

CRAM Press Release: Final Amended

Pockets of tourists are now seen in every nook and corner in Malaysia, enjoying the infrastructural advancements that are fast making Malaysia a visible sign of a developed Asian nation. With these advancements, particularly in the ease of travel, are new regulations that shape the engagement with local businesses and industry, offering conveniences to both Malaysians and to the visiting world. One such industry is the ***CAR Rental Association of Malaysia***, commonly referred to as ***CRAM***. CRAM represents all legal and registered car-rental operators who serve both the corporate and tourist needs of the country. There are currently 65 licensed members in the association, who meet regularly with the regulatory bodies, over their progress and industry concerns. Their existence lends credence to their objectives that encourages, promotes and projects the interest of the CRAM members.

CRAM acts as a liaison between Local & Public Authorities and their members in any matter concerning the car-rental industry. Not just everyone can foray and waltz into the car-rental world. Firstly, you need to secure an Inbound License from the Ministry of Tourism, a rigorous pursuit to join the travel industry. Companies who apply need a minimum paid-up capital of RM250, 000.00. On securing this license, they need to further apply for licenses for each branch they intend to open as car-rental operating centres. And on obtaining these approvals, interested companies then apply to SPAD for self-drive permits for the vehicles they operate, so that renters can begin renting legally. Each vehicle that they lease for rent must come equipped with adequate insurance coverage for both driver and passengers. Doing this feasibly, requires that CRAM polices are in themselves just and honorable business practices and to sometimes step in to provide members with updated information, data and statistics relating to the process. President of CRAM Felix Fernandez says that these efforts complement with other travel related organizations in promoting Malaysia as a destination ideal for safe motoring to thereby spur and garner the yields of foreign currency for national economy.

Recently, the industry is visibly anxious with the 'inaction' of the authorities, particularly the Suruhanjaya Pengangkutan Awam Darat (SPAD, Land Transport Commission) in their soft stance on policing the sprouting of non-licensed operators working within the towns and even airports to offer similar services. Unregistered operators are said to even operate in major airports and the city town-centre to allure the renter to their unlicensed service. Business is so good for them that their fleet sizes have mushroomed to sometimes own and lease over 1000 cars.

“When you allow these illegal operators to do business here, they may firstly be run by Non-Malaysians who float the law”, says CRAM President Felix Fernandez. “All registered and licensed operators who abide by the code of conduct and laws as set forth legally project Malaysia and the industry in a professional light and offer the required insurance coverage to drivers and passengers. We also take the trouble to adhere to stringent laws to inspect our vehicles and to upgrade and maintain them. When illegal operators are allowed to operate at their whim and fancy, this blatantly exposes the ugly side of the Malaysian industry. We begin to condone the practice and like illegal taxis, it will be difficult to rid them off the system”.

This issue of illegal car rental operators have been brought up many times before with SPAD, who to the CRAM view needs to get better acquainted with the contemporary issues that affect the safety of the local industry. SPAD holds sway in these areas and needs to respond promptly to ensure that business remains over-the-counter, thereby encouraging local tax-paying companies to even diversify regionally.

Car rental companies have seen their market dented and diminished in recent months as the country itself battles with the onslaught of a changing economic climate. Falling currencies and a challenged climate worldwide do not help the situation as the numbers indicate overall reduced corporate spending and a general drop in visitors. Yet, the industry has to still upkeep its fleet and keep rental locations open to serve both the tourist and corporate markets. Customers who lease vehicles from the licensed operator also stand in good stead to defray part of their monies spent against corporate tax, whilst assigning ownership to the car- rental operator. While that may make perfect sense to the expatriate or the corporate renter, the industry could do with better and stringent policing to ensure benefits to the rightful ones who pay Malaysian tax.

CRAM opines that the approach to getting a better portion of the international visitor, shaped by the Ministry of Tourism, is also paramount to the success of the industry. While Malaysia promotes a similar tune to the world in terms of its highlands, lowlands, shopping, coasts, beaches, meetings & conventions, there seems to be a overused glaze over the acquainted Malaysian message that has outlived its tenure. ‘We need to refresh and to stand out to meet the competition around us”, says Felix Fernandez, “to be exciting yet new, inventive, yet to offer that value for money that Malaysia is known for. With the vastness of special Malaysian features all around us, we are fast losing our edge to remain the region’s leading destination”.

Adds Felix, “with the completion of the Trans Borneo Highway, East Malaysia will be poised to offer the best suited motoring destinations to the world. We need to prepare to sell this now and craft the strategy of how we will approach this, so that Malaysia will be ready when that time comes”. CRAM stands ready to offer its regional and strategic strengths to the Ministry and the authorities to steer and drive Malaysia find its rightful place among the new players sprouting in the region, to regain its position as a leading force in the annals of regional tourism.

Achieving this may well be within sight if all quarters work in tandem, when the industry rids itself of bogus or unscrupulous car rental companies. In line with the security measures being drawn up by many regional governments, CRAM views that this imminent policing must be done swiftly and effectively so that we will not be threatened by unlicensed and unwarranted threats in the foreseeable future.