

The study on the Tourism sector Development in Myanmar (2004–2017)

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Abstract

Myanmar has an abundance of natural and cultural tourism assets, including 2,832 km of coastline, the pristine Myeik archipelago, 36 protected areas covering 5.6% of the country, outstanding examples of religious and vernacular architecture, and a youthful population of about 60 million that includes over 100 distinct ethnic groups. The historic legacy of former kingdoms, the colonial period, and World War II complement these assets, providing a unique setting for the development of a responsible tourism industry. The study aims to explore the development of tourism sector of Myanmar (2004–2017). Descriptive method is mainly used in this study. Most of the data are gathered from Myanmar Tourism Statistics (2012, 2013, 2014, 2015 and 2016) and websites hosted by the Ministry of Hotel and Tourism. The study indicated that the development of tourism sector increases slowly and several requirements are still needed to develop tourism sector.

Key words: Tourism, Tourists, Myanmar

1. Introduction

The tourism industry (smokeless industry) is one of the world's largest industries. Government agencies and even local communities have already recognized tourism as important to development and modernization. In fact, every country has been trying to create and attract their uniqueness of tourism products to consumers. Understanding or monitoring the level of tourist satisfaction is of importance in promoting or maintaining the successful tourism industry (Tint, Myo, & Lar, 2018). International tourism is a labor-intensive industry, with jobs concentrated in accommodation, food and beverage, retail, transportation and recreational services. Tourism is one of the most labor intensive industries in the non-agricultural sectors, offering unskilled and semi-skilled workers access to well-paid lifelong employment in the service economy. Tourism also creates significant employment in the informal sector (Tourism master plan, 2013). Tourism industry has emerged as one of the leading service industries in the global economy in recent decades. For example, according to the World Tourism Organization (2010), as a result of an ever increasing number of destinations opening up and investing in tourism development, modern tourism has become a key driver for socio-economic progress through the creation of jobs and enterprises, infrastructure development, and the export revenues earned. Economic flows generated by international tourism have become vital factors in economic growth and international economic relations in many developing countries. In the case of historical view on Myanmar tourism sector, Myanmar tourism

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market was started by Thomas Cook in the colonial era, before independence. Many local travel agencies, famous tourist firms such as Tharawaddy Maung Maung Tours, Mandalay Tours and Mercury Tours appeared. The administrative body for international tourists visiting Myanmar in this period was Tourist Information Service (TIS). During those days, tourist visas were valid for one month. During the Revolutionary Council period in 1962, a travel agency, Tourist Burma was established under Burma Economic Development Corporation (BEDC). In 1978, the Tourist Information Service (TIS) and Tourist Burma were incorporated as the Hotels and Tourism Trade Corporation under the Ministry of Trade. Tourism business during the socialist period was not successful. Under BSPP (1962–1988) tourist visas were initially limited to 24-hour day trip but later this was extended to seven days. In 1988, a market-oriented economic policy was adopted and trade sector was liberalized. Local and foreign investment was welcomed in many economic sectors of the country including tourism sector. Before 1988, Myanmar was still on its initial stage of tourist destination worldwide with 41,418 international tourist arrivals (MOHT, 2006). The Government of the Republic of the Union of Myanmar (GOM) is transforming its political and economic system to enhance inclusive economic growth, accelerate poverty reduction, and increase the living standards of Myanmar's multiethnic population. Owing to its ability to rapidly create jobs and stimulate the expansion of many economic sectors, responsible tourism development is a national priority. As a result of sweeping political and economic reforms, The Republic of the Union of Myanmar is enjoying unprecedented tourism growth. Between 2011 and 2012, visitor arrivals increased by 29.7% and, for the first time in its history, Myanmar received over 1 million international visitors. Other key drivers of growth include the rapid expansion of scheduled inbound flights, eased tourist visa-on-arrival privileges at gateway airports, improving business and investment conditions, and the growing demand for international travel among regional and long-haul markets. Although Myanmar possesses diverse and extensive cultural, natural, and historic assets, it has only begun to develop its enormous tourism potential. Due to the income- and employment-generating opportunities it creates, tourism is a global industry with special economic significance to developing countries. Consequently, the Government of Myanmar (GOM) has prioritized tourism development in its Framework for Economic and Social Reforms. To help ensure that tourism growth delivers broad and equitable social, economic, and environmental benefits, GOM adopted the Myanmar Responsible Tourism Policy in 2012. The policy is also endorsed by the Myanmar Tourism Federation (MTF), and is highly acclaimed by both civil society and development partners. It has become an emerging tourist destination for international travelers, which rose to 4,681,020 in 2015. The tourism industry has emerged as a key driver for a sustainable socio-economic development

worldwide. The sector has become an increasingly important source of revenue and employment for many developing countries.

2. Literature Review

2.1 Definition of Tourism

According to World Tourism Organization (WTO), it has recommended the standardized definition that is applicable worldwide. Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure business and other purposes. There are three types of tourism classified by World Tourism Organization. These are historical tourism, leisure travel, winter tourism and mass tourism. The developments in technology and transport infrastructure have made many types of tourism more affordable. Over the past decade, tourism has become the largest industry worldwide in terms of employment and share of global GDP. One of the fastest-growing segments of tourism industry is that more people are interested in spending their leisure time in nature and enjoying ecotourism. By using natural resources and environments as key physical inputs, tourism plays an important role in economic development at community, national, regional and global levels. The terms tourism and travel are sometime used interchangeably. Tourists were categorized into local, regional and international tourists. Local tourists are those tourists who travel from their normal places of residence but within the same country, regional tourists are those who visit within a defined geographic region and ,international tourists are those who travel outside their countries of residence usually to another continent. There are many studies done on tourism and economic growth. The studies can be categorized into two, single country studies and country group studies. Some empirical results from the previous studies are as follows.

E.M. Ekanayake and Aubrey E.Long (2012) examined the relationships between tourism development and economic growth in developing countries using the newly developed heterogeneous panel cointegration technique and the causal relationship between tourism development and economic growth using Granger causality tests in a multivariate model and using the annual data for the 1995–2009. **Hakan Kum, Alper Aslan, Merve Gungor (2015)** studied tourism and economic growth: The Case of Next-11 Countries. In this study, the results show that there was a long run relationship between tourist arrivals and gross domestic product (GDP). **Carolin Lusby and Kathy Eow (2015)** studied tourism development in a new democracy: Residents' Perceptions of Community-based Tourism in Mawlamyine, Myanmar. It was found that locals and foreign tourists believe that the city's tourism potential lied in its rich natural and cultural environment, but infrastructure, services, and hospitality/tourism training of locals to support tourists were severely lacking. The major barrier to CBT implementation

as cited by local residents was the government and its restrictive business-ownership policy. **Abdulkarim K. Alhowaish (2016)** investigated the causal relationship between tourism development and economic growth in Gulf Cooperation Council (GCC) countries in a multivariate model, using panel data and adopting a panel Granger causality analysis approach to assess the contribution of tourism to economic growth for the period 1995–2012. The results show a one-way Granger causality as a whole for GCC countries. **Soe Tint, Win Pa Pa Myo, Naw Mar Lar (2018)** explored the level of tourists satisfactions from two generating regions, Bagan and Mandalay. The study shows that tourists from two different regions rated the highest average score at “very satisfied” with the ancient monument, architectural style, and traditional ways of living of inhabitants. In addition, the study revealed that they rated the medium average score at “moderately satisfied” with the cleanliness of accommodation, staff services, safety and security, cycling around Bagan and hot air balloons.

3. Descriptive Analysis of Tourism Sector

3.1 Current situation of Myanmar Tourism Sector

Due to raising the standard of living, more people acquiring greater free time, and improvements in technology making it possible to travel further, faster, with cheapest expenses and in greater number. Myanmar possesses vast natural resources for tourist attraction with diversified ecosystems. According to the record, there are 7000 plant species of which 1071 are endemic, about 100 of bamboos, 30 species of return and 800 species of orchids (Thandar, 2014). As for the fauna, Myanmar also possesses about 1000 bird species (12% of world’s total), about 360 known reptiles, approximately 300 mammal species and sixty-eight types of swallowtail butterflies. Thus, Myanmar is recognized as the last frontier of the global biodiversity in Asia. A variety of costumes, dialects and customs uniquely related to major ethnic groups and over 100 minor groups are also assets for tourism sector in Myanmar.

3.2 Myanmar’s Tourism Policy

The MOHT¹ is led by a Union Minister and comprised of the Directorate of Hotels and Tourism (DHT) and Myanmar Hotels and Tourism Services (MHTS). The DHT mainly handles policy making, planning, project management and tourism regulation. MHTS undertakes business-related activities such as travel and tour operations, accommodation services (state-owned, joint ventures and lease agreements) and the production and distribution of beverages. The overarching legal directives for tourism in Myanmar are enshrined in the 1993 Myanmar Hotel and Tourism Law. The objectives of the Law are;

- (i) systematic development of the hotel and tourism industry

¹ MOHT- Ministry of Hotel and Tourism

- (ii) to enable tourists to observe Myanmar cultural heritage and natural scenic beauty
- (iii) to prevent destruction and damage of cultural heritage and natural scenic beauty due to the hotel and tourism industry
- (iv) to contribute to international friendship and understanding through the hotel and tourism industry
- (v) to develop technical knowledge relating to the hotel and tourism industry and to open up more employment opportunities; and
- (vi) to provide security and satisfaction for tourists.

The Ministry laid out general policies of tourism as follows:

1. to foster international understanding and to promote positive image through cultural exchange;
2. to generate foreign exchange earnings and create employment opportunities;
3. to avoid negative impacts by mass tourism;
4. to be keep in balance with the country's economy and social capability of absorbing tourism growth; and
5. to preserve and safeguard of national character and traditional values

3.3 Tourists Arrival in Myanmar

In order to promote tourism sector, Visit Myanmar Year was held in 1996. The tourist visa validity and entry visa for tourists were also extended since 1998. Overland entry is permitted to Thai and Chinese tourist with border passes and to third party tourists with visas at designated check points along Myanmar–Thailand and Myanmar China borders. There are three entry points (Yangon entry point, Nay Pyi Taw, Mandalay and Naung Oo entry point and Border Tourism). According to table 3.1, the number of visitors round about seven thousand is unchanged from 2004 to 2010. It increased from 2011 to 2015.

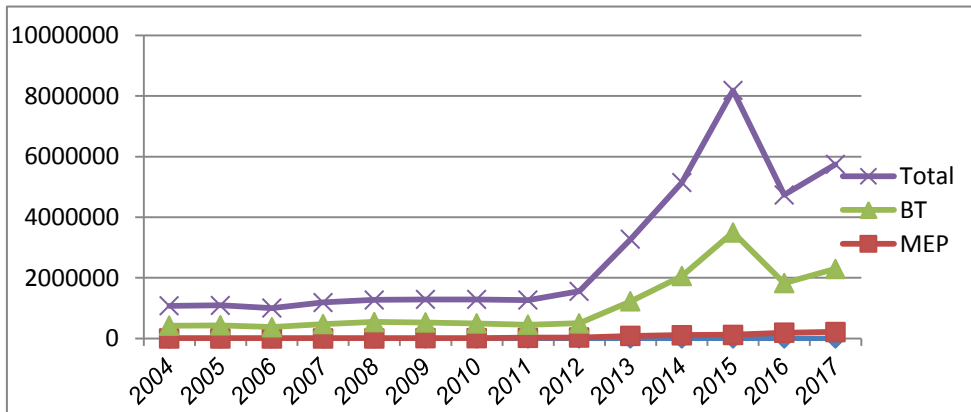


Figure 3.1 Tourist Arrivals by Entry Points

Arrivals by Entry Points

Table 3.1 Tourist Arrivals by Entry Points

Year	Yangon Entry Point	Nay Pyi Taw, Mandalay and Nyaung Oo Entry Point	Border Tourism	Total
2004	236370	5566	414927	656910
2005	227300	4918	427988	660206
2006	257594	5920	366547	630061
2007	242535	5541	468358	716434
2008	187766	5553	537911	731230
2009	234417	8861	519269	762547
2010	297246	13442	480817	791501
2011	364743	26433	425193	816369

2012	559610	33771	465614	1058995
2013	817699	82462	1144146	2044307
2014	1022081	109543	1949788	3081412
2015	1180682	120901	3379437	4681020
2016	1080144	192452	1634611	2907207
2017	1146069	216879	2080185	3443133

Source: Myanmar Tourism Statistic

Table 3.2 Visitors by Nationality

Region	2012	2013	2015	2016	2017
Asia	380404 (64.11%)	630399 (70.03%)	938487 (72.10%)	864523 (67.94%)	953801 (69.98%)
West Europe	130296 (21.96%)	158163 (17.57%)	209300 (16.08%)	237889 (18.70%)	239358 (17.56%)
North America	44074 (7.43%)	62628 (6.96%)	83866 (6.44%)	91526 (7.19%)	87153 (6.39%)
Oceania	20650 (3.48%)	28079 (3.12%)	35566 (2.73%)	39172 (3.08%)	37644 (2.76%)
East Europe	9077 (1.53%)	10183 (1.13%)	15433 (1.19)	17568 (1.37%)	20069 (1.48%)
Middle East	3747 (0.63%)	3396 (0.38%)	5527 (0.42%)	7140 (0.56%)	6465 (0.48%)
Other Americas	3535 (0.60%)	4625 (0.51%)	9575 (0.74%)	10999 (0.86%)	12592 (0.92%)
Africa	1598 (0.26%)	2688 (0.30%)	3829 (0.29%)	3779 (0.30%)	5866 (0.48%)

Source: Myanmar Tourism Statistics

3.4 Popular Destinations in Myanmar

Myanmar offers different kinds of tourism such as cultural tourism, ecotourism, leisure tourism, marine tourism, pilgrimage tourism, memorial tourism and adventure tourism due to possessing diverse geographical sites, natural resources and numerous historic places. There are top ten best destinations including Yangon, the most lively city for Myanmar tourism, Bagan, the hidden treasure in Myanmar, Mandalay, the city of cultural and heritage, Inle lake, the breathtaking lake for Myanmar, Golden Rock Pagoda, The ancient city of Mrauk U, Kengtong (Kyaing Tong), Hpa An, Bago, Putao, Ngapali & Ngwe Saung beaches and Kalaw, best trekking spot in Myanmar. The following figure shows tourism products and destinations.

Products	Types	Destinations
Cultural and creative tourism	Sightseeing, cultural tours, festivals, heritage tours, pilgrimages, culinary tours, handicrafts, and meditation courses	Kyaington, Pyin Oo Lwin, Hsipaw, Mrauk U, Hpa-an, Hakha, Nat Ma Tuang, and Loikaw
Nature-based activities	Visits to protected areas, sites of natural beauty, and beach tourism	Inle, Bagan, Ngapali, and emerging destinations (Ngwesaung, Chaungtha, Kyaington, Kawthaung, and Myeik Archipelago)
Adventure and experiential tourism	Ballooning, cycling, motorbike tours, kayaking and rafting, caravans, walking and trekking, volunteer tourism, community, and professional development initiatives	Inle, Bagan, and emerging destinations (Kyaington, Pyin Oo Lwin, Hakha, Nat Ma Taung, Putao, Loikaw, and Myeik Archipelago)
Cruise tourism and yachting	River and ocean cruises	Yangon, Bagan-Mandalay, Ayeyawady, and emerging destinations (Kawthaung)

MICE tourism	Meetings, incentive, conferences, and exhibitions	Nay Pyi Taw, Yangon, Mandalay, and Ngapali
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Source: Ministry of Hotels and Tourism; Myanmar Tourism Federation.

Figure 3.2 Tourism Products and Destinations for Development

Table 3.3 Tourism Receipts in Myanmar

Year	Total Earnings (USD Million)	Average Expenditure Per Person Per Day (USD)
2004	136	94
2005	153	94
2006	164	94
2007	182	98
2008	165	95
2009	196	95
2010	254	102
2011	319	102
2012	534	135
2013	926	145
2014	1789	170
2015	2122	171
2016	2197.15	154
2017	1969	153

Source: Myanmar Tourism Statistics

Income received from tourism sector is in a slowly upward trend as shown in Table 3.3 because of stagnant number of tourists. In 2016, total earning received from tourism was 2197.15(USD million) and daily average expenditure per person was 154(USD²).

² USD- US Dollar

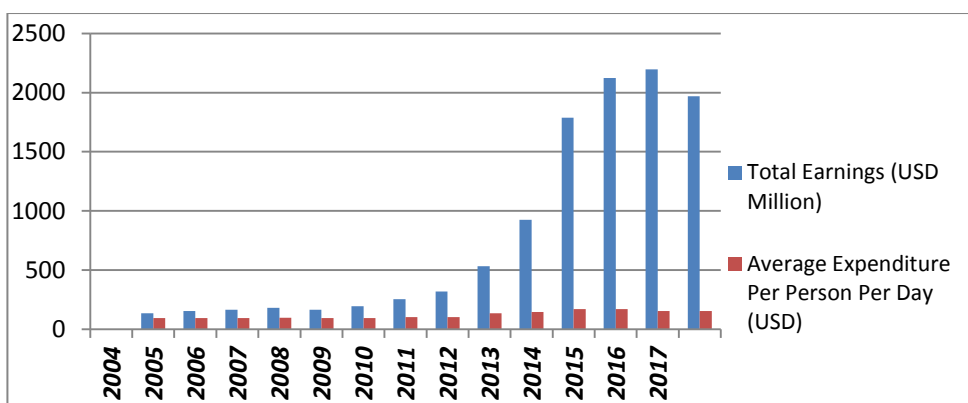


Figure 3.3 Tourism Receipts in Myanmar

Table 3.4 describes the number of licensed tour guides in Myanmar. The numbers of licensed tour guides were 4766 in 2008, 4074 in 2009 and 4077 in 2010. The numbers decreased in 2011 and it increased again till 2017. The number in 2017 was 4371. Not all are independent guides but many of them are employees of the Ministry of Hotel and Tourism and of private tourism and travel companies.

Table 3.4 Licensed Tour Guides in Myanmar

Language	2008	2009	2010	2011	2012	2013	2015	2016	2017
English	3217	2697	2598	1931	2058	2187	2349	2586	2815
Japanese	600	484	484	343	350	408	352	335	342
French	290	280	280	231	246	277	278	272	295
German	221	235	235	219	230	264	261	261	271
Chinese	216	171	171	125	139	132	123	124	146
Thai	128	107	108	106	108	132	150	163	206
Italian	43	44	44	43	48	68	64	63	65
Russia	31	36	36	35	40	64	66	70	77
Korea	20	20	20	21	24	29	26	30	46
Spanish	-	-	101	106	110	111	106	106	108
Total	4766	4074	4077	3160	3353	3667	3775	4010	4371

Source: Myanmar Tourism Statistics

Hotels and Travel Association work closely under the guidance of the Ministry of Hotels and Tourism in order to boost the development of tourism in Myanmar. The government aims to promote both tourism and private sector development concerning tourism which include the construction of hotels and inns, and the development of tourist enterprises. Three categories of hotels in Myanmar can be classified into State Owned Hotels, Joint Venture Hotels and Private owned hotels. It is suggesting that Mandalay Division and Shan state are the important regions for tourism industry and they are noted to have largest number of hotels and accommodations. Most of the large international standard hotels, accommodation and facilities were concentrated in Yangon but most of the hotels in famous destination are not in line with the international standards. The total number of hotels in 2017 was 1590 in Myanmar.

Myanmar possesses outstanding historic nature, culture, religious and ethnics. Friendliness of Myanmar's people is renowned among the countries. New destination is also extended for tourism. These are strengths and opportunities to expand tourism. Moreover, Myanmar is also situated at strategic location between the People's Republic of China and India. In contract, lack of trained human resources, insufficient public services, infrastructure and financial systems , weakness in environmental regulation, negative impact on economy, social and environment, global economic instability and climate change and natural disasters are the major obstacles faced by tourism industry in Myanmar.

4. Conclusion

Although Myanmar possesses enormous natural resources and historical tourist attractions, the number of tourists is relatively low compared to other countries and the share of international tourist arrivals in Myanmar is slow in trend. Inefficient human resources including tourist guides and lack of well trained hotel staffs, underdeveloped financial system and lack of proper infrastructure such as hardware, software, and telecommunication are the obstacles for the development of Myanmar tourism industry. Moreover, in famous destinations most of the hotels are not in line with the international standard. In order to facilitate tourism development, creating a favorable environment and basic infrastructure development are needed. Public –Private partnership with the technical support from outside is suitable form of investment to nurture and qualified human resources for Myanmar tourism. Home stay is an alternative way to overcome the accommodation problem. If home stay is available for international travelers, they can taste local life style and observe the country's traditions. Home stay is not only for solving hotel shortage problems but also for generating local income. Modifying tourism

rules and regulation is also demanded to attract international travelers with easy and fast procedures to visit Myanmar.

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