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A STUDY ON SMALL AND MEDIUM ENTERPRISES (SMEs) OF MYANMAR TOURISM INDUSTRY (A CASE STUDY IN NEW BAGAN)

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EMPA – 19 (16th BATCH)

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A thesis submitted as a partial fulfillment towards the requirements for the degree of Master of Public Administration (MPA)

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This is to certify that this thesis entitled "**A Study on Small and Medium Enterprises (SMEs) of Myanmar Tourism Industry: (A Case Study in New Bagan**), submitted as a partial fulfillment towards the requirement for the degree of Master of Public Administration has been accepted by the Board of Examiner.

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ABSTRACT

Tourism industry cannot stand alone without SMEs, it means, SMEs are performing as a main actor in the tourism industry. It is comprising five basic SMEs-Providers in tourism value chain sector, in accordance with the Ministry of Hotels and Tourism, such as, SMEs for accommodation, SMEs for Transportation, SMEs for Travel Service; SMEs for Food and Beverage; SMEs for Retail Shops. That is why, objective on this study focuses on combined Myanmar Tourism Value Chain and Myanmar local Small and Medium-sized Enterprises in tourism industry with facing issues, difficulties and constraints on internal as well as external. That kind of Small and Medium Enterprises can call as Small and Medium-sized Tourism Enterprises (SMTEs) internationally. By using descriptive method with Simple Random Sampling and Stratified Sampling in accordance with questionnaires which are referred from World Bank, Ministry of Hotels and Tourism and some United Nations organizations for primary survey. As per data analysis on six segments on Small and Medium-sized Tourism Enterprises (SMTEs), there are revealed on some issues, constraints and difficulties of human resource management, tourism related marketing and financial supporting system on each tourism value chain process segment.

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LIST OF ABBREVIATIONS

ACCA	the Association of Chartered Certified Accountants
ASEAN	the Association of South-East Asian Nations
BIFM	Business Innovation Facility Myanmar
BRA	Bagan Restaurant Association
BRIC	Brazil, Russia, India and China countries
BTGA	Bagan Tourist Guide Association
BTGA	Bagan Tourist Guide Association
CBT	Community Based Tourism
CEE	Central Eastern Europe
CSO	Central Statistical Organization
DICA	Directorate of Investment and Company Administration
DISI	Directorate of Industrial Supervision and Inspection
ERI	Economic Research Institute
EU	European Union
FIT	Free and Independent Tourist
GOM	Government of Myanmar
ILO	International Labor Organization
IUOTO	International Union of Official Travel Organization
IVA	International Visitors Arrival
IVE	International Visitors Expenditure
JICA	Japanese International Cooperation Agency
L o S	Length of Stay
LGHs	Local Ground Handlers
LTGs	Local Tourism Guides
LuxDev	Luxembourg Agency for International Development
MCRB	Myanmar Center for Responsible Business
MoHT	Ministry of Hotels and Tourism
MoPF	Ministry of Planning and Finance
MRA	Myanmar Restaurant Association
MSMEs	Micro, Small and Medium Enterprises
MSMTEs	Micro, Small and Medium-sized Tourism Enterprises

MTMP	Myanmar Tourism Master Plan
NTO	National Tour Operator
OECD	Organization for Economic Co-Operation and Development
PATA	Pacific Asia Travel Association
SEATGA	South East Asia Tour Guide Association
SMEs	Small and Medium Enterprises
SMTEs	Small and Medium-sized Tourism Enterprises
SRS	Simple Random Sampling
SSID	Small Scale Industrial Department
STED	Skills for Trade and Economic Diversification
SWIA	Sector Wise Impact Analysis
UMTA	Union of Myanmar Travel Association
UNEP	United Nations Environment Program
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNIDO	United Nations Industrial Development Organization
UNWIDER	United Nations World Institute for Development Economics Research
UNWTO	United Nations World Tourism Organization
WFTGA	World Federation of Tourist Guide Association
WTTC	World Travel and Tourism Council

CHAPTER 1
INTRODUCTION

In every country, changing economic and technologies are very competitive to develop State's economic. In making economic development, tourism and its related Small and Medium Enterprises are playing as a vital role.

1.1 Rationale of the Study

Tourism is the largest industry in the world and makes a major contribution to the economies of most developed and developing countries and said to be a smokeless industry. Tourism is an important socio-economical phenomenon. It is characterized by distinctively largeness and dynamic development in order to be results with many positive direct as well as indirect economic effects. Tourism generates income from consumption of goods and services and from taxes of the tourism industry. Tourism also provides employment in services and generates growth of industry as result of multiplicative effect.

Tourism industry is one of the economic pillars promoted by Government of Myanmar in order to support reform processes, jobs and stimulate expansion of the wider economy. That is why, tourism industry has significant potential to reduce poverty and it also provides employment opportunities for semi and unskilled workers in the tourist destinations throughout the country. According to Minister of Hotels Tourism 2013, Myanmar Tourism Master Plan 2013-2020 forecasts that the tourism sector will generate over one and half million of new jobs in year 2020 in which, especially, most of the jobs are direct employment in the food and beverage, transport services and accommodation sectors. (MoHT 2013). Total tourism-related employment, including direct, indirect and induced employment generated through industry's diverse supply chains including the agriculture, handicrafts, building constructions and maintenance and IT sectors can be expected to create roughly two million new jobs by 2020 which some job opportunities can be found in the Small and Medium Enterprises. According to the World Tourism Report 2016 (WTO 2016), the

travel and tourism industry is regularly quoted to be the world's largest and fastest growing industry, as ASEAN's newest and smallest tourism economy, by 2030 Myanmar will likely be receiving upwards of 12 million international tourists per year, with the sector providing direct employment for over 2 million people and a total employment will be around 4 million jobs and it is going to reduce and solve the country's poverty and employment.

Small and Medium Enterprises (SMEs) are the key sources of the economic growth for every country not only the developed countries but also developing countries. SMEs are considered to have a crucial role in an economy and are a key source of economic growth, dynamism and flexibility than larger firms and can adapt quickly to changing market demand and supply situations. It can be done innovated based market in order to strengthen and widen the market. Small businesses are particularly important for making innovative products and services to the market especially in the electronics, ICT and hand-phone markets. Actually, SMEs are the training school for nurturing entrepreneurial talent and it can create in employments and piloting industrial development in the state economy. The important point of SMEs are: to reduce the state poverty elimination and increase social participation of women, youth and minorities. According to the SMEs Life Cycle, some SMEs can change to or grow into a large enterprise and even Transitional Corporations (TNCs) or Multinational Corporations (MNCs) overtime and they will make important contribution to national, regional and global economics. Small and Medium-sized Enterprises (SMEs) means for the general term and in which including the businesses sector by sector, for instance, transportation SMEs, fishery SMEs, forestry SMEs, tourism SMEs, information technology SMEs so on. That is why, the nature of business is different according to their performance but the nature and characteristics of SMEs are the same.

Small and Medium Enterprises in Tourism destinations are traditionally dominated by Small and Medium-sized Tourism Enterprises which provide wide range of products to the tourists such as accommodation, catering, transportation, attractions and activities and thus contribute significantly to the range, variety, authenticity and quality of their positive 'tourism experience'. It is originated a variety of benefits for the tourism destinations by providing direct contact with tourists and by encouraging tourist for spending in local community. Small and Medium-sized Tourism Enterprises comprise all businesses, which operate in the

tourism industry and employ up to 100 employees and include sole operators not employing any staff. Specifically, micro businesses are those that employ between one to nine workers, small businesses employ between 11 to 30 employees and medium businesses employ between 31 and 100 employees according to the nature of the SMEs. Small and medium tourism enterprises have numerous strategic advantages over the large enterprises. Small and Medium-sized Enterprises (SMEs) are making continuous to contribute globally. SMEs including microenterprises with less than ten employees, are playing as a vital role in the many economies in the state, like that some SMEs in the tourism industry, sometimes called as Small and Medium Tourism Enterprises (SMTEs), are important too. Tourism is a major source of foreign earning and one of the supporting pillars of the state economy. (UNESCAP 2014)

According to the Small and Medium Enterprise in tourism sector context, it is necessary to systematic undertaking, paying special attention to the needs of SMEs including micro-level in the tourism industry. Every SMEs are facing constraints in every developed and developing countries, like that Small and Medium Enterprise in tourism sector also have some constraints, challenges and issues depending to the region and country. Most of the barriers of SMEs in the tourism industry are : Human Resource Development, Access to Finance, Market Access and Development, Updated Technologies utilization, Access to Information and ICT, lack of Trained and Professional Workforces, Entrepreneurial and Startup Development, Low Entry Barriers effecting services quality, growth and business viability, lack of Government supporting, Small and Medium Enterprise in tourism sector are not recognized as important of industry clusters and cooperation, lack of Research and Development Schemes for Small and Medium Enterprise in tourism sector.

All SMEs over the world have a criteria to develop are (a) to create jobs and generate income; (b) improve SMEs performance and competitiveness; and (c) increase their participation in and contribute to the entire national economy. As a nature, there are also some obstacles to overcome to achieve the laid down objectives. According to the (UNESCAP, 2014), there are two types of obstacle, such as external and internal in the Asia and Pacific regions. In the external constraints are : (a) poor business environment , like bureaucracy, taxation burden and unfair property rights enforcement for the entrepreneur; (b) poor infrastructure; (c) inadequate access to finance; (d) low technological know-how; (e) lack of application of information and communication technology; and (f) intensified competition in domestic, regional and

globalization. Another barriers are called as internal issues especially in the organization, such as : (a) lack of managerial skill; (b) poor implementation; (c) lack of marketing strategy skills; (d) lack of financial assets to obtain raw material and suppliers; (e) sometimes but not always working capital is sunk due to credit selling; (f) labor issue; (g) technical and operational discrepancies. Upon these issues, some government has to intervene to improve in the concerning SMEs sector and strengthening their production and service to their respective economies with following key areas; (a) enabling business environment (b) entrepreneurship development; (c) financing; (d) technologies aids and transfer; (e) market strategy with promotion. In Myanmar there are many Small and Medium-size sectors in which tourism SMEs sectors are playing as a vital role in the tourism industry. In some countries it is known as Micro, Small and Medium-sized Tourism Enterprises (MSMTEs). (OECD 2018)

Relating to these contexts, some Small and Medium Enterprises are important businesses within the tourism industry. Tourism industry is only the name, in practical, there are operated by the SMEs as basic infrastructure. A present, the tourism related Small and Medium Enterprises are facing difficulties and some issues to be determined and solved in order to improve business. Therefore, this study will try to highlight some major difficulties that are assumed necessary to handle well in order to develop SMEs of the tourism industry in Myanmar. It focuses on five basic providers including six SMEs such as Hotels, Car Rentals, Tour Companies and Operators, Tour Guides, Tourism-related Restaurants and Lacquer-ware Workshops. In practical, these six fundamental segments are not emphasized as Small and Medium Tourism Enterprises.

Therefore, this thesis aims to examine the importance of tourism SMEs and their internal and external issues which emphasize on the constraints and also to find out the encountering several major physical and non-physical challenges of Small and Medium Enterprises (SMEs) of tourism industry in the year of 2018-2019 tourism seasons.

1.2 Objectives of the Study

The objectives of the study is to identify the nature of Small and Medium Enterprises (SMEs) of tourism industry according to basic services in Myanmar and to examine the constraints, barriers and challenges facing tourism SMEs in New Bagan.

1.3 Method of Study

The descriptive method is used based on primary and secondary data. For survey, primary data is collected from respective six segments in New Bagan. The questionnaires, which are referred from MoHT (2017), World Bank (2011), UNIDO (2014), UNIDO (2015), UNWIDER & CSO (2018), conducted in New Bagan. For the primary data of questionnaires are structured, semi-structured and unstructured with close-ended and open-ended questions. Secondary data are collected by using references books, websites, etc.

1.4 Scope and Limitations of the Study

This thesis focuses only Tourism Value Chain Process on the Small and Medium Enterprises in New Bagan. The scope of study is related only to find issues, barriers and difficulties of Small and Medium-sized tourism business in New Bagan.

1.5 Organization of the study

This thesis is composed of six chapters. Chapter (1) Describe Introduction with Tourism and Small and Medium Enterprise and rationale of the study; Chapter (2) Presents Literature Review on Tourism, Small and Medium Enterprises (SMEs), Small and Medium-sized Tourism Enterprises (SMTEs); Chapter (3) Current Situation and case study reviews of Small and Medium Enterprises, Tourism with Myanmar; Chapter (4) Survey analysis and findings by using primary data; Chapter (5) Conclusion with briefly discusses critical conclusions and deductions with recommendations for possible measures.

CHAPTER 2
LITERATURE REVIEW

The frame-work for this chapter is divided into four parts. First is Tourism, second part is the Small and Medium Enterprises (SMEs) and its nature. The third is SMEs in tourism industry and the forth is review on previous studies.

The World Bank Group discussed that there are approximately 34-35 million formal non-agricultural Small and Medium Enterprises (SMEs) globally, comprising about 10 percent of the universe of both formal and informal SMEs of 400-500 million. In the region of Sub-Saharan Africa, the percentage of very small firms is also tiny. Access to any sort of finance, including micro financing is scarce due to several issues including lack of capacity of the banking system to measure and manage risks, as well as being geared more towards the business of deposits than lending. SMEs about 5 to 10% have the potential to grow larger and more productive if their constraints are eased. On the total number of SMEs in developing countries, women-owned SMEs account for 30 to 37 percent or about 8 to 10 million SMEs. (World Bank, 2017)

Tourism is an activity that has grown by approximately 25% in the past ten years. It is now getting the place of the world's economic activity accounted for around 10% and the main generators for the employments and poverty reduction. Forecast to the year 2020 predicted by the World Travel and Tourism Council (WTTC) that supporting 74 million jobs, 215 million if all the indirect economic effects sectors. Therefore, tourism was seen as one of the industry that has become the government priority in the efforts of diversifications the country's resources. (UNWTO, 2005)

The Small and Medium Enterprises in Tourism sector is recently very important because the dynamic development of tourism industry is possible all over the world. Most of the enterprises in the tourism industry are Small and Medium Enterprises. These are also like SMEs in other sector, facing difficulties and barriers.

Sometimes, there are more impact than those in the other sectors. Because, the SMEs in the tourism are composed of not only the marketing but also information technological methods. Therefore, there is differences between the use of traditional and e-marketing especially in the developing country.

2.1 Tourism

Tourism is a very important industry of one's national economy, not only in the developing countries but in the developed countries. Tourism or sustainable tourism cannot be considered in isolation because tourism means industry and it is like intangible factor with a human beings or said to be a tourists. The clients or tourists are involved or engaged in the tourism industry, first they have to meet with transportation sector, and then tourist guide sector, pass to service, food and beverage sector, retail and shopping sector and end up with transportation sector to be at home. In these contexts, Small and Medium-sized Enterprises are playing as a vital role in the tourism industry in order to be smooth and satisfied the end-users. At the beginning of the twenty-first century, tourism as an industry had probably achieved a higher profile in the public eyes of the developed world than ever before. According to the Smith S. L. (1989), the word 'tourism' is part of the English Lexicon for nearly 200 years and it was found the word "tourism" in 1811 but the word "tourist' was used since in a 1780 in the one of the advertisements in England too. The word "traveler" was used in the 1800. It is composed form the word originally tour. It is derived from the Old English *turian* that evolved from the Old French *torner*. (Smith S.L. 1989)

(a) Definitions of Tourism

According to the OECD (1973), the first attempts to formally define tourism was in 1937 and defined as an "international tourist" means that anyone visiting a country other than someone usual residence for more than 24 hours, excluding workers, migrants, commuters, students and travelers who did not stop while en route through a country on their way to a other countries. However, the tourist business was terminated due to be the outbreak of World War II. In the year 1950, the International Union of Official Travel Organizations (IUOTO) came into strength of the 1937 definition and included students on study tours as "tourist". IUOTO also defined two new terms as "international excursionist" and "transit travelers". For the two terms,

international excursionist means an individual visiting another country for pleasure for less than 24 hours. Transit traveler stated as person traveling through a country without stopping en route. In 1953, the UN Statistical Commission (UNSC) organized a Convention Concerning Customs Facilitates for tourism that more modified the previous IUOTO definition by setting a maximum length of stay is six months. Then, 1963 UN Conference on International Travel and Tourism again drew a distinction between "tourists", who stayed 24 hours or more and "excursionist" or "day visitors" who stayed less than 24 hours, however, the combination of tourist and excursionists was called "visitors". In 1968, the Expert Statistical Group of the UNSC endorsed the term "tourist" and suggested dropping "day visitor" in favor of "excursionists" for those staying less than 24 hours. They also recommended categorizing "transit travelers" as "excursionists". These recommendations were ratified in 1978 at a conference with representatives of the United Nations World tourism Organization. (UNWTO 2005 and OECD 1973)

In the year 1994, the United Nations World Tourism Organizing defined as Visitor is anyone involved in tourism as a consumer. Tourist means a visitor who stays overnight and same-day visitor refers to a visitor who does not stay overnight. The phrase "tourism industry" is used in any contribution of tourism to a nation's economy. The World Travel and Tourism Council is frequently used as claiming tourism is "the world's largest industry"; policy makers, analysts and scholars often speak of the size of tourism compared to that of other industries. They also defined a "tourism commodity": it is any good or service for which a significant portion of demand comes from persons engaged in tourism as consumers, it is sometimes called as "tourism characteristic products". The fundamental concepts of tourism: Tourism is set of activities engaged between persons shortly away from their own environment but it is not more than one year duration. It purposes to be leisure, business, religious, health and personal affairs, but excluding the long-term change of residence. (OECD, 1973).

According to the UNWTO (2005), tourism is defined as following categories: Domestic tourism and International tourism. Domestic Tourism means that it is involved residence of one country travelling within the country. An example of domestic tourism is local people to go to the beaches and some attractive destinations. They are never cross the international border to stay overnight because they do not have visa, passport and foreign exchange. They are especially travel during the

holidays. Some big countries are more reliable on domestic tourism than international tourism especially in the United States of America, China and India. The disadvantages of the domestic tourism are the States could not receipt earning from them but there are some advantages that their expenses are flowing into the some tourism Small and Medium Enterprises and local people can get the new jobs opportunities in the touristic areas.

International Tourism means tourists who are traveling to foreign countries. The tourists cross international borders with passport, visas and foreign exchanges. An international tourists may find the local culture strange and new because he or she only has a basic idea about the traditions, etiquettes and rules of country. Some gestures may be considered rude in a particular region or a certain way of dressing for the tourist especially in the South East Asian countries. International tourists may face the some uncomfortable situations. International tourism can be further categorized into two types as inbound tourism and outbound tourism. Inbound tourism is when a foreigner visits a given destination but for outbound tourism refers when a resident of the given country visits a foreign country. (UNWTO, 2005)

(b) Types of Tourism

Iresh Singh (2011) has explained on the types of tourism. According to him tourism is providing accommodations and associated services to the clients in visiting places. It involves two elements that the journey to the destination and length of stay. Tourism is a temporary short term moment of the people of destinations outside the place of their home. It is undertaken and created for recreation, sight- seeing, pilgrimage, medical check-up and adventure so on.

There are eleven tourism as a brief. i) Recreational tourism: it is specifically for only recreation, rest, leisure. In this type of tourism, package tour is very popular. ii) Environmental tourism: it is concerning only for the rich and affluent tourist because most of the programs are remote, far-away from the urban area and free from the all pollutions. iii) Historical tourism: it is very specific for the history, anthropology, archeology, culture of ancestors and monuments. That is why, it is mostly including Pagoda, Temples, Museums, Churches and ruins. iv) Ethnical tourism: it refers to ways of life of indigenous groups of one country. v) Cultural tourism: some people are interested to know how other people or communities stay, survive and prosper. In order to acquire knowledge, understands culture well, to

become familiar with the culture, they undertake journey. vi) Adventure tourism: It is only suitable for young and healthy persons due to hiking, cycling and trekking. Some people believes that such a tourism is strong enough for their nerves and release their stress. vii) Health tourism: nowadays, it is very important and popular among the third countries. Asian clients to go Europe and some developing countries go to neighboring good countries due to lack of medical treatment in their countries. viii) Religious tourism: it is very important for some region such as Islam, Judaism and Hinduism. Over the world there are some countries are famous for such tourism. ix) Music tourism: it can be part of pleasure tourism as it includes moment of people to sing and listen music and enjoy it. x) Village tourism: it involves traveling and arranging tours in order to popularize various village destinations. xi) Wild –Life tourism: it can be an Eco and animal friendly tourism also known as safari of Africa. It can watch real wild animals in natural habitat. Nowadays, people emphasis on sustainable tourism, responsible tourism and creative tourism because tourism have its advantages and disadvantages. (Singh.I. 2011)

(c) Role of Tourism in the Economic Development

Tourism has become an economic and social phenomenon in many countries in the world especially in developing countries. According to the recent assessments of Asia Development Bank (2016) showed that the percentage of the population below the poverty line of USD 1.90 per day are still existing in developing countries. The majority of poverty is rural, but urban poverty are also found. Women who leaded by household are more likely to be poor than the men who are the chief-of-the-household. They found that poverty rates are so high especially among ethnic minorities. But at present, due to be a good process of reducing poverty, many families can get some advantages. Among them tourism is one of the poverty elimination industry. (Asia Development Bank. 2006)

Because of in this connection, governments have become involved in tourism mainly because of its economic importance. It was bitter experiences during the industrial and economic decline, world recession, massive unemployment and growing gap between rich and poor, tourism is only the few growth industries which is able to provide the scarce foreign exchange that that government needed. Tourism is the largest industries in the world and UNWTO noted that tourism can replace oil-earning movements. Tourism is more than an industry and an economic activity, it is a

universal dynamic social phenomenon touching most countries of the world and affecting their people. The social effects of tourism can be profound, especially in developing countries, local communities can be promote their ways of life, living standards and the quality of life can be raised by the flow of tourism-related-finance, new employment and educational opportunities. The important thing of another factor is that source of peace and better international understanding between different peoples by means of closely respects with economically and socially. (Elliott.J 1997)

(d) The Global Tourism Trend

According to the UNWTO (2016), international visitor arrivals increased 1.18 billion in 2015, a 4.4% increase compared to 2014. Corresponding tourism expenditure generated in destination countries from the purchase of accommodation, food, local transport, shopping, entertainment and other tourism-related SMEs goods and services by international visitors totaled USD 1.23 trillion. It was generated USD 7.2 trillion in 2015 that was 10% of global output and created 284 million jobs opportunities. Most of the international travel is for leisure, followed by visiting friends and relatives, pilgrimage and business. Among them Chinese leads the world in annual international tourism expenditure of USD 229 billion. Second is the USA with USD 120 billion, third is Germany with USD 76 billion. UNWTO expected that long-term outlook for global tourism growth is satisfied and going to more and more year by year and in the year 2030, international visitor is going to reach 1.8 billion and to be increased gradually 4.4% per year. (UNWTO, 2016)

Recently, ASEAN Tourism Strategic Plan 2011-2015, the importance of creative tourism as an important concept in promoting multi-cultural experiential trips across Southeast Asia under the six creative travel themes has been addressed in the Association of Southeast Asian Nations (ASEAN) because in this area, there are observed to have its own special characters in terms of culture and heritages which support authentic and meaningful engagement and tourism experiences. They are rapidly developing members of ASEAN, covering a total land area of 1.4 million square kilometers with a combined population of approximately 165 million people. Not only that, the creative tourism but also included as part of the implementation of the ASEAN Tourism Strategy 2011-2015, and the emphasis promoted by the ASEAN

nations will be addressed through the national governments of those countries. (ASEAN, 2011)

According to World Travel and Tourism Council (2016), Asia and Pacific received 279 million international visitors in 2015, an increase of 5.4% compared to 2014. UNWTO's believed that Asia and Pacific Region is world's fastest-growing-tourism through 2030 with 535 million international tourist arrival and it is going to be share of 30% of the global-tourism-market. Another expectations generate that USD 3.7 trillion and sustain 197 million jobs by 2024. Within Asia and Pacific, the ten Southeast Asian countries that comprise ASEAN are among the world's fast-growing tourist destinations. In this connection, ASEAN received 108 million clients in 2015, up more than 45% increasing and per year raising is 5.1% and it can be expected in the year of 2030, the visitors will be reached to 187 million. (WTTC, 2016)

2.2 Small and Medium Enterprises (SMEs)

Not every small business eventually grows to the size of large corporation. Some businesses are ideally suited to operate on a small scale and it is often serving a local community and running just satisfied profit to owners. Small-scale firms or businesses display their own characteristics that is different from larger competitors. It is called Small and Medium-sized Enterprises (SMEs).

(a) Definition of Small and Medium Enterprises (SMEs)

The New SMEs Definition stated that the term SMEs cover a wide range of definitions and measures varying from country to country and between the sources reporting SMEs statistics. Some of the commonly used criteria are the number of employees, total net assets, sales, investment levels, stake-holders funds and even paid up capital. Thus, depending on the criterion selected, the same firm can be classified as "small" under one criterion and as "medium" under another criterion. As such, broad compassions of SMEs across different countries may not be entirely appropriate because of the varied accepted operational definitions. As there is no uniform definition of the SMEs in the global economy, different countries have defined SMEs in different ways. However, the most common definitional basis used is employment, and here again there is variation in defining the upper and lower size of a SMEs. A large number of sources define a SMEs to have a cut-off range of

0 – 250 employees. But some places, explain the both quantitative and qualitative measures are also used in defining the SMEs. These definitions vary according to the geographic area and the purpose of the study. Qualitative measures are the most popular tools to define the SMEs such as the number of employees and the annual turnover. But in the European Commission (EU) defines SMEs and large enterprises, according to the following criteria: Staff Headcount, Annual Turnover and Balance Sheet. The EU adopted this SMEs definition on May 6, 2003 which entered into force on January1, 2005 and is applied to all policies, programs and measures that the Commission operates for SMEs. This definition is as follows : " The category of Micro, Small and Medium-sized Enterprises (MSMEs) consists of enterprises which employ fewer than 250 persons and which have either an annual turnover not exceeding 50 million Euro, or an annual Balance Sheet total not exceeding 43 million Euro. (EU, 2015)

According to the OECD (2018), refers to SMEs as the firms employing up to 249 persons with the following breakdown: Micro (1 to 9); Small (10 to 49); and Medium (50 to 249). OECD believes that SMEs contributes to economic and social well-being, the diverse characteristic of SMEs and opportunities and challenges face with the globalized and digital economy. (OECD 2018).

Michelle Seidel (2019) explained for five characteristics of SMEs. 1) Lower revenue and profitability: the working capital and capitals of SMEs are lower than larger scale company's investment. The revenue also small according to SMEs business type however, most of the SMEs firms are easy to enter and exit. 2) Small teams of employees: small capital and working capital normally not need to be large amount of employees. Results are easy to manage to employees by owner only. 3) Small marker area: SMEs are sure that smaller than the corporate and private company. To the market share also smaller than those firms. Most of the SMEs are aimed to local market. 4) Sole or partnership ownership and taxes: the large companies are not-well-suited to small-scale operations. However small-scale business prefer to organize as sole proprietorships, partnerships or limited liability companies. As for the SMEs the tax also not too much fortunately, sometimes they can get tax holidays from the authorities. 5) Limited area of lower location: most of the SMEs are situated only in limited area, it means, they can open as together in a compound office to operate or at home without office facilities. (Seidel. M. 2019)

(b) Type of Small and Medium Enterprises (SMEs)

Association for Talent Development (2019) revealed that there are five categories. 1) Technical SMEs: it is focused on technical content but their instructional design is not involved nor concerned about other aspects of the process and implementation. These SMEs are working in groups in order to implement the larger scale of projects. 2) Hybrid SMEs: these SMEs are expected to provide support both in the content of a course or program and in the best ways to deliver it. Because of such a combinations, there are good experiences that need to be aware of to consider a SMEs' qualifications. 3) Instructional SMEs: the player of facilitators, mentors, coach and teacher are all included in this SMEs process as experts. While this group may possess some degree of subject matter expertise, its primary role is to enhance the instructional aspects of the training implementation. At present, very important program is online course, classroom and shop-level-implementation course. 4) Functional SMEs: in the SMEs teams, there are including programmers, software designers, photographers, artists, and wealth of other non-content expertise in order to get advantages for SMEs. 5) Sentinel SMEs: these sentinel SMEs are most often members of governing boards, grant committees or high-ranking organizational leaders that they may sit on oversight or technical committee so as to get good SMEs qualifications. (Association for Talent Development 2019)

(c) Role of Small and Medium Enterprises (SMEs) in the Economic Development

According to Madanchian, M. (2016), SMEs plays vital role in the economic development of a country because they perform in production, contribution, exports, employment, distribution and poverty reduction. In this connection, it consists of, traditional SMEs including cottage and household industries and modern SMEs. For the traditional SMEs are implementing mostly unorganized and located in rural and semi urban areas. They normally do not use powered machine consumption with low level of capital and technologies since from their ancestors. However, they provide part-time employment to a very large number of power sections of the society and they also provide essential products for mass consumption and exports. The modern SMEs are different from the conventional one due to more labors who are working with powered-machine aids. At present, governments are extending various steps to

promote SMEs and encouraged by suitable policies, infrastructure supports, upgraded technologies and financial access to credit so on.

SMEs over the world have specific contributions to the state as follows: their contribution is to the manufacturing sector and GDP as a whole is significant in terms of its share in total value added. SMEs can play a role of mitigating the problem of imbalance in the balance of payment accounts through their export promotion. While the large industries are expected to increase the income and revenue, SMEs are expected to help widespread equal distribution of income and wealth. Most of the SMEs are stepping stone for the entrepreneur and start-up firms which are mostly to reduce the poverty. Not only that SMEs are resolved the unemployment issues in the respected areas. As SMEs units can use resources more efficiently to the full capacity without any wastage, they may have higher allocation efficiency. Most of the SMEs are very low risk and more resources will be employed by large number of labor forces. (Madanchian, M. 2016)

Savlovschdi, L.I. (2011) stated that very important contribution of SMEs constitute an important jobs. Two thirds of the newly created jobs are owed to the small and medium sector because the cost associated on SMEs' jobs are reduced than a job in a big enterprises. The accomplishment of products and services at lower costs than the big companies and the main factors determining this differences are the lower conventional lower expenses. A higher work productivity under the circumstances of the permanent presence of the entrepreneur in the company. Most of the SMEs represent as a balance between micro- and macroeconomics level. Having as be a liaison the middle class in the society, the SMEs counter-balance the monopoles and oligopolies, reducing the capacity of the big companies of controlling the market.

If economic environment in a permanent change, the SMEs are flexible and great capacity of adjustment and fast decision process. For the economic development, SMEs are said to be adaptable easily to divert as per requirements and demands of the customers, being closer to the market. They generate to a greater extent the technical innovation in the economy. It is result that many of the jobs are from the innovation and the new discoveries that lead to new entrepreneurial motivations. In this regards, SMEs play a unique, active and critical role in the innovation process and invention of the new technologies.

In the OECD member countries, the SMEs represent more than 95% of the enterprises in most countries and they hire more than half of the employees in the

private sector. Not only that OECD countries' governments promote the entrepreneurship and consider the development of SMEs by means of policies and program in order to reinforce State's development. In many countries in course of development, the private economy is almost entirely comprised in the SMEs and that they are the only realist possibility of employment for the millions of poor people in the entire world. That is why, the role of SMEs is worldwide acknowledged for their unique contribution to the economic development. Either developed or developing countries realize that the SMEs and the entrepreneurs play a vital role in the State development programs. (Savlovschdi, L.I. 2011)

(d) The Global Trend of Small and Medium Enterprises (SMEs)

Internationalization is important for the all sizes of SMEs with local, regional and national level public policy through the negotiations of the various markets. There are some levels of SME internationalizations. For the SMEs internationalization, it can take the form of exporting, cross-border-trading, and the establishment of operations in other countries. According to the OECD (2017) data suggest that SMEs contribute between 15% and 50% of the country's exports and that between 20% and 80% of SMEs are active exporters in the OECD member countries. (OECD 2017)

On the focusing on the European Union (EU), about 25% of SMEs in the EU countries are exporters of goods or services. Among them 50% of export beyond the internal market. Some 29% of SMEs import of which 50% import from internal market. Fewer SMEs are active in foreign direct investment (FDI) only about 2% of SMEs in the EU countries. Their partner countries are mostly other European nations. Except for import from China business with other countries in the Brazil, Russia, India and China (BRIC) countries are only the market of 7 to 10% of the EU export market. However, some researchers found that on the BRIC countries SMEs make up a relatively high percentage of the total number of firms in all those countries. South Africa was to have the highest percentage of exporting SMEs followed by India, Brazil, Russia and Chain. SMEs with greater globalization tend to higher performances. There are more than 50% of EU SMEs that invested abroad and that were involved in international subcontracting. (Elk, V. 2009)

SMEs also play and vital role in sustaining the exports of countries in Asia, for instance, India, for the periods from 1998 to 2008, SMEs accounted for 8% to 40% of the country's total exports. In China, SMEs contributed 60% to the country's exports.

It is fortunately that 1997 global financial crisis could not suffered significant impact on Asian's SMEs bilateral trade. (Tayabi 2011)

Internationally active SMEs also demonstrate higher employment growth. While non-exporting SMEs experienced 3% employment growth from 2007 to 2008, exporting achieved 7%. The difference between non-exporting and exporting countries were 2% to 8% employment growth respectively. Likewise, SMEs importing and exporting showed 10% of employment growth, compared with 3% for the rest. Consequently, SMEs with foreign direct investment demonstrated 16% employment growth in 2007 to 2008. (Elk, V. et al. 2009)

But for the developing countries, an increase in SMEs international activities has some additional benefits. Economic growth has been motivate by exports in many developing countries, for instance, export-led growth hypothesis for Bangladesh, India, Nepal, Pakistan and Sri Lanka. They confirm in their study that export growth is only the instrument for accelerating economic growth in all economies sectors. Not only that economic growth in such a countries are crucial factors for poverty reduction, but also employment and job opportunities creations.

For the government initiatives, ACCA (2012a) focused that in Germany where SMEs account for 98% of exporters, each region has a development bank that provides loans for SMEs. Germany has also made extensive use of SMEs clusters. These clusters benefit, help smaller firms in order to reach out to global market. Like that in Romania, power of cluster consider and it is supporting innovation and economic growth by means of co-operative multi-sectorial approaches. Cluster funding system in Germany is from the federal or regional government. Additionally, to attract foreign direct investment, Germany Trade and Invest was established in 2009 in order to promote for industrial and technological investments. (ACCA 2012a)

Governments are very responsibilities to promote their SMEs. OECD research also reveals arrange of initiatives by national governments to overcome finance and other barriers to international trade faced by SMEs. Belgium provides financial coverage for SMEs exports within the EU. Norway and Switzerland and also provides regularly updated analysis reports on foreign markets to actual and potential exporters. For the eastern European countries also provided by the government loans and subsidiaries so as to promote their developing export alliances. (OECD 2017)

2.3 Small and Medium-sized Enterprises in Tourism Industry

Small and Medium-sized Enterprises (SMEs) sometimes, there is including the businesses less than five employees is called Micro. That is why, some researchers referred as Small and Medium-sized tourism Enterprises (SMTEs). Tourism industry and SMEs are just like a chicken-and-egg model, there is a difficult to separate each other and could not emphasis that which one is to be first. They are interrelated and operated each other and mutual related in the industry too. Relating to these context the two, tourism and SMEs sector are performing simultaneously, otherwise, there is unbalanced growth in the state economic sectors. In fact, tourism industry is complex and abstract because it sells tangible and intangible matters of destination or tour-site. But after 2000s, it is also boomed Small and Medium-sized Tourism Enterprises.

(a) Definition of Small and Medium-sized Tourism Enterprises (SMTEs)

Tourism destinations are traditionally dominated by small and medium-sized tourism enterprises which provide wide range of products to the tourist such as accommodation, catering, transportation, sigh-seeing and activities and thus contribute significantly to the range, variety, authenticity and quality of their positive tourism experiences or so-called services. The Small and Medium-sized Tourism Enterprises (SMTEs) originate a variety of benefits for the tourism destinations by providing direct contact with tourists and by encouraging tourist for spending in local money with stimulating the multiplier effects. The terms Small and Medium Tourism Enterprises (SMTEs) are not too much popular in the world. Most of the researcher also defines differently according to the authors' views and perspectives. The famous researcher Breen, J. (2005), defined that SMTEs comprises all businesses, which operate in the tourism industry and employees and include sole operators not employing any staff. Specifically, micro businesses are those that employ between one and four workers, small businesses employ between five and 19 employees and medium firms employ 20 and 100 employees. (Breen, J. 2005)

Defining the SMEs in the field of tourism should use the same definition for SMEs adopted from the European Commission but now using the acronym SMTEs meaning either small and medium-sized tourism enterprises or small and medium-sized travel enterprises. It has also like other enterprises with numerous strategic advantages over the large enterprises.

According to the Buhalis (2011) there are five strategic advantages of SMTEs as follows: entrepreneur's motivation; market niche advantages; personal relationship with enterprises stakeholders; family involvement, flexibility and recreation and continuity. (Buhalis, D. 2011)

(b) Types of Small and Medium-sized Tourism Enterprises

According to the United Nations World Tourism Organization (UNWTO. 2011), estimated that international trips are 565 million in 1995 but in the year 2020, it will reach to more than one and a half billion trips. In this context, the concerning authorities are implementing human resource development as a fundamental to improve SMEs competitiveness for the future. Not only that to make a ready to SMEs development strategy to maintain sustainable use of natural resources. They believed that tourism SMEs are likely to be as a other SMEs sectors in general, namely, tourism SMEs are ability to create new jobs at a time when major operators are downsizing; tourism SMEs are improving to industrial relations and working environment; tourism SMEs are mostly diversified and flexible structure; tourism SMEs are stimulating competition in the market, it is leading to an active enterprise culture and they have creativity, startups and entrepreneur for new products. (UNWTO. 2012)

In the tourism market, there will be a higher level of integration. Tourism SMEs should be match of different quality levels of the tourism sector. Tourism SMEs often have severe limitations such as, in the market delivering quality, price policy, costs-control and readjustment ability. In this reasons, the stakeholders are formulating the SMEs development strategy has to inclusive and to cope with SMEs challenges, to reach goal and to get broad policy direction among tourism SMEs.

For the type of SMEs in tourism industry, there are to be differentiate by means of supply chain. Most of the supply chains are managed by business-to-business-relationship. By using as supply change management to improve the performance and output in the chain. In the tourism supply chain there is two different environments such as direct involvement and indirect involvement. In the direct involvement including ten SMTEs or segments as follows:- tour operators; restaurants and cafes; local authorities; national and regional tourism organizations; destination organizations; artificial and natural attractions; transportations; accommodations; retail sectors and shops and travel agents. For the indirect involvement are as

follows:- food sectors; construction industry; utilities and communication; education; health sector and police. However, in the tourism supply chain, there are some non-tourism SMEs but determine the visitor's overall experience of the destination, in relation to those elements of the supply chain what the visitors are interested in. the nature of the supply chain process may also help operators to understand where efficiency gains, cost savings and investment may be needed to add value to the customer's options. For the operators, the supply chain circle is playing as a vital role for their decision. (Stephen, J. 2008)

(c) Role of Tourism SMEs in the Economic Development

Small and Medium-sized Tourism Enterprises (SMTEs) play an important role in the country's economic development and are pioneers in creative entrepreneurships which can better adapt to the changing market demands more than larger businesses. The SMTEs include specific type of industry or services, retail and wholesale, logistics businesses, agriculture, education, healthcare, transportation, food and beverage. The SMTEs are a fundamental part of the economic fabric in developing countries of tourism sector, and they play a crucial role in furthering growth, innovation and prosperity. Every product or service that we use in our daily lives is from an SMTE, which makes them an indispensable part of existence.

Thus, SMTEs can be regarded as the one of the life-bloods of a country's economy. Poverty alleviation schemes, it is a vital role for the developing countries. For developing countries, SMEs should be treated as a way to alleviate poverty first, rather than to be used to become a wealthy nation. Some causes of poverty in a country are mainly due to a lack of opportunity and efficiency. It is evident that many countries in the world are closely interrelated in many sectors such as economy, health, sociology and politics. With the aim of boosting the country's development, many branch offices of SMEs have been opened across the country. Concerning SMEs, the Government has classified human resources, technical and creative support, capital funding, better infrastructure, gaining a foothold in the marketplace, imposing reasonable taxes and regulations and creating suitable business environments as top priorities.

Cooperation is needed to strengthen the framework at the national, state and regional levels. Moreover, under the current situation, while the country is trying to link with global markets, it is a matter of great importance for the nation's SMEs to

hold strong places in local markets, too. With the increasing amount of import substitutes, commodity prices will decrease and citizens will have more opportunities for jobs. Simultaneously, per capita income and GDP percentages can rise. Thus, poverty can be alleviated and economic Indicators can also increase to some extent.

The development of SMEs including tourism SMEs can be regarded as sign of cohesion, which can bring about all-round development of the modern state. It can see many countries which have set a good example for the world and can boast their growth through strong SMEs as well as SMTEs. Being a country rich in natural resources, a large number of job opportunities can be created, provided that high-value products can be produced by using modernized techniques. Nowadays, opportunities were created by cooperation in economic sectors among global countries. (Cooperative Research Center 2005)

(d) The Global Trend of Small and Medium Tourism Enterprises (SMTEs)

For the global trend first to think about the predominance character of tourism. Because its response to particular assets which including tourism places. These places have great value such as warm climate, high mountains, rich cultural heritage, inspiring landscapes and abundant biodiversity. All of these are accessibility to the SMEs. Since tourism is traditionally made up of micro, small and medium enterprises. It means, tourism and SMEs are mutual interacting each other with multiplier effects to wide range of sectors. It is called as linking of consumers to producers. Likewise, there are also the predominance character of tourism SMEs. It is capability to absorb big size of working force in the world. In this connection, there are capacity to reduce unemployment and alleviate poverty in the respective countries. It can dominate majority numbers of international tourism SMEs businesses. It is vividly shown that tourism SMEs are easiness and timeliness of products innovation and uniqueness. According to globalization, tourism performance open markets for SMEs products. As a result, SMEs give tourism back to strengthen the quality and creation of new tourist attractions. When tourism have new destinations done already, to do promotion by using SMEs and lastly everyone knows the latest destinations and tour-sites.

In this way, in the world, tourism and SMEs are inter-relating each other as Small and Medium-sized Tourism Enterprises.

Followings are good examples of SMTEs development in Bangladesh and Slovakia Republic. According to the Hasan and Hossain (2014), Bangladesh is a

country of natural beauty. For the tourism attractions, there are variety of natural and cultural micro-destinations.

As per World Travel and Tourism Council (WTTC) report 2011, the total contribution of travel and tourism to GDP was Bangladesh Taka (BDT) 381.6 Billion (4.7% of GDP) and it was forecasted to rise by 7.6% in 2012 and to rise by 6.5% per annum to BDT773.0 Billion in 2022. In 2011, travel and tourism directly supported 1,329,000 jobs (1.9% of total employment). This was expected to rise by 3.6% in 2012 and rise by 2.9% per annum to 1,840,000 jobs (2.0% of total employment) in 2022. Bangladesh government having more potentialities of tourism industry. Normally, most of the Small and Medium Enterprises (SMEs) are linked to tourism industry in all aspects. It is also positive impacts to poverty reduction and rural development in Bangladesh. In the country, basically there are three sectors to get the generating revenues. They are agriculture, industry and service sectors. Tourism sector is the very prominent service sector because there are many potentialities in the future. But, like a global SMEs nature, there are many obstacles in the tourism SMEs. Most of the owners of the SMEs in the tourism sector are facing different problems like at present and unforeseen changes in demand, lack of skilled and trained labor force, limitation of the finance and long procedure to get loans in Bangladesh. (WTTC 2011)

Here is another experiences of Slovakia Republic. Balaz, V. (2007) emphasized that after 1989, international tourism was seen as an important source of growth, employment and income in the transitional economies. The growing volume of international tourism receipts were reflected in their increasing share of GDP, exports and the National Banks' currency reserves, as can be seen in Slovakia in the years of 1990s. International tourism was considerable importance for the economy. In 1990, international tourist receipts generated 0.5 percent of the Slovak GDP, while international tourist expenditure was 1.3 percent, in the next year 1996, like other countries in Central Eastern Europe (CEE), have boomed in tourism. In 1996, when many packed tours in Slovakia, the share of international tourist receipts in GDP was 3.5 per cent and some 6.1% of the goods and services exports.

Then, international currency derived from tourism considerably helped Slovakia to stabilize its new national currency after 1993. Increases in tourist receipts would be hard to achieve without a proper supply of tourist services. Consequently, thousands of new hotels, inns and pubs were engaged into the tourism sector as a

Small and Medium-sized Enterprises (SMEs) with the short period of 1990 to 1993. As a result, the rapidly growing numbers of tourism businesses in early transitional period. In fact, Small and Medium-size Enterprises (SMEs) development of tourism businesses was also boom together in particular. Because, tourism businesses in the transitional period economies had to overcome several major shocks in a relatively in a short time.

By 2004 , SMEs in the tourism sector were mostly privatized and they were on the way to go-global economy model and according to the Slovakia Tourism Ministry, there were a large number 1341 of very small companies with 0 to 9 employees and limited number 411 of small and medium-sized ones with 10 to 249 employees. More than 250 employees were got their jobs in the increased SMEs companies. Like in other European countries, SMEs played an important role in economic development in Slovakia. By 2002, Slovak SMEs generated 62% of total employment, 45 % of total value-added and 26.7% of total exports. (Balaz, V. 2007)

2.4 Review on Previous Studies

According to Theingi Han (2016), Tourism Industry in Kayin State, reveled the 2016 situation of tourism in Kayin State with accommodation, tour guides, tour agencies and tourist arrivals. Tourist arrival to Kayin State was increased 4286 in 2012 to 159749 in 2016. The tour guides also increased to 80 in 2016 and hotels were 5286 in 2012 but in the year 2016 increased as 20 hotels and guesthouses. All of the tour companies are acting as a regional agents in order to facilitate according to the Yangon head-offices. For the recommendations: to develop tourism in Kayin State as well as tourism SMEs in the region. It is necessary to take measurement for the security and rules of the law.

Phyo Hla Wai, (2017) revealed on study of Development of Tourism and tour Business Companies in Yangon. In Yangon, there were 25 companies as small and medium criteria in the 2016. In this business, travel and ticketing, tour operation, hotel reservation, destination management, and other services segments. In the tour company business, there are individual travelers, family travelers, small group and big group travelers. For the recommendations, suggest to launch the new tour-sites, improve infrastructures, expend to use of credit cards, to improve service providers and to build more hotel zone in order to compete the price.

A Study on SMEs Clusters in Myanmar, a case study of weaving industry in Meikhtila district by Kyu Kyu Aung (2016), stated that the Myanmar SMEs back ground, definitions, policies, current situations and structure of SMEs clusters. Rationale is to promote the weaving SMEs clusters to global market without environment impacts. Without clustering activities, there will not be successful in the global market. For the recommendations: to improve weaving industry technology, to support low-interest-loans, to take necessary measurements for the markets.

Phyo Pwint Han (2016) focused on SMEs financing in Myanmar. In the study, the role of private and public policies, the role of financial intermediaries, the role of legal and judiciary infrastructure and the role of micro-finance institutions. For the recommendations : to encourage the banks to access the loans, to set up credit information bureau or database networks, to establish efficient capital market or alternative investment, to pay attention on efficiency and effectiveness of any direct intervention with criteria.

CHAPTER 3
CURRENT SITUATION OF SMEs IN MYANMAR TOURISM SECTOR

Myanmar has made efforts to transform its agro-based economy into an industrialized one, and one of the economic objectives is to become a modern and developed industrialized nations. Since from 1990, Myanmar government has made arrangements to develop of industrial sector by promoting small-scale and medium-scale industries.

3.1 Definition of Small and Medium Enterprises

Myanmar economy is steadily growing with expansion in construction, manufacturing and service sectors. It is supported by increasing capital flows from foreign direct investment. Small and Medium Enterprises (SMEs) play a vital role in realizing for strong economic growth in the country. There are no comprehensive SMEs data but there are many small and medium industries are largely participated in manufacturing and service industries. All SMEs are now under the control of Private Industrial Enterprise Law.

In Myanmar, according to the Law on the Department of Small and Medium Business (Pyidaungsu Hluttaw Law No. 23/2015) small and medium enterprises are defined on their number of employees, type of activity, capital invested or level of turnover. The classification undermentioned can different of the old version 1990 law, owing to be number of employees have been increased in order to attract labor-incentive activities, as have the limitation values of capital and turnover. On the 4th April 2012, SMEs Development Center was formed under the Ministry of Industry to develop SMEs. In 2014 extended to SMEs Development Department across the country with 50 branches. SMEs Development Law was enacted in 2015 April and in the same year SMEs Development Policy was approved. The next year 2016 June, SMEs Development Rule was approved. In the year of 2018, SMEs Development Working Committee and Responsible bodies were formed. Following main bodies

were formed on the 2nd January 2018. They are i) Evaluating and Reporting Body; ii) SMEs Agency Body; iii) Fund Management Body and there are formed by Chairperson, Vice Chairperson and Secretary.

Table (3.1) Revised Definition of SMEs in Myanmar (Pyidaungsu Htutaw Law No.23/2015)

	Sector	Nos.of Employees	Capital MMK in Mil.	Tournover MMK in Mil.
Small	Manufacture	Up to 50	Up to 500	n/a
	Wholesale	Up to 30	n/a	Up to 100
	Retail	Up to 30	n/a	Up to 50
	Service	Up to 30	n/a	Up to 100
Medium	Manufacture	51-300	500-1000	n/a
	Wholesale	31-60	n/a	100-300
	Retail	31-60	n/a	100-300
	Services	31-100	n/a	100-200

Source: Central Department of SMEs Development, 2015 (UNWIDER & CSO.2018)

Table (3.1) is revised order by the government and it is categorized by means of Labor, Capital and Turnover in Millions of Kyats, however, there is only mentioned for Small and Medium Enterprises. According to the Ministry of Planning and Finance (2018), Myanmar SMEs Development Law has not shown for the Micro Enterprises like internationally. For instance, the World Bank's SMEs Department defines Micro Enterprises as those with 1-9 employees, small scale is 10-49 employees, medium is from 50-299 employees and large enterprise or corporate level is more than 300 employees. Therefore, the common features of various SMEs definition is better and simple based on the number of the employees.

However, the World Bank would like to define as the level of turn-over and capital, number of full-time and part-time employees. In Myanmar, according to the SMEs Law, all SMEs with total private capital investment must be registered in order to chance from the government, because, frequently the government offer the trainings, access to business knowledge and subsidy the loans as per registered list only. The authorities for the SMEs registration are: The Directorate of Investment and Company Administration (DICA), The Small Scale Industrial Department (SSID),

and The Directorate of Industrial Supervision and Inspection (DISI). The SMEs owners have to register one of these offices. Not only that in practical, municipal office or Township City Development Committee also dominant regional authorities to register for industrial and micro-scale enterprises. Some SMEs needed firstly for an electrical inspection sector especially to be used manufacturing machines. (UNWIDER & CSO, 2018)

According to the United Nations Economic and Social Commission for Asia and the Pacific Region, (2014), SMEs dominate every sector of the state economy. In Myanmar the actual statistics received form the Central Department of Small and Medium Enterprises in which all of the SMEs are registered. According to the department, there are almost 1,26,237 in Myanmar, accounting for around 99.4% of total domestic manufacturing firms. The SMEs include Micro or Cottage enterprises (less than 6 employees) in which 78% operate in the manufacturing sector such as, cottage handicraft and about 21% in the service sector. Among those SMEs that are not involved in cottage industries, more than 60% operate in the food-processing sector. It is including rice mills, oil mills, powdering machines, sugar mills, bean and pulses processors, ices factories and confectionaries, which account for about 90% of food processing Small and Medium Industries. An additional 7.6% of total Small and Medium Industries operate as construction material producers. There are covered 50 to 95 % of the employments.

UNESCAP 2014 revealed that the SMEs Development Committee included President and vice chaired by the two vice presidents and in addition several Union Ministers to make a total of 27 members. Meanwhile, Small and Medium Industry Development Bank formed and offer loans to all SMEs at the rate of 8.5%. (Economic Reforms Working Paper No.1/2016, Center for Economic & Social Development). The government have a policy in order to handle to create a workable environment; to develop of entrepreneurship; to be smooth flow of financing; to provide services for the SMEs development; to gain technology and to promote innovations and to assist in marketing so that the products are marketable. The responsibilities to intervene if necessary such a condition that to reduce of entry barriers and related costs for setup businesses; to smooth and sufficient cash flow; to need to strengthen entrepreneurship through education and training; to strengthen of networking and information dissemination. (UNESCAP 2014)

3.2 Tourism Sector in Myanmar

Myanmar's tourism sector barely developed prior to 2011, first as a result of restrictive visas and limited destination/transport options. In 2011, the government of Republic of the Union of Myanmar initiated political, social and economic reforms. In 2013, the government announced a much longer list of permitted areas for tourists to visit without, and in some cases with, prior permission. Since tourism industry has highly potential for Myanmar, Ministry of Hotel and Tourism formulated systematically drawn Myanmar Tourism Master Plan (2013-2020). This plan was made by cooperation with domestic and international knowledgeable technicians in 2012 to be international standard. That project tend to plan with tourism development and harmonize with other sector of the country. As a hotel and tourism ministry, short and long term of main project, strategic cases, planning step by step in planning and organizing of tasks. (MoHT. 2013)

3.3 Foreign Tourist Arrivals and Tourism Value Chain Process

Tourism is running through their value chain process and value process is reinforce to the tourism respectively. As a tourism industry, tourism value chain process is very important in order to promote tourism industry sustainability.

(a) Tourist Arrival on 2018 and 2019 (till March)

According to the Ministry of Information (2019), Union Minister for Hotels and Tourism U Ohn Maung, addressed that with tourist arrivals increasing by more than 23 per cent in the first two months of 2019 compared to a year ago, the tourism sector is expected to grow this year. The number of tourists increased by 3.15 per cent in the third year, compared to the same period of the previous years. Most of the tourists arriving in Myanmar this year are from China, according to the Ministry of Labor, Immigration and Population. The number of tourists from Europe is still on the declining. This year 2019, the number of tourists coming to Myanmar on board ocean liners has declined by 15 per cent, while tourist arrivals through border gates have increased by 144 per cent, according to statistics from the Ministry. Between January and March this year, the number of tourists visiting Myanmar jumped to 1,136,615 from 928,453 tourists in the same period of 2018, an increase of 208,162. Tourists are visiting Myanmar for different reasons – some are coming here to make investments and conduct business, while others are visiting the country to observe its culture, see

archaeological sites, rest at the famous beaches, and indulge in trekking and camping. 2019 is tourism outstanding year due to be the number of tourist arrivals reached 111,814 in January, 124,094 in February, and 119,625 in March. ((Ministry of Information. 2019 and Myanmar Tourism. 2019, May 15th)

Although the number of European and North American tourists has dropped this year because of the political situation in the country, tourist arrivals from China, Korea, Japan, and Asian countries have increased significantly owing to be visa exemption for them. As a result of visa exemption and implementing as Look East Policy, most of the tourists have come from China, Thailand, South Korea, Japan, the US, France, Singapore, Viet Nam, India, and Malaysia. They have mostly visited Yangon and Mandalay regions as well as Shan State. Myanmar received 4.6 million tourists in 2015, 2.91 million in 2016, 3.44 million in 2017, and 3.55 million in 2018. It is meant that Myanmar tourism is booming year by year. (Ministry of Information, 2019)

As a result of these changes, the country has recently seen an unprecedented growth in international tourist arrivals. That said, numbers of genuine tourists have certainly increased. A good indication are the number of tourists visiting sites such as Shwedagon Pagoda and Inle Lake, which suggest arrivals of tourists increased by between 20 and 25 percent in 2014. Visitors from Asian nations represented more than 70 per cent of total arrivals, with Thai, Japanese, South Korean and Chinese visitors are leading the list. The average stay is one week. At present, tourist arrival in Myanmar increased to 3,63,154 in December from 3,43760 in November of 2018. Followings are the tourism statistic form MoHT:

Table (3.2) 2018 Monthly Tourist Arrival

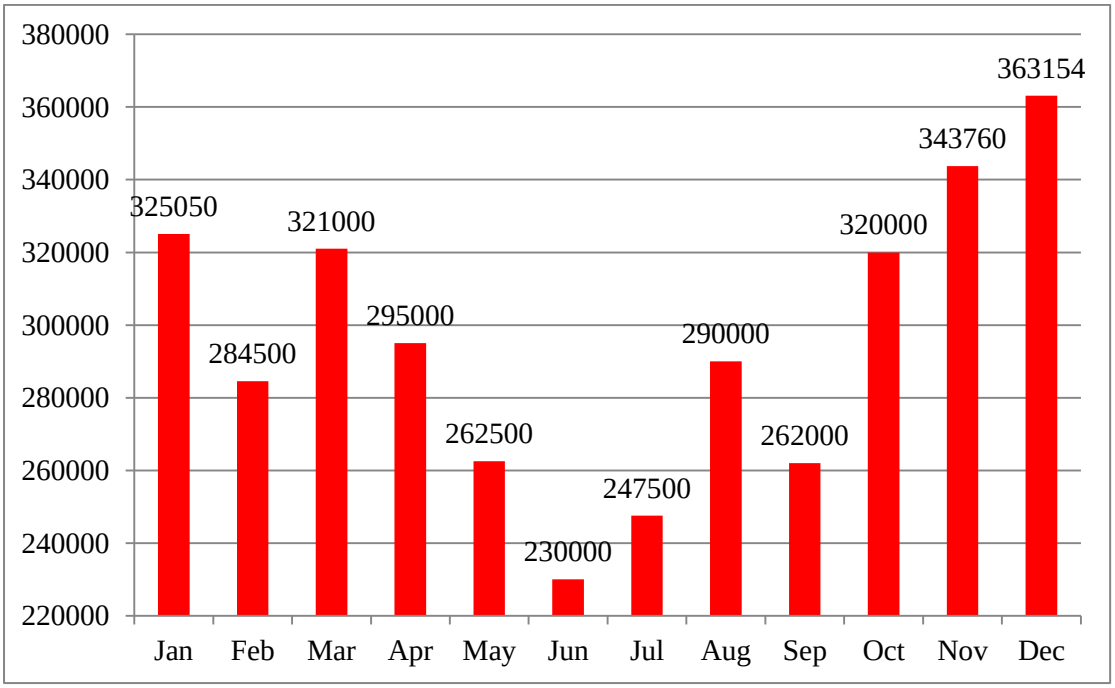
2018 First Half Tourist Arrival		**2018 Second Half Tourist Arrival**	
January	325050	July	247500
February	284500	August	290000
March	321000	September	262000
April	295000	October	320000
May	262500	November	343760
June	230000	December	363154
Total	**1718050**	**Grand Total**	**3544464**

Source: MoHT 2018

In the table (3.2), it is clearly shown that in Myanmar tour season is starts from October to the next year mid-May due to be the monsoon rainy season.

In the chart, June is the least visitor, however, in the August increasing again for the Spanish and Italian clients. In the Europe, June to September is the summer time, especially the Spanish and Italian prefer to come in this time. For the clients also have a good time owing to be monsoon promotion periods. The best time or tour-peak season is from October to March 180 days only.

Figure (3.1) 2018 Monthly Tourist Arrival



Source: MoHT (2018)

Figure (3.1) shows that opening season start from October to April, there are a lot of tourists coming, however after from April to September are not too much tourists due to be monsoon season. But, during August and September some Italians and Spanish are coming.

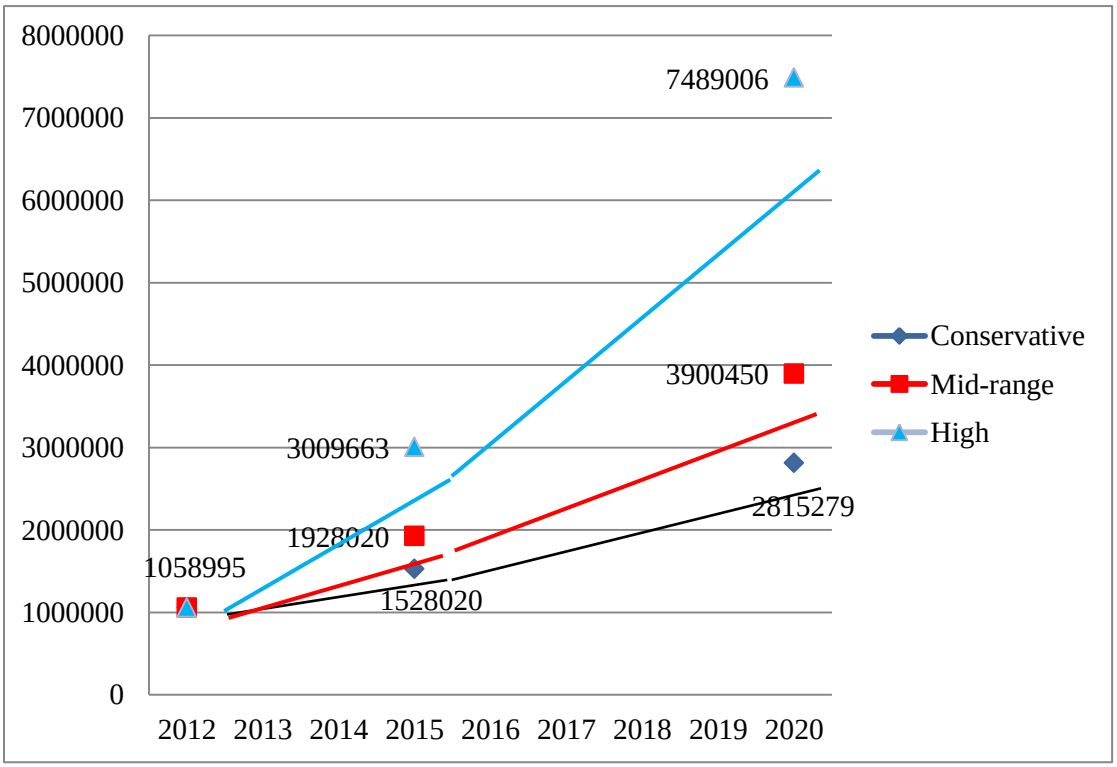
Table (3.3) Expected Foreign Visitors with Three Possibilities from 2012-2020

Base Line	Conservative Estimate		Mid-Range Estimate		High-Level Estimate	
2012	2015	2020	2015	2020	2015	2020
1058995	1528020	2815279	1928020	3900450	3009663	7489006

Source: (MoHT 2013)

Table (3.3) shows three foreign visitors arrival possibilities based on 2012 tourist-arrival. According to it, Ministry expected 7.5 million visitors in the year 2020.

Figure (3.2) Expected Foreign Visitors with Three Possibilities from 2012 to 2020



Source: (MoHT 2013)

The MoHT has hoped three growth scenarios to be developed in the tourism industry as in the table (3.3) and figure (3.2), from 2012 to 2020. In the 2012, there was only one million and it is as a base line. For the conservative line, as a normal tourist arrival, expect 1.5 million visitors, however in the year 2020 it hoped to come 2.8 million that as shown as dark-blue line. For the mid-range-estimated-line, it expected 1.9 million visitors in 2015 however wanted to increase to 3.9 million in 2020. It is lined by red line.

In the year 2015 to 2020 as high line expected from 3 million to 7.5 million visitors as navy-blue line. That is why, from the year 2015 to 2020, the visitor arrival is varied between 2 million as a minimum to 7.5 maximum. These assumption are based on year 2012.

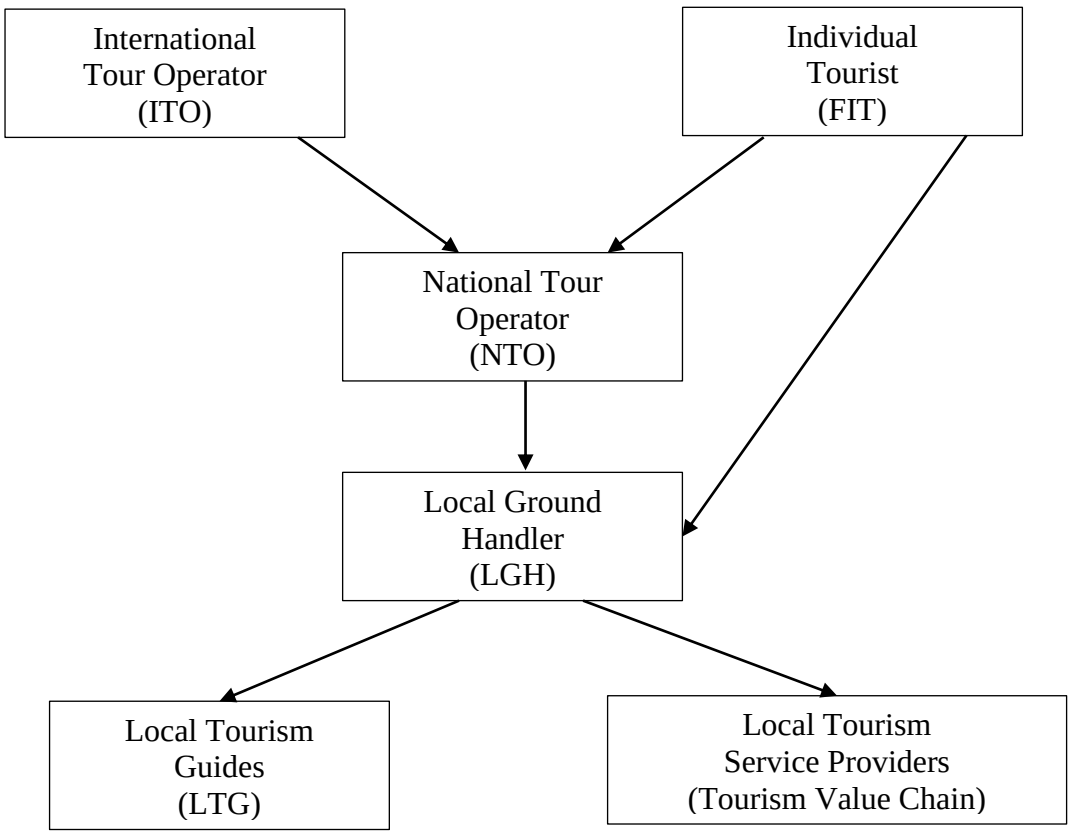
Not only that Average daily USD spending also expected from 2015 to 2020 will be range between USD 150 to 170 and the length of stay will be at least 8 days

per person. Therefore, total visitor spending USD billion will be from USD 3.61 billion (2015) to USD 10.18 billion together with the yellow high line. (MoHT 2013)

(b) Tourism Value Chain Process

It is very clearly seen that of Myanmar Tourism Value Chain Process is ended with SMEs sectors as a final services.

Figure (3.3) Flow Chart of Myanmar and International Tourism Connectivity



Source: Myanmar Center for Responsible Business 2015 (MCRB. 2015)

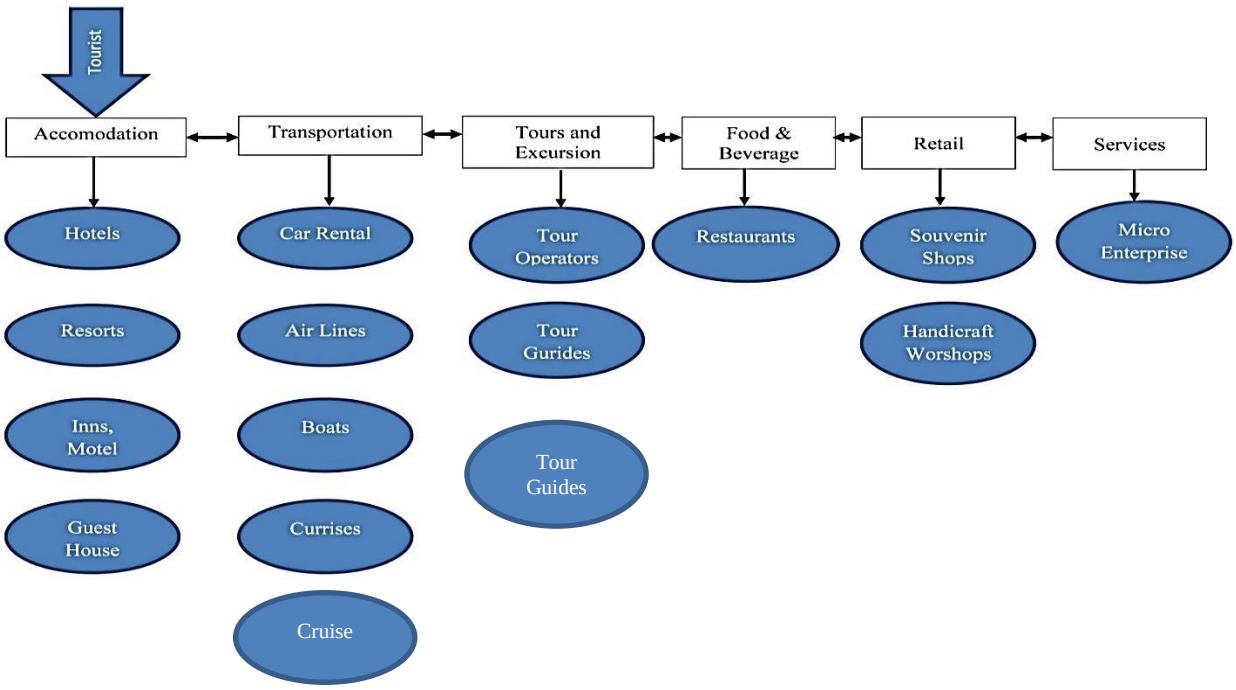
In the figure (3.3). First, National Tour Operator (NTO): they are based in mostly major cities but at present there are so many branches in the secondary cities. They develop tour itineraries that cover the entire sold trip to the clients. They have other tasks, such as, sale and marketing, hotel reservation, ticketing, operation for the tour. Some are foreign firms operating with local staffs. Normally, called as tour operator or travel and tour company or travel agents. Local Ground Handlers (LGHs) or Tours and Excursion in which following consist of: Secondly, Local Tourism Guides (LTGs): these are licensed, professional guides trained by MoHT and they discharged their services under the NTO.

They have National and Regional Tour-guide licenses with English and/or other languages. Under the Local Tourism Service Providers there are normally accommodations, transportations, food and beverages and souvenir retail shops and workshops and thirdly, accommodation's sector that is the second SMEs of the client's program. Fourthly, it is a transportation sector that the client meets every day. Five, food and beverages, it is also important sector in order to eat and drink for the clients. The last sector, six, the souvenir retail shops and workshops. However, it is only for the souvenir lovers but not for all. Craft workshops are attracting to the clients as Myanmar traditional culture. In other way. (MCRB. 2015)

3.4 Tourism Value Chain in Myanmar

MCRB (2015) focused on the Myanmar Tourism Value Chain based on six providers. It is also including SMEs in every providers. That is why, tourism industry means only for the intangible, in practical all SMEs in these providers are acting on the concerning stages. However, Sector Wise Impact Analysis 2015 have omitted some SMEs, such as booking agencies, railway transport providers, taxi drivers. In the tourism industry, these SMEs sectors are mostly facing challenges, issues to the tourists, high quality products and services throughout the value chain.

Figure (3.4) Tourism Value Chain of SMEs in Myanmar



Source: Myanmar Center for Responsible Business (MCRB 2015)

According to the Myanmar Tourism Master Plan (MTMP) 2013-2020, the Government of Myanmar, together with number of private agencies has committed to deliver high quality and responsible tourism. According to the MoHT's Master Plan 2013-2020 and Sector-Wise-Impact-Analysis 2015, Myanmar tourism industry is divided into following main elements called tourism value chain with tourism SMEs. (MoHT. 2013)

(i) Accommodation

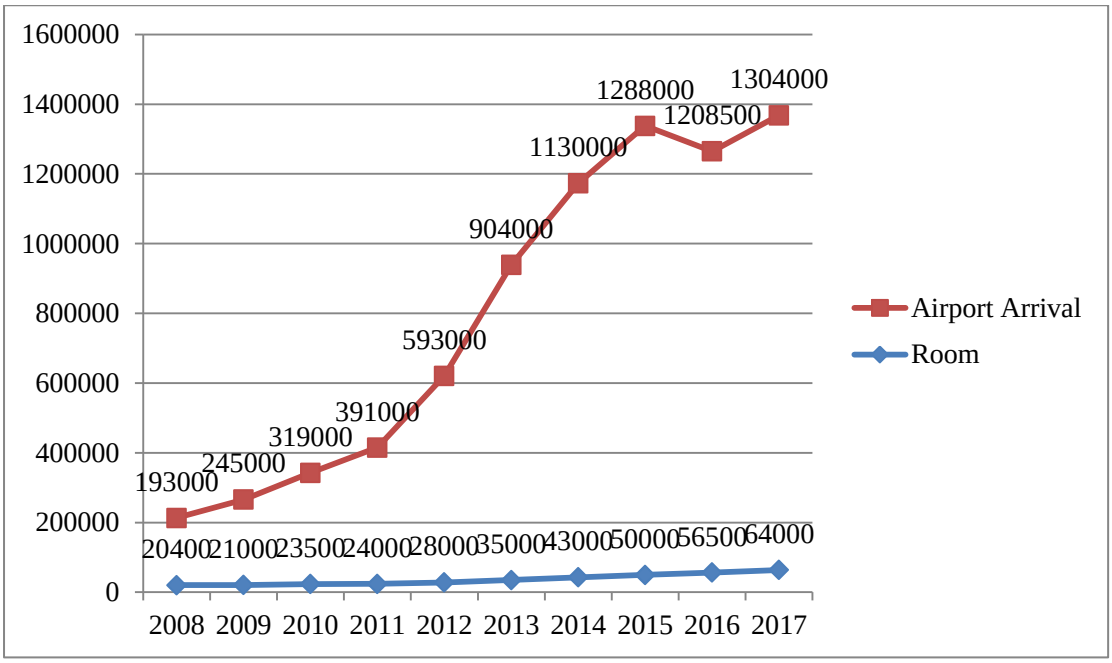
Consult Myanmar (2019), hotel construction was boomed in 2012 and continued development of projects thereafter many in industry are facing low occupancy rates due to downturn of western clients. Despite how low occupancy rates, investments continue to rise anticipation of future growth. According to the Ministry of Hotels and Tourism (MoHT), there are 1,676 hotels and 67,350 rooms available across the country for tourists. In 2017 there were 33 completed foreign hotels and commercial projects is creating a future 6,241 rooms. Another 11 projects were under construction and 20 received permits to progress. Most of the investors are from Singapore, Japan and some Myanmar Developers. In the year 2020 Myanmar will receive the number of 1,720 hotels over the country. (Consult Myanmar. 2019)

According to the statistic of the Ministry of Hotel and Tourist (2017), since from 2010, tourism volume increasing by 50% year-over-year (yoy), however, due to the western border crisis, tourism was stagnant situation and in the year 2017, 3.3 million of tourist only. But at present, due to the look east policy of the MoHT, there are many tourists from Thailand and Chinese increasing since from 2017. Following graph 3.5 is comparing tourist arrival and total number of hotel rooms as of 2017.

Bagan, as a important tourist site, there are many local and foreign travelers increasing year over year. According to the MoHT (2017), Bagan Branch, income earned from hotel room rental totaled US$ 13,618,243 in 2016, US$ 9,914,553 in 2017 and US$ 3,719,660 in the first four months of 2018. To cater for visitors, four hotel zones have been established with 85 hotels with 2,919 rooms in figure below. Now Bagan Nyaung U Airport is upgrading from the Japanese government projects who provides a grant of US$42 million for technically support.

For the accommodation sector there are including as internal organization as Training; Recruitment; Customer Relation Management; Serving and very important thing in the organization called Human Resource Management. (MoHT 2017)

Figure (3.5) Comparison of Tourist Arrival and Total Hotel Numbers as of 2017



Source: Consult Myanmar (2019)

Figure (3.5) shows the number of tourist arrivals at the international airport both Yangon and Mandalay from 2008 till 2017 and available hotel rooms, however, it is exclusive of land border tourists.

(ii) Transportation

As per San Lin (2019) and Myanmar Hotel and Tourism Report Spotlight on Yangon August 2013, until 2012, Myanmar's airline sector was not well-developed due to visitors arrival. There were very few airlines offered direct international flights. However, since 2012 passengers have increased and new domestic airlines have been established. Several feeders and carriers have plied up-routes within Myanmar but they received small capacity loads. (San Lin. 2019)

At present, as per MoHT statistics on 21 February 2019, there are seven airlines operating for domestic and international in Myanmar. According to the Civil Aviation Department, Yangon, there are 28 Airports with scheduled flights in which there are 3 international airports namely Yangon, Mandalay and Naypyidaw. Yangon International is with flights to 44 destinations in 15 countries. However, most of the tourists also use ground transport such as river boat, train and motor vehicles.

Nowadays, most of the tour programs divided into two parts as southern parts and normal regular programs. In the southern parts, clients travel by motor vehicles

only at least seven days. After 2015, there are very convenient road transportation between secondary cities. Therefore, in the transportation sector, car rental is playing as a vital role. According to the MoHT statistics 2018, there are eight categories of vehicles in tourism service with companies' quantities as follows:-

Table (3.4) MoHT Statistics 2018 for Tourism Vehicles

Sr. No.	Types of Vehicles	Quantity
1	45 Seated Coach	264
2	Motor Boats	1194
3	12 Seated Mini-bus	322
4	33 Seated Mini-bus	104
5	Boat	33
6	Yacht	16
7	Saloon and Van	163
8	Hotel Air Balloon Company	3
	Total	**2099**

Source: MoHT 2018

Trips can be made Irrawady river boat cruise from Bagan to Mandalay by tour operator or local travel agents, however, the river cruise is very expensive compare to the other transportations. It is huge characteristics and fares differences depending on the content of cruises. However, cruising ship along the Irrawaddy River is passing to enjoy visiting various villages along the river. This is one of the helping hands itself to the tourism products including Small and Medium Tourism Enterprises in the rural areas by selling their local products. Not only that, form Bagan to the villages just pass the Irrawaddy river by local boat in order to explore local weaving machines and textile products.

Tours and Excursion

In the Tours and Excursion business there are two segments such as Tourist Guide and Tour Operator or Tour Agency.

(iii) Tourist Guides

Under this sector there are divided into two segments. Tourist Guide - the concept of the tourism sector, according to the United Nations World Tourism

Organization (UNWTO, 2014) revealed that as a cluster production units in different industries. It provides the goods and services demanded by visitors. That means tourism is not defined as its own single sector in all countries. It is including industries that typically produce tourism characterizes products. In them the tourist guide is subset of the tours and excursion sector. According the World Federation of Tourist Guide Association (WFTGA) defines that a person who guides visitors in the language or their choice and interprets the cultural and natural heritage of an area which person normally possesses an area-specific qualification. In the Myanmar tourism Master Plan, the growth forecast for direct tourism employment by 2020 as per following table 3.2. Most of the jobs of the tourism are direct employment of food and beverage, transport services and accommodation services. For the year 2000, total jobs for tourism will be one and half million. (UNWTO, 2014)

Table (3.5) Estimated Direct Tourism Employment in Myanmar 2012-2020

Providers	Baseline	Conservative Estimate		High-line Estimate	
	2012	2015	2020	2015	2020
Accommodation	44055	63333	84300	125417	224700
Food and Beverage	146850	211111	281100	418056	749000
Transportation	58740	84444	112400	167222	299600
Travel Services	14685	21111	28100	41806	74900
TOTAL	**264330**	**380000**	**505800**	**752500**	**1348200**

Source: MoHT (2013)

Above mentioned estimation is calculated based on 2012 baseline for the Small and Medium-sized Tourism Enterprises (SMTEs) in the Myanmar tourism subsectors or segments. Tourist guide segment is in the travel service subsector in the table (3.2). At present, during the low-tour-season for instance, from June to September every year, come to collaboration with international partners, the projects supported by Business Innovation Facility, International Law Organization and Luxembourg Agency for International Development (LuxDev) in order to improve tour-guide quality as a human capacity in the tourism field for future market. STED Assessment means Skills for Trade and Economic Diversification that is a program to provide sector level technical assistance on strategic skills development or capacity building.

Table (3.6) Licensed Tourist Guides as of 2018

English	2780		Chinese	153
Japanese	344		Spanish	94
German	289		Russian	74
French	322		Italian	80
Thai	220		Korean	40

Source: MoHT (2018)

According to the MoHT, 2018 there are total 4407 National Tourist Guides and then Regional Tourist Guide is totaled 3662. The grand total of Licensed Tour Guides are 8069 as of 2018. In the year 2020, there will be needed 33,401 total guides and foreign tourist will expect seven and half million. Among them most of the clients offer the English speaking guides. (ILO 2017)

For Bagan, most of the group tours are accompanied by national licensed from Yangon for through program, thus, all Bagan tour-guides are called stationed guide or regional tour-guides. They have their tour program not only form the local tour operators or agents but also sometimes offer form the desk at hotels for independent tourist (FIT). The Bagan tour-guides are formed Myanmar Tourist Guide Association Bagan Branch (MTGA Bagan).

(iv) Tour Operators or tour Companies

According to the Ministry of Hotel and Tourism MoHT (2018), there are altogether 2,712 licensed tour companies. In the categories of the companies, 2,670 numbers of local company, 41 numbers of Joint Venture Company and only one foreign company. For out-bound licensed tour companies are 553. Most of the tour companies are at Yangon, Mandalay, however there are branches at Bagan and Nyaung Shwe (Inlay) areas. At present there are also some tour agencies at Mawlamyaing and Tavoy for the southern part of Myanmar and some ground handling agents in Mauk Oo at Rakhine State in order to facilitate for the clients especially local guide service, transportation and accommodation. Since the country has opened up for the number of tour operators and travel agents has increased due to a high demand after 2013. (MoHT 2018)

According to the Myanmar Center for responsible business (MCRB) 2015, especially, tour operators and agencies offer five different types of tourism in

Myanmar as follows : 1) Cultural and creative tourism; 2) Nature-based tourism; 3) Adventure and experiential tourism; 4) Cruise and yachting tourism and 5) Meeting, Incentive Conferences and Exhibition (MICEI) tourism. (MCRB 2015). Some agents in Yangon are operating by the foreigner but owner is local people so as to innovation of new tourism products in Myanmar. Therefore, some tour operating company have quality control manager, product manager and training manager. They are mostly from European, for instance, E Asia and Myanmar Diaries Travel and Tours, Yangon. There are many operators in Myanmar but they are failing to innovate new tourism products and destination management. However, some foreign companies are found new tourist site in some places, for example, Khiri Myanmar Travel and E Asia Travel, they innovated some sites in Karan states including Saddam Cave and some vegetarian villages. Travel agencies, tour operators and other travel related business are brought together by the Union of Myanmar Travel Association (UMTA) that formed in 2002. As a part of the tourism industry present in Bagan consists of satellite shops of tour operators based in Yangon or partner agencies that offer guides or vehicles or carry sales of plane tickets, cruise tickets and local tours. Most of the Bagan tour operators are subordinated form the head office at Yangon. Therefore, there cannot find the innovation and new product of tourism. (MCRB 2015)

(v) Food and Beverage

Foreign visitors generally expect access to edible, safe and hygienic food, underpinned by government regulation and enforcement. According to the Myanmar Tour (2018), Food safety in Myanmar is one of the most important areas with any visitors to consider before planning for a Myanmar trip. Because of the influence of food safety on the development of agribusiness, investment for it is significantly increased, which take about 38 percent of the gross domestic product and 23 percent of Myanmar's exports. Besides, the growth standard of food safety can create more jobs, boost tourism and the nation's economy.

However, when being assessed by international organizations, Myanmar is perceived as a country has poor food safety standards. Specifically, Myanmar has just been ranked at 71th out of 113 countries in quality and safety in the Economist Intelligence Unit (EIU) Global Food Security Index 2017 while some Southeast Asian's countries have much better positions, for example, Singapore (24), Malaysia

(37), and Thailand (59). Furthermore, this emergency problem is even admitted by Myanmar's government. (Myanmar Tour 2018)

Nowadays, together with social development, food safety is put on top priority not only to protect the public health of citizens but also to develop the sustainable tourism industry. However the Myanmar Restaurant Association (MRA) has acknowledged that food hygiene is an issue of national concern and has started a project that to educate street vendors about hygiene food and processing. At present, the concerning authorities are frequently surprise checking foods in the market and on the road. There are roughly more than 150 restaurants in the Bagan region and most of the restaurants belong to the Bagan Restaurant Association (BRA). Mostly defined and classified as SMEs and are family owned and operated. Some restaurant have a innovation and attraction for the foreigners by performing as puppet shows or traditional dance performance. i) Nanda Restaurant (puppet show throughout the year); ii) Amata Restaurant (puppet show throughout the year and traditional dance only in the high season); iii) Queen House (puppet show and traditional dance by children through the year). Some restaurants are running as a family SMEs and especially for the individual tourists. Some clients are having their dinner at their hotel arranged by the tour company. The Myanmar Restaurant Association in Bagan (MRA) was established in 2011. In 2014, joined 72 restaurant out of more or less 100 restaurants in Bagan. Most of them are regarded as SMEs and run by family or combinations of small shareholders or local entrepreneurs or tour guides with 10 to 15 employees.

(vi) Retail Shops

JICA. (2014) stated Bagan is the only one place for the lacquer ware. There are number of lacquer ware factories not only for the local market but also attracting the foreign visitors. There are also some traditional handicrafts such as sand painting, antique materials, Buddha statue, a mini puppet. Among them lacquer ware house and shops are listed in the SMEs norms.

There are also Lacquer ware Technology College under the Ministry of Cooperative. There have about 100 students study at the college, however all of them leave to Yangon or Mandalay so as to join the Diploma course. There are some issues in Bagan lacquer ware sector has not college graduated workers at present. Moreover, young workers who had been trained for some years have moved to the big city. The

college has received assistance from Utsunomiya University of Japan for 10 years and there are few experts to the college visiting once a year. Once, Myanmar lacquer ware were showed in the ASEAN Lacquer Ware Fairs in Tokyo together with some ASEAN countries wares. After that, the Myanmar companies got the hints on the brush up techniques and products to improve on their competitiveness in the world market. Normally, the lacquer ware are produced form the factory. In the factory, some are attached with wholesale and retail service. But some small factory, not only the attached shops but also render retailing services to vendor and street shops. (JICA 2014)

Therefore, According to the UNIDO (2014) and UNDIO (2015) for the lacquer ware industry' market is not only for the foreigners but also for the local pilgrimages due to be low tour-seasons in the monsoon season. In Bagan, there are three lacquer ware markets such as National Buyers, International Tourist Market and Export Buyers' Market. For the National Market, the process is very simple as Business to Consumer (B2C) market that are visiting the Bagan local market area especially the Buddhists on pilgrimage and workers sponsored by their employers. In the year of 2018, these market segments have very little income to spend on lacquer ware and earn less than US$ 120 per month. In other countries it's called as Micro, Small and Medium-sized Tourism Enterprises (MSMTEs) but cannot recognize in Myanmar.

Other class of buyers are Business to Business (B2B) markets include SMEs retailers predominantly from Yangon, Mandalay and other big cities. For the International Tourist Market, that represents approximately 80% of the total lacquer ware in the local Bagan. The Bagan lacquer ware industry depends on the international tourist arrival and for the export buyers' market on 2014 was US$ 20,000 in various lacquer ware. (UNIDO 2014 and UNDIO 2015)

According to the Business Innovation Facility Myanmar, BIFM (2016), Myanmar Tourism Value Chain Process is conducting between supporting functions and rules. In the Supporting Functions including logistic teams, infrastructure, tourism associations, government agencies, financial institutions, INGOs and NGOs. Another function is called Rules in which comprising as immigration laws, tax and customs laws, cultural and traditional norms, restricted areas, tourism rules and regulations, labor laws and self-administrative laws. (BIFM 2016)

CHAPTER 4
SURVEY ANALYSIS AND FINDINGS

The purpose of the survey is to obtain detailed primary information on the ground situations for the Small and Medium-sized Tourism Enterprises in New Bagan. It is including the five basic SMEs providers according to the Myanmar Tourism Value Chain Process with questionnaire, data collection procedure and data analysis on survey. Findings and recommendations are described in the chapter Five.

4.1 Survey Profile

Many tourism SMEs are especially in the tourism destinations such as Yangon, Mandalay and Inle. But for the genuine location of tourism SMEs is found only in Bagan. As for survey profile, to meet the objectives of this study, survey questionnaires were organized with assessment questions concerning with status of issues, obstacles and barriers of tourism SMEs.

Table (4.1) Survey Profile in New Bagan

No.	Name	Actual Firms M=Micro S=Small	Sample	Surveyed Small Enterprise	Surveyed Medium Enterprises
1	Accommodation	31 (M 13+S 18)	29	17	12
2	Transportation	5	5	5	-
3	Tourist guide	78	65	-	-
4	Tour operator	5	5	5	-
5	Restaurant	23	22	22	-
6	Retail shop	19 (M 8+S 11)	18	10	8

Source : Survey Data (2019)

4.2 Survey Design

Survey questionnaires were designed based on internal issues of tourism SMEs such as Human Resource Management and Development, Financial moreover, as for the external factors based on present Tourism and Marketing situations.

From the examples of the questionnaires referred MoHT (2017), World Bank (2011), UNIDO (2014), UNIDO (2015) and UNWIDER & CSO (2018). In this context all of the survey questionnaires have structured by two parts: sampled SMEs' inter-organizational as well as impacts of external issues and constraints such as structured, unstructured, semi-structured with closed and opened-ended questionnaires. Survey Strategy: first to find by means of Simple Random Sampling (SRS) in the Mandalay Division. And then another SRS made and lastly collected in New Bagan.

In survey including Small and Medium-sized firms. After that, for second strategy, have to find out where are the medium and small-sized located. After that, use by surveying as systematic sampling on medium and small-sized enterprises by the map from the Township Administration Department. The survey findings were obtained from the quantities questionnaires survey from individual interviews and open-ended discussions with enterprise owners, mangers and responsible personnel. It was done by Face-to-Face Interviews with six stratified questionnaires as per Appendix. In accordance with well-structured questionnaire, there was zero-non-response-rate as a result. The population in New Bagan collected data on population for the five providers as in the table 4.1. In the survey profile Accommodation, Tour-guide and Retail-shops for souvenir segments are very important basic infrastructures and well-known basic SMEs in the tourism industry. Characteristics of participated respondents: including from the low to highest education levels with from middle age to about 65 years old, all strata of compositions influence on business process to be avoid bias, sampling error and non-sampling error.

4.3 Current Status of Bagan Tourism

Table (4.2) Tourist Arrival of Countries to Bagan

No.	Country	2012	2013	2014	2015	2016	2017	2018
1	North & South America	16894	20207	19104	18565	27550	29046	26732
2	West Europe	93968	103271	122605	121090	133299	140384	107025
3	East Europe	2906	4034	2357	4354	7908	9033	7075
4	Middle East	2200	2796	2960	2587	4566	2907	3379
5	Asia	42994	59331	77234	97263	104853	115528	102089
6	Oceania	4022	6726	5869	3281	5701	3543	4599
Total		**162984**	**196365**	**230129**	**247140**	**283877**	**300441**	**250917**

Source: MoHT Bagan Branch (2019)

Bagan, one of the Myanmar's main attractions features of a vast 6,000 hectare ancient temples town with over 2200 monuments since from 10th to 13th centuries. There are majority of tourist places, Nyaung U (North of Old Bagan), Old Bagan and New Bagan (South of Old Bagan). Due to the tourism city, there are many tourism SMEs that in other countries called as Small and Medium Tourism Enterprises (SMTEs). Table 4.2 is breakdown of yearly and monthly tourist arrivals form the Ministry of Hotels and Tourism (MoHT) branch, Bagan Since form 2012 to 2018, tourists from various countries are increasing 162984 to 250917. Among them European are always increasing compare to the other countries. Among them the Asia and the West Europe tourists are the largest amount and the least one is from the Middle East.

4.4 Survey Results

As for the accommodation segment, there are including hotels, motels, guest-houses and home-stay-lodgings. However, in the thesis, it is focused on MoHT recognized hotels only.

i) Small and Medium-sized Hotels

There are five hotel zones in Bagan. The New Bagan is located in the Hotel Zone No.4. There are 31 hotels including medium as 3 star and small size graded as 2 star and one star as per Myanmar SMEs policy and Ministry of Hotel and Tourism. For the 31 hotels or population size, sampled hotels are designated as per sample calculator, surveyed Medium size 12 hotels (between 31-100 employees) and Small size (10-30 employees) 17 hotels, altogether 29 hotels have surveyed, especially their Human Resources Management and Development, organizational culture for tourism norms, marketing related tourism and current issues. In the service provider 0-30 employees is Small (respondents are age between 22 to 54, their educational level are matriculated to Bachelor degree with Arts and Science) however, from 31-100 is assigned as Medium Enterprises (respondents are age between 25 to 58 and they are mostly well-educated with Master Degree or other Diploma). According to the Small Enterprise 17 hotels, their Human Resource Management (HRM) and Development (HRD) systems are as follows: for the manager post owners selected thoroughly not only the certificates but also other qualifications and other posts are possessing their respective certificates after that provide in-house training. They prefer (80%) to recruit new employees with certificate but there is not matter without experiences but 86% would like to have soft skilled. Rest of 20% prefer skilled labor however, all respondents needed respective certificates however, 67% like to train after recruitment. After that 80% of owner or manager assign to cross-functions in order to improve their multi-skilling.

Table (4.3) Status of Human Resource, Tourism, Marketing and Financial of Hotels

No.	Particulars	Percentage of Respondents		
		Not Important %	Quite Important %	Very Important %
1	Tourism promotion and to find new sites	-	8	92
2	MoHT's Look East Chinese Tourism Policy	85	15	-
3	Major and basic infrastructure	-	-	100
4	Match with tourism policy And ground conditions	-	-	100
5	Entrepreneurship of labor	55	35	10
6	Training in-house	20	15	65
7	HR Department and HR road-map	30	20	50
8	Is skilled labor needed?	-	10	90
9	Hard and soft skill need to Manager and above position	5	5	90
10	Leadership skill and human resource management	5	10	85

Source: Survey Data (2019)

According to the figure (4.3) it is clearly shown that cent percent of the respondents needed tourism promotion and to find new sites, to improve and up-grate of major and basic infrastructure and to match with ministry's laid down policy and ground situations. Especially for Medium-sized hotels, their recruiting and training style is: 65% believed that in-house training is very important, 90% of the respondents revealed that manager and above positions need hard as well as soft skills,85% believed that leadership and human resource management skills is very important and for the low-grade employed needed only to be skilled in their fields.

Table (4.4) Status of Human Resource, Tourism, Marketing and Financial of Hotels

No.	Particulars	Percentage of Respondents	
		Yes %	No %
1	Multi-skilling in-house training	85	15
2	In-house training	86	14
3	Competency certificate holders	85	15
4	Easy to get skilled labor	55	45
5	Frequently labor turn over	85	15
6	Have probation periods	95	5
7	Turn-over and Head hunting culture	83	17
8	Tourism depends on politics and policies	100	-
9	Declining tourism impact hotel sector	100	-
10	Tourism marketing promotion in worldwide	100	-
11	Can foreigner Seasonal tourism only solve hotel business	55	45
12	To business expansion, easy to get loan	85	15

Source: Survey Data (2019)

As per survey table (4.4), above 80% of the respondent need multi-skilling in-house, have respective competency certificate, probation period. The problem of 83% of medium-sized hotels are frequently employees turn-over and head hunting. In this matter, 90% of the respondents of medium-sized hotels said more frequently turn-over, more impact to the hotel management. Cent percent believed that tourism, policy and political are closely relation each other. To look for the supervisor and under posts are not difficult because some NGO and INGO trainings are existing in the Bagan but for the post of Manager is rather difficult than other posts. Most of the employees (90%) are in Bagan and rural and suburban area of Bagan. It means hotel sectors are improving the rural development and reducing the unemployment rate in the Bagan region. Normally there is no HR department for 53% but 47% have HR policy, some are well-educated, who planned HR policy for the Hotel. As a Small Enterprise and employees are less than 30, their management is family type, either manager or the owners are doing as multi-task-schemes and there are not too much

turn-over rate. There is no retention plan but as a normal new comers are need to be a probation one to three months with full or less of the basic payment.

Normally, employers are not signed off, meanwhile, for the motivation, 40% are like to get annual bonus, 27% are happy to post as a man of the year and 33% are welcome to get both. For the Medium Enterprise hotels, HRM and HRD they recruited only skilled employees and trained as necessary and multi-skilling if necessary. For recruiting process, supervisor and -above post is very difficult to recruit. Most of the under supervisor employees are from Bagan City, rural and suburban areas because some INGOs and NGOs are training in Bagan and Naung-U township. There were not stricken to small enterprises, after 2017 tourism declining is effecting to the medium-sized hotels only. As medium hotels are expecting 80% to come more foreign tourists. For the 93% of their using language is only English.

At present MoHT's Look-east-Policy especially Chinese tourist program is not effecting to the 90% of the medium hotels because they are using related and arranged hotels from their contracted lodges. But as the owner of the small-sized hotel, their hotel clients at present 30% are Chinese and it is said to be recovered to the some overhead charges during tourism-off-season. It is clearly shown that MoHT's Look East Chinese Tourism Policy is can not be convenient on 93% of the Medium-sized hotels but 20% of small-sized hotels are getting well during the off-season. Moreover, in the medium-sized hotels (25%) are facing the problems of employees-turn-over, too. 30% of the employees are not interested for entrepreneurship. The current issue is difficult to find skilled employees for the big hotels. Infrastructures are at present, there is no issue except MPT is sometime weak connection. 80 % of the clients satisfied on dealing with the government offices are smooth.

For the tourism, there are mostly issues at present and all of the respondents revealed that after 2017 tourism is going down but they can survive for the local pilgrimages. Thus, they prefer to be local pilgrimages than foreign tourist because foreign tourist Length of Stay (LoS) is only 2 nights but local LoS is more than 4 days, They do not have issues on their internal organizational affairs but external issues are: i) present MoHT's policies and ground situations are not matching especially at present Look-East-Policy form the MoHT (respondent 86%). Most of the Chinese tourists are using their related hotels respondents (respondent 93%); ii) to promote regional tourism marketing and to reopen the some places for sunrise and sunsets (respondent 86%); iii) there are necessaries that to support hotel's life to

survive, to reengineer for some unnecessary policies and to clean environment as well as to reduce criminal cases (respondent 70%). iv) respondent 93% advised that the government to maintain political stable and if necessary to use effective media.

In Bagan, there are 2200 number of archeological Buddhist heritage monuments, beautiful sun rise and sun set, river Irrawaddy, mostly very safe environment, hospitality of local people, balloon riding on the monuments. However, unfortunately, lack of environmental development, high rate of hotel lodging, there are tour-season and off-season. Most of the SMEs are no-income in the off-season especially during the Monsoon season. Secondary tour destination and there is no international airport. At present Look-East-Policy is not strong enough for the local and rural development because most of the Chinese tourists are coming from Mandalay by road and day-return only. Because of the openness and reformed policy the authorities made plan and implementation of projects.

At present, Foreign Direct Investment (FDI) are interesting to invest in Bagan, unique experiences, because of the five hotel zones, there are reducing the unemployment in the region and helping to the regional development, most of the youngers can have a dream of career opportunities, because of the hotel zones, infrastructures are getting well. There can obtain loan not only from the NGOs but also from the government (respondent 10), for hotel zone, there is less support from the government to build basic infrastructures and most of the basic infrastructures are being built by themselves. The government cannot intervene the land price, at present land price is from K 200-400 million for 200 sq-ft. Normally, hotel business is a lucrative, they are struggling not for profit but for Return of Investment (RoI), for the millions of investment, the hoteliers have to wait at least 15 years of Return of Investment (RoI). There are very big issue that fluctuation in international tourist arrival, increasing competition but occupancy is low, unstable economy and political turbulence, for small-sized hotels are facing illegal lodging in the villages and wards but MoHT and local authorities are neglect on it. For medium-sized hotels are facing employee's turn-over and rare of skilled labor especially manager's above positions. There are 85 hotels and guesthouse in Bagan Hotel Zone with 3019 rooms in 2017-2018 tourism year. Since from the low tourism arrivals, there are only 800 passenger per-day for 3019 available rooms. If the political issue will exist, the hoteliers have financial problems. (Respondent 4)

(ii) Transportation

In the transportation segment, there are airways, cruise, river boat, railways and bus transportation in this study focuses only on local car rental services because it is very common for the tourist in Bagan Archaeological Zone.

Local Car Rental Services

To Bagan clients can get the way from the air, water and road, in which the road is very common for the clients because waterways is expensive as well as use the day only on the river boat. In the figure 4.5 shows the yearly tour peak and off-season. Some come by the express buses whether from Yangon or Mandalay. The bus terminal is at Naung U and there is about 5 kilometer to the Bagan Archaeological Zone.

Table (4.5) Survey Profile for Local Car Rental Services

No.		Respondents	Education	Nos. of Labor	Business Status
1		Sale Manager	M.A	5	Small
2		Owner	B.A	6	Small
3		Regional Manager	B.Sc	4	Small
4		Owner	Matric	5	Small
5		Owner	B.Sc	8	Small

Source: Survey data (2019)

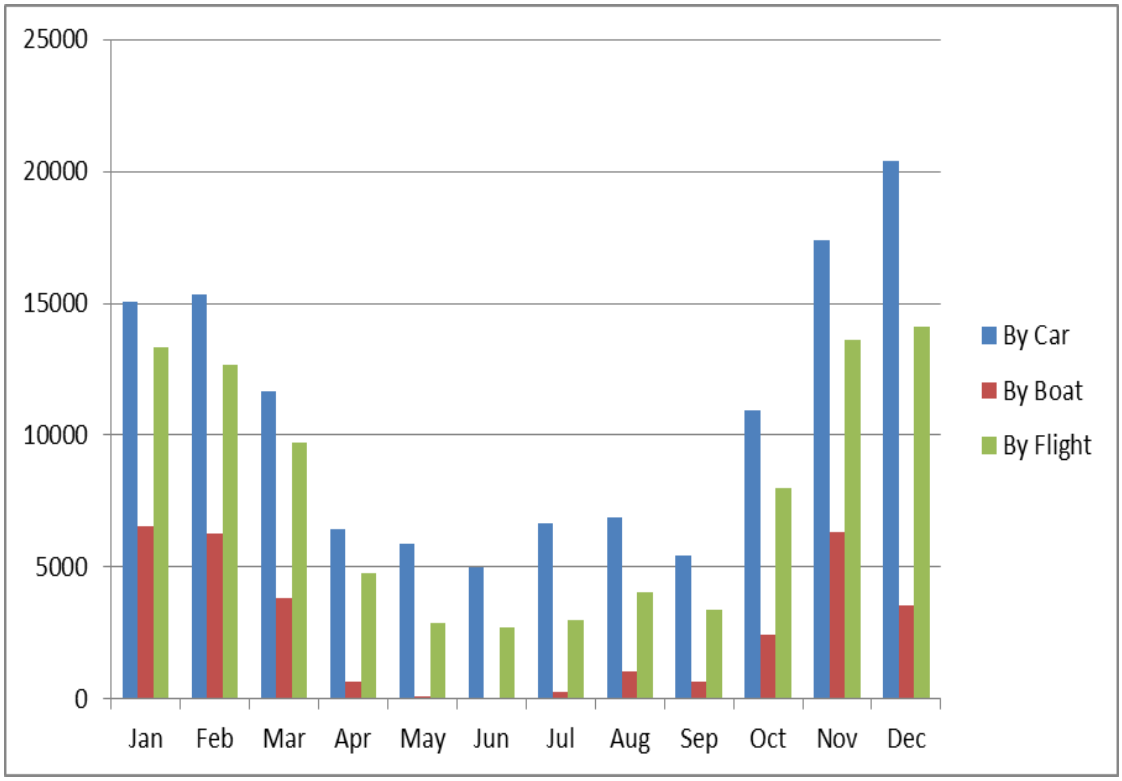
Table (4.6) Monthly Breakdown for Year 2018 Visitors Arrival in Bagan by Car, Boat and Flight

No.	Month	By car	By boat	By flight	Total
		2018	2018	2018	
1	January	15054	6575	13306	34935
2	February	15318	6276	12672	34266
3	March	11652	3829	9717	25198
4	April	6444	660	4773	11877
5	May	5891	106	5859	8856
6	June	5002	2	2715	7719
7	July	6677	289	2995	9961
8	August	6877	1024	4056	11957
9	September	5451	651	3389	9491
10	October	10943	2410	7971	21324
11	November	17391	6322	13599	37312
12	December	20366	3556	14099	38021
	Total	**127066**	**31700**	**92151**	**250917**

Source: Bagan Tourism Office (2019)

Table (4.6) is showing tourist arrival to Bagan. The tour season is starting from normally October to March. Between April to September, there are small amount of tourist especially from Italy, Spain and some South Americans during monsoon season. Most of the foreign tourists comt to Bagan during open season start from October to April, however during monsoon time is low tourist season and there are not too much tourist. According to graph Bagan tourist arrival curve is more or less U shaped.

Figure (4.1) Monthly Breakdown for Year 2018 Visitors Arrival in Bagan by Car, Boat and Flight



Source: Bagan Tourism Office 2018

Figure (4.1), the graph was 2018 but for the 2019 tourist arrival to Bagan should not be U shape in the graph. Because after 2018 October, the Ministry of Hotels Tourism released visa for Japan, Korea, Vietnam, Cambodia and China. Especially, Ministry aims at Chinese tourist as Look East Chinese Tourism Program. Consequently, even though during the monsoon season in Bagan at present, there can be seen many South-East-Asian countries tourists. After 2019, the trend of tourist arrival is increasing not only in Bagan but also around in Myanmar and curve will be change great possibilities of M-Shape in steads of V-Shape.

Table (4.7) Status of Human Resource, Tourism, Marketing in Car Rentals Service

Nos.	Particulars	Percentage of Respondents	
		Yes %	No %
1	Is it getting on to run with high-fuel-price	-	100
2	Do tour agency increase rental price	-	100
3	Drivers left in monsoon season	80	20
4	Employees' entrepreneurship	60	40
5	Easy to deal with government	60	40
6	Use ICT to contact between drivers and office	80	20
7	Easy to get loan from government	60	40
8	Look east Chinese policy can advantage	20	80
9	Tourism depends on politics and policy	90	10
10	Need to promote tourism and find out new tour sites in rural area	80	20
11	During the monsoon time have a another job	80	20

Source: Survey Data (2019)

In the figure (4.7), 100 % of the car rentals are facing of high fuel-price issues and the tour company also not to increase renting fees. 80% of the drivers divert their trade during the monsoon season. It is very clearly said that 80% of the rentals are not prefer to the MoHT's Look-East Chinese tourism policy.

Most of the clients are coming by plane and local tour operators arrange for them not only to meet and see-off at the airport but also provide site-seeing with their rented limousines either bus, minibus or saloon. There are only five car rental services in New Bagan region as shown in Table 4.5 with five respondents with their titles and educational status. As a using of few employees, most of the car rental are as a small-size enterprises. They have not too much human resource management and development issues as medium-sized enterprises. But as our tourism is only in the opening season, in the monsoon season called as Off-Tour-Season there is a small issue for the drivers. 20% of rentals obtain for the driver retention programs such as by using salary round about MMK 1,00,000 to 1,50,000 and there are financial burden for the owner to pay the salary without tourists but 80% of the owners release their drivers and ask to come to join in September again that means 40% of the rentals are

using on-call drivers in order to save the money during the off-season. Their main other 80% of issues on their human resource are : to find the tour-experienced-divers in the 6 months tour season; drivers cost and office expenditure on drivers (variable cost for them) are expensive year by year; saloon is operating driver only but for the bus looking for the conductors. 60% of the employees are not interested for entrepreneurship.

Issues for the tourism marketing are: fluctuating of fuel price but running only on contracting price; payment between tour company and car rental are at least 1 to 2 months (80%); during the off-season is only expenditure rather than income; 100% of the rentals need the tourist to come round the season and ministry should make tourism marketing promotion in Bagan and improve tourism destination management. Respondent 1 added declining tourism is because of western border region issues which started on 2017, the government media should announce the issues in time and explain thoroughly. Respondent 80% explained that at present there are many cars in the rental as competing each other in the situation of declining tourism because they are operation by their own capital. 80% of tour operators have rental that directly operating from Yangon or Mandalay head office and for them could not considerable effect. 100% respondents complained on MoHT's Look-East Policy that focus on visa-freed Chinese tours. Most of the Chinese tours are coming from Kuming to Mandalay by direct flight and come to Bagan with Mandalay based car or bus rentals. It means there is nothing economic advantages for Bagan tourism market. Till to the end of May 2019 Chinese tourist arrival is incredible increasing but there is nothing change in Bagan tourism SMEs' environment. (all respondents)

(iii) Tours and Excursion

There are two segments including such as Tour Operator/Tour Companies and Tourist Guides.

Tour Operators and Tour Companies

Normally, there are only five tour operators because Bagan is secondary destination and controlled and managed by Yangon and Mandalay offices for the clients' itinerary.

Table (4.8) Survey Profile for Tour Operators and Tour Companies

No.		Respondents	Education	No. of Labor	Business Status
1		Owner	B.A	10	Small
2		Regional Manager	B.Sc	3	Small
3		Operation Manager	B.Sc	3	Small
4		Station Manager	B.Sc	3	Small
5		Manager	B.Sc	3	Small

Source: Survey data (2019)

In New Bagan, there have 4 tour operators and only one travel company. Most of them are only for the small-sized enterprises and there is no human resource issues due to family type management but there are some issue on tourism marketing. Respondent 1 is the owned-travel company. According to respondent 1, 2018-2019 tourism is increasing due to Chinese tour but there is no support to the regional SMEs except assigned restaurants. Respondent 1 added that the very big barrier of the tourism is domestic airfares which are higher than the other countries.

Not only that, clients are confused of airport formalities sometime at the airlines at airport. Respondent 2,3,4,5 are tour operators managed by Yangon head-office. 80% revealed that there is a ethical problem between tour agents. Look-East Policy of MoHt for Chinese tour is not benefit for the regional development however monopolized markets on some SMEs sectors, by using Manadaly car-rentals and coming day-return only, the Look-East tour policy is only the quantity but not a quality tourism; Bagan tourism destinations are only cultural and there are not too much other attractions.

Table (4.9) Human Resource Management, Tourism, Financing, Marketing for Tour Agencies

No.	Particulars	Percentage of Respondents	
		Yes %	No %
1	Match tourism policies and ground conditions	60	40
2	To use license guide	100	-
3	Punishment on illegal tour agency	100	-
4	Easy to get loan	60	40
5	Expensive air fare and hotel lodging	100	-
6	Government helps SMEs	60	40
7	To find easy for skilled labor	40	60
8	Good networking in public and private	45	55
9	Office staffs can speak other language	-	100
10	Look east Chinese tourism policy can advantage	20	80
11	Good deal with local authorities	80	20
12	Tourism depends on internal and international politics	100	-

Source: Survey data (2019)

In accordance with the table (4.9), cent percent of tour offices are using licensed tour-guides but in the office they can use only the English language. There are big issues of illegal tour agency, airfares and hotel lodging are the most expensive in the South East Asia region as 100% respondents. 80% would not like Look-East-Policy.

Tourist Guides in Bagan

Table (4.10) Survey Profile for Tourist Guides in Bagan

Respondent	Age	Education	Organization	Business Status
1 to 35	Between 25-40	B.A / B.Sc.	B T G A	English Speaking
36 to 52	Between 26-36	B.A/B.Sc. + Diploma	B T G A	English Speaking
53 to 63	Between 40-63	B.A /B.Sc.	B T G A	English Speaking
64	F / 27	B.A German	B T G A	German/English
65	F / 44	B.A, Dip. In French	B T G A	French/English

Source: Survey data (2019)

There are 78 tourist guides under the Bagan Tourist Guide Association (BTGA), As per survey calculator 65 tour-guides out of 78 persons has surveyed including one German and English speaking guide and one French and English speaking tour-guide. Their ages are between 25 to 65 years old and their educational level is at least Bachelor University Degree and some possesses tourism-related-diploma and some have Master degree. Tour-guides human resource development are promoted by BTGA and there have not issue on human resource management and development but there are some issues for the tourism, tourism marketing and responsibility tourism on the ground. For the survey, calculated sample size is 65 persons out of total 78 tour guides by face-to-face-interviewing process. As for Bagan tourist guides, based on the questionaries' there followings: Bagan is the potential from future tourism owing to its location in the region and its cultural, social capital, historical and heritage tourism attributes.

After 2010, Mr Obama visiting, most of the countries are interesting on Myanmar tourism markets and there are many projects invested in Bagan area and there is also plan to direct flight to Cambodia (Angkor Wat). Most of the tourist guides are foreign experiences, that lead to be a entrepreneur, positive self-motivated service providers and start-up business spirit. Most of the guides know how to use ICT and well-organized under guide association networks. Myanmar government is now more attention and assisting so as to develop the qualification system of tourist guiders for the future. However, Bagan is still small player in the tourism sector compared to the ASEAN tour-sites.

There is a lack of access to formal tourist guide training and licensing. MoHT conducts training for national tourist guide only in Yangon at the moment. Regional guide training is delivered by MoHT but in the State and Regional but these trainings are usually ad-hoc requests from local government. Bagan tourist guides are as other cities tour-guides, there is no-income during the rainy season due to the seasonal fluctuations in the visitor flows at least six months. There is a lack of regulatory enforcement resources to the practices of unlicensed guides. Most of the tourist guides are linking only to the local tour operators, not active engagement with the South East Asia Tourist Guide Association (SEATGA). There is a lack of tourism industry experience and understanding across ministries and local government departments' responsibilities for laws and regulations. Some tourist sites are still dirty and lack of toilets and environmental control. At present, most of the tour-sites are existing only in the urban but very rare in the rural area. Sometimes tourists' credit card availability is very constraint. There is no shopping program in their trips. The authorities cannot implement the creative tourism like as Thailand tourism. Fortunately, for the Bagan tour-guide have chances for future. There are arising many tour operators and travel agents including foreign companies. Visa-free East and West Look Policy from MoHT is prone to get new job opportunities. Increased access to mobile communications technology in Myanmar is facilitating easier B2B communications to new business.

There are some NGOs and INGOs are willing to assist tourist guide sector during the tour-off-season. There are many new tourism products for instance, Community Based-Tourism (CBT), Community Involvement Tourism (CIT), Ecotourism for the future due to some virgin lands. There are some issues although in the good chances, there are many treats and issues to the tourism industry especially political issues and negative outlook transmitted from the some broadcasting stations. Some tourism sites are closed due to regional conflicts where is very popular over the world. Government agencies are due to be unable to meet requirements incurred during the quality development process of tourism such as quality training, job creating, policies and law enforcement. Some unlicensed tour companies and unlicensed tour-guides are destroying the market as well as downward price from tour operators on daily fees for guide services. Licensed guides suffer from a loss of contract work and quality of service due to some Chinese tour operators. Bagan is only for secondary place, most of the trips are using the language-speaking-guides

from Yangon or Mandalay (throughout guide), as consequently, some language-speaking-guides are very rare of job opportunities compared to the English-speaking guides.

(iv) Food and Beverage Providers

There are altogether 23 tourism-related restaurants (sponsored by Myanmar Restaurant Association and Trip Advisor Travel Platform) in New Bagan, however most of them are not more than 30 employees. They are operating between 5 to 20 employees as small-sized enterprise. Sample size is 22 restaurants, out of 23 restaurants of total, were collected as data. For the small-sized enterprises, there are accordance with the systematic sampling strategy, it is not too much problems on human resource management and development due to family style managements. Most of the employees are from the rural area of Bagan and mostly the employees are related with the owners. Most of the owners and managers are not older than 50 years old however, respondent 8 is peculiarly 73 years old and their educational qualifications are at least middle school level. 90% of respondents revealed that their restaurants are facing the tour-off-season issue that there is not income but variable cost is existing. After 2017, tourism is declining however, raw material prices are high-up. However, prices are listed in the Trip-Advisor with proposed menu and it cannot revise new menu price. At present, 82 % of respondents dissatisfied on the MoHT Look-East policy because it focused on Chinese tourism and it is not getting well-profit for all restaurants except assigned and monopolized restaurants.

There are only two Chinese restaurants are operating for the Chinese tourists. Not only that, 81% of the respondents revealed that there are new micro-sized and semi-small-sized restaurants on the main road of New Bagan. There are new restaurants every years and competitions are so high between restaurants' environment. Another issue was claimed by 86% of respondents said that, the rent is higher than before and leased-and-open-restaurants are facing under the profit margin within two years. The government offers for the loans if one's has SMEs license but mostly not to credit because tourism business cannot predict till 2020 in accordance with 90% of the respondents. Because of the western-border-issue and some political conflict, 35% of the respondents like local visitors rather than foreign tourists.

(v) Retail Shops

According to the village track and ward administration in New Bagan and Mingaba Village, there are 11 small-sized enterprises and 8 medium-sized enterprises. According to the sample calculator, survey has made by 8 medium-sized and 10 small-sized business as total 18 numbers of the sample size, In accordance with the systematic sampling strategy, it has done by face-to-face-interview. Most of them are combined with workshop and souvenir shop and respondents are mostly between the age of 25 to 73 and their education levels are at least primary level to Bachelor level.

Table (4.11) Survey Profile for Retail Shops

Nos.	Respondents	Education	Sex/Age	Nos. of Labor	Business Status
1	Owner	6th Standard	M/42	8	Small
2	Owner	8th Standard	M/40	6	Small
3	Owner	8th Standard	M/70	7	Small
4	Owner	Primary Std.	M/37	3	Small
5	Owner	8th Standard	M/38	4	Small
6	Owner	Matric	M/73	25	Small
7	Owner	Matric	M/64	13	Small
8	Owner	Matric	M/45	15	small
9	Owner	Matric	F/49	18	Small
10	Owner	Matric	F/55	11	Small
11	Owner	Primary Level	F/40	32	Medium
12	Owner	Basic Level	M/62	30	Medium
13	Owner	4th Std.	M/59	35	Medium
14	Supervisor	B.Sc.	M/23	32	Medium
15	In Charge	B.Sc.	F/30	38	Medium
16	Owner	B.Sc.	F/32	55	Medium
17	Owner	Matric	M/55	38	Medium
18	Supervisor	Matric	M/46	39	Medium

Source: survey data (2019)

In the survey, lacquer ware sector have full of barriers, constraints and issues. However, some small-sized are family typed management are not too much human resource issues. However, both 84% of lacquer ware handicrafts' SMEs are facing following barriers and issues: for the human resource of the business are facing scarcity of skilled labor and professionals; requiring investment to grow and employ more people; 100% of the respondents said that scarcity and high price of raw material especially India, China and Japanese made; at present only traditional design, necessity for new designs and training in design by local authorities. Cent percent of the business worried that lack of interest from youth and if it is going like that their cluster will be diminished within a few years and the government should not only support by loan but also share technique and market access; especially 83% of the small-sized business has faced by high staff turn-over due to hospitality sector is booming; for the export, there are high costs for freight and transport; 90 % of the respondents revealed that the local Lacquer ware Technical College, Bagan is not effective in assisting in regional lacquer-ware sector; 84% of the local people in business are not business minded, entrepreneur spirit and initiative in their own business and prefer comfort zone as status-quo environment; especially cent percentage of the medium-sized retail shops complained that 30% commission-on-sale given to tour guides and 20% to the driver and it is going to be one of the product high prices. 83% of the respondents revealed that since from the 2017, there is not too much tourist yearly in the low-tour-season impacts to the human resource factors, consequently, at present some workshops are stopped during the rainy season. It is needed to intervene by the authorities concerned with something so as to get job opportunities in the rainy season.

The following is facts that based on the questionaries' for the lacquer ware sector and souvenir shops : Bagan lacquer ware business is good for future and there are large increase of tourists to come; Bagan climate condition is ideal for cellar drying lacquer ware; government liberalization and administrational decentralization are advancing; Bagan lacquer ware artisans obtain respect from Myanmar population; all tourists could not escape from Bagan; some lacquer wares' design are depicting only for the 1000 years old Bagan period's history and cultures; but there are some difficulties for lacquer ware business. Because, all of the raw materials are imported by foreign exchange; there is no peer-group-networking; seasonal fluctuations of raw material prices and going high year by year; Lacquer ware College graduated youngs

are little reliance in the regional economy; packaging and shipping are very expensive and it happens to destroy the lacquer ware export market; lack of support from the government; distribution channels are stifled by the time taken to fulfill orders, quality of products and low prices offered; there is no qualification checking authorities; no rules and regulations for the fake or plastic substitution products.

For the future tourism, there are large amount of tourists will coming in the future that hope after 2020; Mobile phone access is advantages in the region and there will be on-line marketing near future; collective purchasing of raw materials increase in economy of scales would offer buyer power in negotiations, better quality and lower prices possibility; in Myanmar, lacquer ware produces only in Bagan and getting branding quality products; at present the government loan can be available; for the future, potential for export markets and joining global value chain. Some issues and constraints on lacquer ware business are: lacquer sap (*thitsi*) quality and quantity; fake product and plastic substitution product is cheaper and more attractive than the genuine one but there are no rules and regulations for fake products and such a products' sale-person ; red color pigment is the rarest one; there are round about 700 illegal micro firms are producing low grade products and selling as genuine products price; in the Naung-U market and road-retailers are important competitors for the genuine SMEs products; skilled labor, young generation, youth, Lacquer ware College graduates are not willing to join in the industry owing to be low-incomes. Lacquer ware owners believed that within one decade, unless the government supports, lacquer ware industry will be disappeared.

CHAPTER 5
CONCLUSION

In Myanmar, there are many types of SMEs, but SMEs in tourism industry is running and operating differently from the other SMEs. Tourism industry is a complex industry that is various type of SMEs. Actually, the tourism value chain is very broad, however, this thesis focuses on the only five basic providers with six SMEs businesses. After surveying, followings findings have obtained in respective Small and Medium-sized Tourism Enterprises.

5.1 Findings

Small and Medium-sized Enterprises in tourism sector are supporting indirectly to tourism environment. In order to improve tourism sector, there should be emphasized on Small and Medium-sized Tourism Enterprises. Followings are finding after surveyed on New Bagan's Tourism SMEs business and some recommendations in order to improve SMEs as well as tourism industry.

(a) Small and Medium-sized Hotels

Survey has conducted on small sized 17 hotels and 12 medium sized hotels that altogether 29 hotels with their human resources, market-related-tourism and financial status. For the small-sized hotels, human resources are not many complexity due to the family typed. The owner is managing everything and all of the costs and expenditures are controlled. That is why, most of the employees are from the rural area with little education and employees are trained in-the-job-training only, however, the owner has chosen thoroughly for the hotel manager position and the owner and the hotel manager is operating the whole hotel business. Most of the employers including the manager are poor English speaking and they have not entrepreneurial-spirit anymore too. For market-related-tourism, as the other hotels, they have impacted by tourism declination more or less since form 2017, however, their alternation is switched-off to the local pilgrimages.

At present, small-sized hotels are prefer to the local visitors rather than foreign visitors. The small sized hotel hoped that Ministry's Look-East Policy for the Chinese tourist but it is in vain practically. At present, there are many loans can get from the government, NGOs and INGOs, the respondent 11 is extending their hotel area by crediting from the government low-interest-special-loan. They are prone to face some issues for illegal home stay micro-sized guest-house in the village tracks, however, there is no rules and regulations at the Ministry because some home-stay guest houses are existing without tax, now. For the medium sized hotels, for the human resources, they are very well-organized as organizational chart. Some hotels are controlled by foreigners form the executive levels. They recruited professional employers and looked for skilled labor only. That is why, their main problems are seasonal turn-over, and most of the employees are transferring during the off-tour season due to salary dissatisfactions. They have never credited from the government because they have shareholders as well as share-holders. In the tourism marketing, medium-sized hotels are running their contracted tour companies even Free-Individual-Tourist (FITs). In the off-season especially in the rainy season, there are some clients such as Spanish and Japanese. But the government Look-East-Policy for Chinese tourism in round-the-season is not affecting the hoteliers' business. Last year, the ratio of the visitors on arrival to Bagan and quantities of hotels are below the average levels. The group of hoteliers are worrying such a tourism-decline for a long time.

(b) Local Car Rental Service

Car rentals in New Bagan are mostly small-sized family enterprises and they are running not more than five employees. That is why, car-rentals are not facing human resource issues especially. However, normally, they are affecting current impacts of the government's policies and rules of the law. The most popular car rental in New Bagan, respondent 2 felt that some Free Independent Travelers (FITs) come to Bagan by express from Yangon or Mandalay. When they arrived at Express-Bus-terminal in Nyaung-U at the early in the morning, they hired Tok-Tok to their hotel. The Tok-Tok drivers charged them between MMK.10,000 to 20,000.

According to the respondent 1, once the police station asked for interpreter for the case of exorbitant-taxi-fare from Bus-terminal to hotel in New-Bagan. However, the police and Ministry could not charge to the drivers who asked very-high-taxi-price. Respondents added that it was going to be damaged to Bagan's tourism image.

At present, most of the micro-typed E-Bike rentals can see along the main road and every corner of the streets. Most of them have not hiring nor did renting licenses and they escape from the annual taxes too. For the Look-East-tourism is non-affecting-business for the local car-rental. Mostly, they landed at Mandalay and came by cars which rented from Mandalay and they went sight-seeing with Mandalay-limousines.

(c) Tour Company and Operator.

There are only five tour companies and operators in New-Bagan area. Thus, for the SMEs of tourism industry, this sector is not playing a vital role, most of them are agencies and operators only. In the New Bagan, for the five numbers were surveyed and interviewed. The tour company and operators also small-sized enterprises and their management and organizational are family-typed. There is only travel and Tour Company and others are tour operators with the employees of not more than five.

For the tour company respondent 1, he is very senior in the New Bagan. Respondent 1 revealed that tourist arrival is declining since from 2017. At present, some tourist guides are running as a illegal-ticketing-office and they are persuading their clients with the fare lower than registered tour companies. This is not a crime but unethical behaviors. One of the big barriers of the tour company is high rate of airfare and hotel lodging. Like that actions are going to be illegally competition for the private-owned tour company, however, tour operator cannot effect because local tour operators are just a regional branches and they are only subordinated agents. The respondents form 1 to 5 have the same voices that most of the companies are doing business unethically; Ministry's Look-East-Policy for the Chinese tourism is nothing effects on local agencies.

(d) Tourist Guides in Bagan

They are well-organized sector under the Bagan Tourist Guide Association (BTGA). Most of the tourist guide, 65 persons out of 78 persons in Bagan area, are educated and very interesting in the tourism field but most of them are jobless during the rainy season and present situation of tourism-declined. Some switched off to the other trade such as hotel and owned business. All respondents are same argued that in Bagan, tour agents are using only English speaking tour guides as known as stationed guide. It is only 3 days to do in which two days are transfer and only one day is full-

day. As a result, guide-fees for transfer is USD 15 and full-day is USD35. It means that for the 3 days, the guides earn USD 65 only. For the language speaking guides, there are at least 10 days with USD 50 per day, however, language speaking guides are coming together with the clients since from the Yangon or Mandalay. In Bagan, BGTA has tried to manage language guides to use but their efforts were in vain due to be a secondary tour-site. Most of the guides are leisure time in the rainy season and they have no earning. Bagan guides are running for the families with the money which earned in the tourism-season and the guides are living hand-to-mouth-life. The new project from Ministry, Look-East-Chinese-Tourism is not favored on the Bagan guides.

(e) Restaurants in Bagan

In Bagan most of the restaurants are small-sized only and operating the owners by self. For the foreigners only shops are listed in the Trip-Advisor and declared their menu lists in owned-websites. At present, all of the prices are gone up, however, they cannot change their price for the year 2018-2019 tourism year. They are selling especially for the foreign tourists, during the rainy season there are not too much clients. Such restaurants are facing non-profit but only the expenditures. But some restaurants lesser than respondents mentioned above, it can be changed the price list according to the current raw prices. They have better than those of foreigner only restaurants, some local clients are coming to have meals. The biggest issue is MoHT's Look-East-Chinese-Tourism. Chinese tour companies are arranged from either Yangon or Mandalay in order to be convenient when they are arriving in Bagan. It means, they are monopolized some restaurants in New Bagan for Chinese tourists. Some Chinese companies came to look for local small restaurant with exorbitant prices so as to open Chinese restaurants for Chinese tourists. As a Chinese nationalism, Chinese clients can eat Chinese owned-restaurants. Land prices in New Bagan also raising up however, in practical there is nobody buy. Some small shops owned by local peoples are being expecting to buy by Chinese businessmen and they are ready to give-up their food and beverage environment.

(f) Lacquer ware Workshop and Souvenir Shop

This segment comprising small and medium-sized enterprises, not only that there are 600 to 700 micro-size that less than 10 employees working as a cottage

industry. That is why, this business is as bigger as accommodation business and the most important player in the tourism industry because it is only one lacquer ware city in Myanmar. For finding in the lacquer ware cluster: shortage of skilled workers especially in the production sector, there is a Government Lacquer Ware Technical College in Bagan however, the graduated persons are not performed in the regional business. Second finding is that lack of interest by younger generation as it is not perceive as an attractive career option. Not only that but the parents also encourage their children to pursue other professional careers rather than engaging in a lacquer ware related career. Third finding is: lack of financial institutions that provide loans because SMEs cannot sell their products or stocks on time to generate revenue and increase working capital due to build better drying cellar. Forth finding is: lack of international market experience, limited marketing skills and promotion, high level of competition by other substituting products and lack of access to internal markets. Fifth finding: weak supporting institutions and lack of efficient and effective logistic support as four channels. Sixth findings are: lack of product quality control and control of quality raw materials.

(g) Present Myanmar Tourism and its SMEs

The majority of the respondents stated that the prospect of Myanmar travel and tour business in the next decade will be good however, at present, Myanmar tourism is also many weak points such as : lack of trained human resources; Insufficient public services; infrastructure and financial systems; weak regulatory environments; insufficient coordination among and between the public and private sectors; lack of tourism information and statistics; domestic airfares, hotels, transports are expensive in the ASEAN region; political unrest areas are still existing. Because of the tourism industry's weak point consequently tourism SMEs will not booming up.

As a conclusion, tourism industry should operate simultaneously tourism related small and medium enterprises. It is only the sector, SMEs and business sector are mutual relating each other in the industry. That means, SMEs and tourism industry is depending on each other not only internally but also some political factors, economic factors, social factors and technological (PEST). These factors can improve SMEs in tourism industry, thus, there should be taken measurements on internally as well as externally not only the SMEs but also tourism industry.

5.2 Recommendations

Recommendation for Hotels: Most of the medium-sized hoteliers need to promote, expend tourism marketing in Bagan region as well as to find some new tour-site-products near Bagan region such as Community Based Tourism (CBT) and Community Involvement tourism (CIT) in order to develop rural and village areas.

Recommendations for the car-rental SMEs sector are not too much, authorities try to promote regional tourism by the government, need to be checked and patrolled by the police the every now and then. Not only by the police but also the concerning authorities examine for the illegal transportations in the region. Otherwise, because of the E-Bikes and unethical drivers, tourists went to very far uncommon places and broke crimes out very frequently and Bagan's cultural reputations can be damaged.

For the recommendation on the tour operator segment, the local authorities to develop the region as well as to check taxes on not only the listed tour companies but also micro-sized ticketing agencies

As a recommendation on tour guide segment, at present policy of the Ministry of Hotels and tourisms (MoHT) is responsible tourism, however, instead of it, MoHT should implement as Creative Tourism as Thailand. In doing so, there will be many new tourist site products in the Bagan region.

For the recommendations on Restaurants, according to the Minister of MoHT, there is only for the market competition and the authorities could not intervene such issues. However, most of the restaurant owners are expecting tour season as round-the-year as well as to persuade for the local pilgrimages.

Recommendations on Lacquer ware, the government can add vocational training program to the current Lacquer ware Technical College. As for second recommendation is that the government can also create research center and conduct on the lacquer ware markets both on domestic and international levels, how to improve the production process, how to improve the work environment at the firm, and lastly, associations, development agencies or government institutions can conduct studies on the existing traditional way and improve the efficiency and effectiveness of on-the-job training especially young in the region. For the third recommendation is: most of the SMEs owners prefer to generate revenue or raise capital from sales and to increase working capital rather than providing loan from the concerning authorities. As forth recommendation is that developing agencies and the government can strengthen the supporting institutions including business associations. Fifth

recommendation: administrative reform particularly the private sector and public sector coordination is must and need to support from the associations. Improvement of logistics infrastructure will shorten the time of transporting or shipping domestically in order to save the costs.

For tourism business in Myanmar as well as tourism SMEs, for both recommendations are as follows : launching of new tourism sites and expend ecotourism, natural tourism, shopping tourism as creative tourism; improving infrastructure, reducing taxes, to improve provision of services/ capacity building on staffs, employment opportunities for skilled young people having capacity building, expend to use of credit card as well as products export of tourism SMEs, providing awareness of conserving cultural heritage to the locals in the tourism as well as SMEs business. To build new airport, hotel zones and useful lacquer wear poly-technical institutes, to boost up some small-sized enterprises by supporting loans and technical assistance.

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APPENDIX

QUESTIONNAIRE FOR SURVEY

Following survey questionnaire are abstracted from the following references. (see in Reference)

Ministry of Hotels and Tourism (MoHT. 2017). *Myanmar Tourism Human Resource Development Strategy and Action Plan 2017-2020*. Nay Pyi Daw, Myanmar: Ministry of Hotels and Tourism (MoHT) and Luxembourg Development Project.

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I. Questionnaires for Hotels

1. Do your organization has on-the-job training for the employees?
2. Which training so you plan for your subordinates? 1) private trainings based on relevant subjects; 2) employ professionals to teach for training; 3) in-house training; 4) internship at first.
3. Do you think trainings provide advantages for the future of employees' capabilities and it is important for the future?
4. Does your organization have job rotation?
5. Does this hotel consider about the leadership, people management, financial management in recruiting?
6. Do you prefer physical behavior or ethical skills in recruiting?
7. It is easy to obtain the skilled labors in recruiting?
8. Do you consider hard and soft skills of the labor in recruiting? 1)very important 2) not so important 3) not important
9. Which one is better, recruiting skilled labor from the outside or planning on the job training in the organization?
10. Do you recruit the skilled labor in the certain area?
11. Do the employees come from the homeland or rural areas?
12. Is it easy to find out the skilled labors or scare?
13. Which position is difficult to recruit Manager? Supervisor? Skilled labor? Unskilled labor?
14. Is there HR department? For If yes, is there any guidance or plan for the employee's future road-map ?
15. Who do more come to your hotel whether foreigner or local clients?
16. When do you get the capital to expand the work your hotel?
17. Since from 2017, there is declination in tourism, does it impact your hotel?
18. Which one do you want to prefer wither foreigner or local clients?
19. Do your good hotel use ICT widely?
20. Which language is chosen to communicate with the clients in your hotel?
21. Do the most of employees can speak any other languages?
22. Is Chinese tourist Look-East Policy advantages on your hotel?
23. Is there labor-turn-over very frequently?

24. How long it does the probation period take? And how is the salary during the probation period
25. Is there any head hunting manner in your business environment?
26. Do you have any retention plan?
27. Does your good hotel practice reward system or the incentive system to motivate the employees?
28. How do you think that labor-turn-over can impact your organization?
29. What are the main reason of labor turn-over?
30. What would you like to suggest on the current tourism policy?
31. Does the government need to upgrade tourism marketing management?
32. How do you think that tourism depends on policy and politics?
33. How do you feel on present infrastructure especially for electricity?
34. Is it easy to deal with government and local authorities?
35. Most of the employees have willingness and capabilities. Do they have the sense of entrepreneur and creation when they are working? 1) highly 2) moderately 3)None

II. Questionnaires for Tourist Guides

1. How is the tourist situation comparing to 2017?
2. Does the government provide the trainings to support the guide license such as Regional or National grade?
3. Working period of the tourist guide takes only six to nine months. What kind of jobs they do after this working period?
4. There are non-licensed tour-guides out there in some companies, it is true?
5. How does it take action for the non-licensed guides in obvious areas of places?
6. Is there any training or on-the-job trainings or education seminar or forum for the tourist guides sponsored by anyone?
7. Do you think the tour-sites need to plan well everything including washroom? If say YES, please suggest your ideas?
8. Most of the tour-sites are at only in the city state and surroundings. Is it possible to make new products in the rural areas?
9. Have you ever seen the well-established of creative tourism in Myanmar?
10. Does the tourism depend on policy or politics of one's country?

11. Which needs to be upgraded for the tourism become better? Policy? Rules and Regulations? Logistics? Basic infrastructure? Regional legislation?
12. It can achieve rural development by tourism such as Community Based Tourism, Community Inclusive Tourism projects?
13. The reason of the declination of tourism since 2017 is HR issues? Country's issues? Lack of attraction? Lack of promotion and marketing?
14. Due to Look-East-Policy, there are many Asian tourist especially Chinese, is it any improvement to the tourism as a whole? If say NO, Can you give resons.
15. Is there time limitation for the tourists to go-shopping or does the guides arrange him/herself?
16. Where do the tourists look for the souvenirs at Gifts Shops? Random Shops? Or Road Stalls at the markets?
17. Are there any difficulties for the tourists in exchanging currency?
18. What would you like to suggest on current tourism conditions?
19. Are there any organizations which support the tour-guides?
20. Is it easy and quick for the documentation in government office?
21. Most of the employees have willingness and capabilities. Do they have the sense of entrepreneur and creation when they are working? 1) highly 2) moderately 3)None
22. How do you feel on present infrastructure especially for electricity?

III. Questionnaires for Tour Agencies

1. Let me know the situation of tourists' arrival in 2018-2019 tourism season.
2. Does the policy implemented by MoHT conform on the current ground situations?
3. What kind of tourist guide is used? Either licensed or illegal guides?
4. Are tour companies convenient with the government-tax?
5. Are there any laws and Acts in MoHT's policy to act upon the fraud if the illegal tour companies?
6. Is the government lending possible easily to make the investment?
7. Is it true that the air-fares and hotel-lodging are expensive in the SE Asia?
8. Does the policy of MoHT support entrepreneur or setup incubation business?
9. Is it complicate to find the professionals and skilled labor for recruiting?

10. Is the strong link between the private & public infrastructure?
11. Can the employees speak in English? And any other languages?
12. With which channels do the marketing & promoting can be used through?
13. Does your company face with which are, mentioned below: 1) market competition 2) lack of skilled labor 3) rules and regulations on government tax 4) lack of support from the government 5) weak market share.
14. How do you estimate the future tourism conditions?
15. How do you think on MoHT's Look East Chinese Tourism Policy? Is it important to improve the tourism as a whole?
16. Is there any suggestion upon the infrastructure especially Electricity?
17. Any appraisal upon the current tourism?
18. In government offices, is it ease and quick for documentations?
19. Are you using the Information Communication Technology in your good agent?
20. Most of the employees have willingness and capabilities. Do they have the sense of entrepreneur and creation when they are working? 1) highly 2) moderately 3)None

IV. Questionnaires for Car rentals

1. Which one is more available in your good agency that saloon or bus?
2. Does it hit the break-even-point when there is high-priced fuel at present?
3. Does the tour company take responsibility to ask for the updated car renting fees when there is highly fuel price?
4. How many months apart tour company takes to disburse the car rental fees?
5. Does the company recruit the drivers intentionally or using random drivers?
6. Do the drivers leave the job when there are no responsibilities in the monsoon season?
7. Which strategy is being used to maintain the drivers in monsoon season?
8. What kind of difficulties the drivers are facing with?
9. How would you like to suggest to Myanmar Tourism Market as being the rental one of the tour market?
10. Where do the drivers come from downtown or rural area?

11. It is easy and quick for the documents regarding to the government?
12. Does the MoHT's Look-East-Chinese-Tourism-Policy can advantage your rental business? Can you give your opinion on it?
13. Is the ICT well used in your good agent in order to get good communication with your stakeholders?
14. Where do you get the capital for the expansion of your business 1) by self 2) government 3) privately 4) NGOs
15. Most of the employees have willingness and capabilities. Do they have the sense of entrepreneur and creation when they are working? 1) highly 2) moderately 3)None

V Questionnaires of Restaurant

1. How many employees are there?
2. Are western foods available beyond Myanmar food?
3. Have the Chef or Chief Cook already got the competency certificate from MoHT?
4. Labor turn-over frequently (what if)?
5. The reasons of labor turnover 1) salary 2) unsatisfied 3) personal case
6. Are there any trainings such as on-the-job training for new employeers?
7. How the impact of new restaurants to tour settled restaurant?
8. How do you normally recruit? People from downtown or from rural area?
9. Are there any expertise & skilled labor in certain working area? Is it easy to find out?
10. Do you increase your prices when there price increasing in raw materials?
11. Where do you get the capital for the work-expansion?
12. What would you like to suggest the current tourism restaurants?
13. Are there any organized teams under the faculty of Union of Myanmar Tourism Association according to the restaurant?
14. Does the MoHT's Look-East-Chinese-Tourism-Policy can advantage your rental business? Can you give your opinion on it?
15. Is the ICT well used in your good agent in order to get good communication with your stakeholders?

16. Where do you get the capital for the expansion of your business 1) by self 2) government 3) privately 4) NGOs
17. Most of the employees have willingness and capabilities. Do they have the sense of entrepreneur and creation when they are working? 1) highly 2) moderately 3)None
18. What would you like to suggest upon the superstructure such as electricity?

VI Questionnaire for Lacquer Ware Shops

1. How many years this business has been establishing?
2. Is it easy to find out skilled labor for lacquer ware production? (if not easy please give any reasons)
3. Is there loan available for work expansion from the government easily? If it is available, how the process is?
4. Is the price expensive year by year for raw materials or cheaper?
5. This lacquer ware industry focused on foreigners. So, does it create any updated design for them?
6. Are there enough professional designers in the business?
7. The etcher is the essential for the workshop. They are scare and competitive salary, is it true?
8. Which age is preferred to be recruited? Young adults, adults or senior?
9. Young adults have less interest in this field, is it true?
10. Is it convenient to maintain the documentation and work regarding to government?
11. Do the labor turnover and migration normally happened in your sector?
12. What if the foreign ask for the delivery of their bulk purchasing, is it available? As for the shipping charge 1) cheap 2) fair 3) expensive
13. Do the young adults who received specific education in lacquer ware come and get involve in the industry? Bagan lacquer ware is provided and supported by the government lacquer ware college? 1) highly supported 2) less supported 3) not at all

14. Most of the employees have willingness and capabilities at work. They do have the sense of entrepreneur and creative 1) highly 2) moderately 3)not at all
15. Foreigners say that Bagan lacquer ware are more expensive than other countries. Do you think it is because of the commission 30% to guide, 10% to driver? 1) yes 2)No 3) Not concerned with that
16. Too many Chinese tourists enter because of the Look-East-Policy of MoHT. How do think, is it positive impact on your business?
17. Does the Look-East-Policy of MoHT makes development of Bagan Region?
18. Is ICT used in your good industry?
19. How do you achieve the capital for the expansion of your business?
20. How do you achieve the capital for the expansion of your work? 1) self 2)government 3)private 4)NGO
21. How do you like the basic infrastructure especially electricity?
22. Is there globalization market? If not please analyze the reason?
23. Are you working in the same sector network?
24. Do you prefer family traditional business or it uses the global technique?
25. Which party is responsible for QC?
26. Is there legislation for lacquer ware imitation?