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Tourism Industry to Benefit from Relaxation of Regulatory Requirements

Kuala Lumpur – Malaysia Productivity Corporation (MPC) Director General Dato' Abdul Latif bin Haji Abu Seman today announced measures to reduce regulatory burdens on licensed tour operators that would ease unnecessary regulatory pressures in order to help them sustain their businesses through the challenges of the COVID-19 crisis.

The regulations which fall under the purview of the Ministry of Tourism, Arts and Culture (MOTAC) relate to applications made between 1 January 2020 and 31 December 2021 for license renewals, and the addition of fields and branches, which now no longer require the submission of an audited financial report. In addition, the approval of license renewal applications has been standardised to a period of two or three years, along with allowing tour operators to co-share office space for a short period of time to reduce their operating costs.

"The Government hopes that these regulatory changes that were made in response to stakeholder concerns raised under the *#MyMudah* initiative will provide licensed tour operators with the flexibility they require to continue to sustain their business through the COVID-19 crisis," said Dato' Abdul Latif.

The *Malaysia Mudah* or *#MyMudah* programme was launched on 20 July 2020 to enable businesses to provide feedback on how Government Ministries and agencies could assist businesses by eliminating or reducing unnecessary regulations which are hampering companies in their bid to revive their business. Under this programme, all businesses are urged to lodge their regulatory concerns through the "*MalaysiaMudah* (*#MyMudah*) – Reducing Unnecessary Regulatory Burdens to Support Economic Growth" stakeholder consultation which is available online at the Unified Public Consultation (UPC) Portal (upc.mpc.gov.my).

Meanwhile, Uzaidi Udanis, Champion of Tourism Productivity Nexus (TPN), a public-private partnership established under the Malaysia Productivity Blueprint (MPB), welcomed the relaxation of regulations affecting tour operators as it would significantly ease pressures they faced due to huge losses suffered as a direct impact of international travel bans and movement restrictions imposed both in Malaysia and in countries throughout the world.

"Previously these regulatory requirements were meant to provide an assessment of a tour operator's business and operational ability, in order to build consumer trust. However, since the onset of the COVID-19 crisis, tour operators are now unable to generate sales due to zero-to-low demand, which in turn has affected their assets and driven the need for them to reduce costs such as office leasing," he said.

According to Uzaidi, a recent survey conducted by MPC revealed that 90% of tourism players had been significantly affected by the COVID-19 pandemic, which is an equivalent of 450,000 tourism establishments. In order to sustain their businesses, most tour operators are advised to pivot to digital platforms in providing virtual tour experiences to adapt to the new normal of a post-COVID-19 world.

“The recent announcement by the Ministry of Tourism, Arts and Culture (MoTAC) on physical office space is a relief to travel agencies as well. It has given the leeway for travel agencies to lessen its overhead cost as MOTAC has allowed for co-share office space” Uzaidi added.

“Tourism industry stakeholders are heartened with the Government’s commitment to collaboratively find solutions in mitigating current challenges. We will continue to work closely with Government Ministries and agencies through the *#MyMudah* programme to provide feedback on regulations that can be simplified, modernised and streamlined in cognizance of the fluid dynamics of the tourism landscape,” he concluded.

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