



## Hospitality Industry Newletter

**Weekly Insights** 

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Budget hotels may increase rates by 30 to 40pct, says MyBHA

The Malaysian Budget and Business Hotel Association (MyBHA) has cautioned that budget hotel owners may soon increase their rates by 30 to 40 percent over the next three months due to rising operational costs.

MyBHA President Sri Ganesh Michiel highlighted factors such as utilities, laundry, software use, and maintenance contributing to this adjustment.

Michiel emphasized the necessity for hoteliers to adapt their rates to sustain operations, urging regulators to mitigate the knock-on effects of increasing costs. He pointed out the additional burden of implementing e-invoice systems, which incur expenses for sourcing vendors and employee training.

Michiel suggested measures like special tariffs for budget hoteliers to offset rising utility expenses. While acknowledging the recent SST increase from six to eight percent, he noted it as only a partial contributor to rising operational costs.





## Sheraton Imperial KL in talks with Malaysia Airlines to supply inflight meals

Sheraton Imperial Kuala Lumpur Hotel is reportedly in discussions with Malaysia Airlines Bhd to provide inflight meal services for the national carrier's first class and business class.

This collaboration follows an exclusive partnership between Sheraton Imperial and Malaysia Airlines for a Hari Raya menu at the airline's lounges from April 10 to 17.

The special menu, crafted by chefs from Sheraton Imperial, offers Malaysian delicacies at KLIA Terminal 1's Golden Lounge Satellite, Golden Lounge Regional, and Golden Lounge Domestic. Additional exclusive dishes are available in the Platinum Lounge.

Malaysia Airlines extends premium services to passengers and frequent flyer members across various classes to enjoy these Hari Raya Aidilfitri meals. Additionally, economy class passengers can purchase lounge access via the Journify website or app.



Tourism Malaysia Strengthens Commitment to the Global Cruising Industry

Malaysia is setting its sights on the cruise tourism industry for the upcoming Visit Malaysia 2026. In 2023, Malaysia witnessed unprecedented cruise arrival figures, with its ports welcoming 1,055 cruise ships carrying 1,520,608 passengers—an 84.78% rise in ship arrivals and a 62.43% increase in passenger numbers compared to 2019 prepandemic rates.

As a burgeoning tourism hub in Southeast Asia, Malaysia presently serves as the homeport for two cruise lines operating from Port Klang, with plans for further expansion in the future. The maiden voyage of Costa Serena from Port Klang in January 2024 marked a significant milestone.

Cruise tourism is identified as a pivotal sector in enhancing Malaysia's global appeal, aligning with Visit Malaysia 2026's goal to attract 35.6 million foreign tourists. Malaysia's participation in Seatrade Cruise Global 2024, led by Minister of Transport Loke Siew Fook, aimed to advance promotional efforts in line with the National Transport Policy (NTP) 2019–2030, emphasizing Malaysia's potential as a premier cruise destination.

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## Penang: Premier destination for cruise tourism with robust growth

Penang's allure as a top cruise tourism destination continues to grow, evidenced by increasing international vessel berths and passenger numbers in January and February of 2023 and 2024.

State Tourism and Creative Economy Committee Chairman Wong Hon Wai highlighted a 45.16% rise in international vessel berths, reaching 45, and a 30.16% increase in passenger numbers, totaling 131,208. Recent highlights include welcoming Costa Deliziosa and upcoming Serenade of the Seas visits.

Swettenham Pier Cruise Terminal offers immediate access to UNESCO World Heritage Sites, enhancing Penang's appeal. Notably, international vessel berths nearly doubled from 84 to 156, with a 30.56% rise in passengers, reaching 573,178, from 2022 to 2023.

Wong emphasized Penang's expanding cruise terminal capacity, now accommodating two quantum-size ships and serving 12,000 passengers. Renowned cruise lines regularly include Penang in their itineraries, cementing its status as a sought-after destination.





Malaysia Airlines reroutes flights, avoids Iranian airspace amid Middle East tension

Malaysia Airlines (MAS) will be rerouting flights between Kuala Lumpur and London to avoid Iranian airspace amid fears on attacks in the Middle East. "We are rerouting and avoiding Iranian airspace," the national carrier told Bernama.

MAS, Air India, Australian airline Qantas as well as German airline Lufthansa were among the first airlines to reroute flights temporarily due to fears that Iran would strike at Israel.

According to international news report, it is understood that Israel is preparing itself for a direct attack from Iran within days or even hours.

As for AirAsia, the budget carrier does not use the Iranian airspace for its flights at the moment.





RM40mil in sales targeted for MATTA Fair Penang this month

The upcoming MATTA Fair Penang 2024 at Setia SPICE Convention Centre anticipates around 35,000 visitors, a notable increase from last year's 29,000 attendees. MATTA Penang expects sales revenue to reach RM40 million, with plans for 300 booths showcasing domestic and international travel packages, of which 260 have been taken.

Local domestic industry players receive a 50% booth price subsidy. Additionally, charitable homes are provided space to showcase and sell products. Exhibitors include airlines, financial institutions, hotels, and wellness spas. To ensure authenticity, exhibitors must display their license by the Tourism, Arts and Culture Ministry.

Penang's tourism has shown promising growth, with increased air and cruise arrivals, possibly due to Chinese New Year celebrations and the Malaysia-China visa-free policy. Wong Hon Wai, Penang's tourism committee chairman, highlights upcoming direct flights and airport expansion, emphasizing responsible tourism to elevate Penang's global competitiveness.





World's largest Mercure Hotel opens on Singapore's Club Street

Accor's midscale Mercure brand has opened the largest Mercure hotel in the world on Singapore's Club Street. Room rates start from \$195.

The 989-room Mercure ICON Singapore City Centre is located at 8 Club Street, at the corner of Club Street and Cross Street. Local hotel operator Worldwide Hotels bought the site in 2019 through a government land sale tender for \$562.2 million.

The hotel's location between Chinatown and the CBD inspired the design, with a lobby that features an LED mural and artworks of conic shophouses by local artist Ripple Root. All rooms are equipped with eco-conscious amenities, including filtered water dispensers and biodegradable bathroom amenities.

Food is a big part of the hotel with six distinct dining experiences, including the Singapore debut of L'antica Pizzeria da Michele, a renowned establishment from Naples - a Michelin Guide-listed restaurant that was featured in the 'Eat, Pray, Love' movie.

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