara,
Bukit Damansara, 50490, Kuala Lumpur, Malaysia.

