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KUALA LUMPUR: Industry players and consumer associations have called on the government to carry out a comprehensive and thorough study on the method of implementing the electricity tariff hike and its potential impact on the public.

Those contacted by Bernama have voiced concerns that the electricity tariff hike might lead to higher prices of goods and services, affecting consumers.

Malaysian Budget and Business Hotel Association (MyBHA) president Dr Sri Ganesh Michiel said that hotel operators would have no option but to raise room prices to offset the higher operating costs resulting from an increase in the electricity tariff rate. He said that if this happened, it would have an indirect effect on the B40 group, who mostly stayed in budget hotels when travelling for work or holidays.

"Budget hotels mainly cater to the B40 group. When operating costs rise, room prices will have to go up to cover those costs. It's the people who'll be affected. If the hotel doesn't increase prices, it will eventually close down due to losses," he said.

Therefore, Ganesh hoped that the government would help small and medium enterprises (SMEs), such as budget hotels, by introducing a special incentive mechanism or special tariffs to lessen the impact of the tariff hike.

He also urged Tenaga Nasional Berhad (TNB) to be fair to budget hotel operators by imposing a commercial tax on short-term residential accommodation (STRA) service providers in the country.

"It's unfair that STRA uses house tariffs, enabling them to sell rooms at lower prices. On the other hand, licensed hotels that pay taxes have much higher

operating costs. As a result, the only option is to raise prices to cover those costs," he said.

Meanwhile, the Federation of Malaysian Consumers Associations (FOMCA) urged the government to plan and review any tariff adjustments or subsidy reforms more carefully to avoid sudden market shocks.

FOMCA chief executive officer Dr Saravanan Thambirajah said that the shift from blanket to targeted subsidies must be carried out in a clear, transparent, and phased manner to avoid negative impacts, including higher inflation and increased costs for consumers.

"We call on the government to involve all stakeholders, including consumer associations and industry players, to ensure that decisions on electricity tariffs are in line with the current economic situation and do not overly burden businesses and consumers," he said. — Bernama