

A STUDY OF TOURIST INDUSTRY  
IN MYANMAR

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by

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This thesis is submitted to the Board of Examiner  
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## ABSTRACT

The tourist industry at present is one of the fastest growing industries of the world as an earner of foreign exchange. The Union of Myanmar is richly endowed with numerous tourist attractions such as fabulous pagodas, historical relics, archaeological sites etc. so that together with the open-door economic policy which has been recently adopted, the tourist industry is one industry which could be expected to flourish in the new economic environment. Hence (this study is an attempt to contribute to the development and promotion of Myanmar's tourist industry).

(Accordingly, the existing tourism market has been studied with a view to bring out potentials for extension and to facilitate in the planning of future tourism development. The study employed both quantitative and qualitative approaches.)

First, quantitative analysis which is concerned with the number of tourist arrivals is made. The number of tourist arrivals for the periods from 1977-78 to 1985-86 and the arrivals by region and by country of origin are studied. Next, the data is used for finding

out the best trend line in order to estimate the size of the future tourism market. In addition, the foreign exchange earnings from tourism is also studied in relation to the number of tourist arrivals and their length of stay so as to explore the measures that could be employed to increase the foreign exchange earnings from tourism.

Next, (the characteristics of tourists) such as occupation, age and sex and also the attitudes, motivations and expectations of tourists, (and the facts about their travelling pattern and country combination are examined). The findings from this analysis can be used in the plans for development of natural tourist attractions, tourist facilities and services that will best satisfy the purpose and expectations of the majority of tourists who come to Myanmar. (The analysis is made from the information obtained from the Myanmar Travels and Tours as well as the results of the survey on Arriving/ Departing tourists.)

The study on the tourism market of Myanmar for the periods from 1977-78 to 1985-86 points out that although the number of tourist arrivals has increased, the growth compared with that of tourism of other close

neighbouring countries is not satisfactory. It was also found that the scope of the tourism market is limited only to tourists from North America, West Europe and Japan. However, the open-door economic policy could lead to a largely widened tourism market resulting in a much greater need for tourism facilities and services. For the same reasons, many visitors from the Asia Region could also be expected. However, the finding shows that foreign exchange earnings from tourism depends not solely on the number of tourist arrivals, their length of stay but also largely on the individual spending pattern. Therefore it was found that to attract more tourists from affluent countries who can afford to spend more is a better strategy than to attract a large number of poor spending tourists in the effort to earn more foreign exchange.

The analysis of the results of the survey on the attitudes, purposes and expectations of the tourists points out that although the cultural and historical attractions such as local culture, historical buildings and ancient pagodas are appreciated by most tourists, there is much room for improvement in up-grading

and extension of tourism facilities such as hotels, transport and other services.

Lastly, it was observed that improvement and extensions in tourist attractions and facilities is not sufficient. There is a great call for improvements in the administration such as extension of the visa period, relaxation of some formalities in the entry and exist at the airport, and also other infrastructure requirements such as internal flight, rail and road transport.

As a final remark, it could be said that Myanmar's tourism is built on her cultural, historical and natural attractions. To improve and extend the present market potentials, it is not sufficient to only upgrade its present facilities and services but must strive to bring out changes in the infrastructure as well as administrative formalities.

## INTRODUCTION

The Union of Myanmar is undergoing a period of change. The open-door economic policy which it had recently adopted called for economic reforms in various sectors of the economy. One area which could avail itself of the advantages to be gained by the change in economic policy is tourism. The earnings of foreign exchange by this sector would greatly be enhanced by the open-door policy.

Investment which is an important criteria of economic development entails not only domestic currency but largely foreign exchange. Thus developing countries are in dire need of foreign exchange to bring about their economic development.

Foreign exchange can be obtained either from International Organizations in the form of loans and aids, or earned with exports. One very obvious means to increase foreign exchange is by increasing export earnings. Accordingly Myanmar had made expanded efforts to increase volume of export as well as to add new items of exports.

bring  
Unfortunately, after 1980, the rate of world economic growth declined, especially in industrialized nations. During the past three years, there was a rise in commodity prices as well as increases in inflation and unemployment. In addition, due to the raising of bank interest rates and cutting of government spending in industrialized countries, the world currency exchange rates have become unstable. As the economies declined due to decrease in investments, the adoption of the policy of barring imports upset international trade and the financial market. Also the introduction of agricultural subsidies and protectionism of the developed countries reduced the price of primary products such as agricultural products upon which most developing countries have to depend much and so this effect led to a decline in the export earnings of the developing countries.

Like other developing countries, Myanmar had also been more or less effected by the decline in the prices of primary commodities in the world market, the rise in the prices of manufactured goods and contraction of export markets. Hence, it is necessary to find measures to minimise the adverse effect of the decline in export prices as well as to expedite the long-run development of Myanmar's export trade. However, the adoption of the new open-door policy is expected to remedy their problems by

bringing in foreign investments. Nevertheless, the domestic sectors need to continue in their efforts to earn more foreign exchange. Tourism which has recently been developed is now looked upon to contribute largely to the countries' need for foreign exchange.

Tourist industry is one of the fastest growing industries of the world today and tourism as an invisible export has become a major item in foreign trade. Some developing countries e.g. Mexico is largely dependent on tourism while others obtain a good percentage of their export earnings from tourism. Still others including Myanmar are trying to attract as many tourists as possible.

Fortunately, Myanmar is conveniently situated on international air routes. Yangon and Bangkok, capitals of Myanmar and Thailand are centres of the 'round-the-world' tourist routes. Furthermore, Myanmar has excellent climate and considerable scenic and archaeological attractions. Also there are local handicrafts and traditional cultural festivals which are of particular interest to tourists. Tourists can visit fabulous pagodas, explore its numerous archaeological sites, relax at palm-fringed beaches and see the unspoiled natural beauty of the country. Besides, it is relatively very inexpensive to visit Myanmar. Added to this, Myanmar is the closest neighbouring country of

Thailand, which is carrying out tourism on a large-scale and thereby it is particularly convenient for more tourists to visit Myanmar.

Endowed as it is by nature and such cultural heritage, there should not be any reason why Myanmar could not have a flourishing tourist trade. It is only up to the economy to develop such a trade. To do so, we need to know the present state of tourist industry to study its problems, possible potentials and necessary conditions for its promotion and extension.

#### Objectives of the Study

The overall objective of this thesis is an attempt to render help in the promotion of Myanmar's tourist trade. Accordingly the following objectives are adopted:

- (1) to study the existing tourism market,
- (2) to study the exchange earnings from foreign tourism in relation to the number of tourist arrivals,
- (3) to study the characteristics of tourist arrivals to Myanmar,
- (4) to identify and classify the purpose and expectations of tourists visiting Myanmar,
- (5) to evaluate the potency of Myanmar's tourist services in terms of her ability to fulfil tourists' objectives and expectations.

- (6) To determine the attitudes and opinions of tourists towards tourist facilities and services made available by the present tourist industry.

In studying the above objectives, we will adopt the following hypotheses:

- (1) The number of tourist arrivals to Myanmar have been growing and the current tourism market is relatively satisfactory.
- (2) Earnings from tourism is dependent not solely on the number of tourist arrivals and average length of stay but also on the individual spending pattern of the tourists.
- (3) The cultural and environmental attractions available in Myanmar and the service facilities offered by its tourist industry are in conformity with the expectations of tourists visiting the country.

Design of the Study

In order to achieve the objectives mentioned above, and due to the peculiar nature of the area of study, the methods of research used comprise the following:

- (1) Literature research for the theoretical and background framework which includes:
  - (a) the theories concerning tourism, and characteristics of tourism,

- (b) the study of the Myanmar Hotel and Tourism Services, its functions and policy concerning tourism and
  - (c) the relationship of tourism to economic development in developing countries.
- (2) Field-work research for data collection relevant to the study including:
- (a) visits to the Myanmar Hotel and Tourism Services and Immigration Department to collect necessary data for analysis and
  - (b) interviews of personnel at the Myanmar Hotel and Tourist Services for information about its functions and future plans on tourism.
- (3) The period of study is to be from 1977-78 to 1985-86.

The findings of this research study based on the available data will be presented with practical suggestions to promote the tourist trade of Myanmar.

CHAPTER I  
DEVELOPMENT OF TOURISM

1.1 Evolution of Tourism

1.1.1 Meaning of Tourism<sup>1</sup>

Tourism denotes the temporary, short-term movement of people to destinations outside the places where they live and work and their activities during the stay at these destinations. Tourism is a recent phenomenon. The word 'tourism' did not appear in the English language until the early nineteenth century, and the word 'tour' was more closely associated with the idea of a voyage or pilgrimage or a circuit, as in the case of a theatrical tour, than with the idea of an individual being temporarily away from home for pleasure purposes which is such a significant feature of the use of the word 'tourist' today.

1.1.2 Origin of Tourism<sup>2</sup>

As tourism is a matter of being elsewhere, and to be elsewhere implies the use of transport. So the transport is a necessary pre-condition of tourism and the development of tourism can be identified with

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1 Burkart, AJ. and Medlik, S., "Tourism, Past, Present and Future", 2nd. Ed., London (1981), pp. 3-4, 22-23.

2 Ibid.

particular modes of transport. Mechanized transport has made travel possible for a significant part of the populations of the developed countries at least and thus tourism becomes a matter of interest and concern to governments and governed alike. Much of the historical study of tourism is concerned with the development of transport and other aspects of tourism have followed the evolution of the various modes of transport.

Travel before the Industrial Revolution was largely a matter of pilgrimages, and of travel for business or official purposes, and there is little evidence of the extent and volume of private travel in the medieval period. However, from the end of sixteenth century some growth in private travel can be detected initially for educational purposes, and later as satisfying a new curiosity about the way in which the inhabitants of other parts of this country, and indeed foreign countries, lived. However, travel in those days was undertaken only by a small, wealthy, and mostly landed elite.

In the later eighteenth century, after the Industrial Revolution, as railway, steamship and other transportation equipment developed, more travel became undertaken. At the same time, accommodation, hotels, inns, spas and resorts which is related to travel were extended. Especially, because of the Industrial Revolution

the middle class people became rich and they began to travel more in search of new markets. Thus tourism became widespread.

In the nineteenth century, many changes occurred in much of people which could be traced to the growth of tourism. The first change is the urbanization of the population. Urbanization produced a rapid expansion of middle-class activity, professional services, government, banking and so on that created the market for travel by generating a literate and relatively wealthy elite. The capacity and desire of this new middle class to travel was satisfied by the development of travel at speed and with a comfort never before known.

Then, in this century, the idea of leisure began to take hold on the minds of urban man. The railways by making it possible to live at some distance from one's work, to commute in fact, had underlined the distinction between work and leisure; once this distinction had been made on a daily basis, it soon came to be applied to the working year, and the concept of an annual holiday began to be formulated as a condition of work. By the end of the century, the idea was a perfectly understood one and town dwellers sought escape from the towns, at least occasionally.

At the same time, as railways and steamships provided the means of transport, the emergence of the modern hotel in resorts altered the accommodation picture.

The hotel, since early twentieth century was more than a place in which to sleep and the modern hotel had become an element in the attractions of the resort.

### Ev. 1.1.3 Evolution of Tourism after World Wars<sup>1</sup>

The First World War (1914-18) directly affected the development of tourism in that it confirmed the coming importance of the motor car. In the same way, the Second World War (1939-45) confirmed the position of aircraft for civil use. In neither case were the military actions, of course, responsible for either vehicle but their military use gave large numbers of people experience of them.

Indirectly, the two wars were significant for tourism which we study in the sense that they involved for the first time the whole population, which was persuaded that a better material life would be the prize of victory. Moreover, both wars were fought over many countries and a significant proportion of the populations of all the combatants gained direct experience of countries other than their own.

The inter-war period was a period of fluctuating prosperity, depression, and recovery, two periods of some prosperity being separated by the Great Depression of 1929-31. The appalling effects of the Great Depression resulted governments becoming resolved to master this kind of economic catastrophe and the period witnessed increasing intervention by

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1 Burkart, A.J., op. cit., pp. 24-25.

the State in matters which an earlier period would have regarded as outside the competence of government. After the Second World War, government intervention became even more pronounced especially in Europe in order to speed up recovery and to administer effectively the massive aid of the Marshall Plan. In the United Kingdom, the immediate post-war period was the time of the great nationalizations which placed most of the country's transport undertakings in public ownership. The twenty-five years immediately after the Second World War did not experience the depressions which pessimists had forecasted but instead increased wealth and prosperity generated in the developed countries, a society with increasing capacity to consume. With this came inflationary pressures and the erosion of the purchasing power of most currencies, but also a widespread desire to travel, and today tourism has become the world's largest and fastest growing economic activity, with something like 80% of international tourist movement originating from just twelve rich countries.<sup>1</sup>

By 1970, tourism had become no longer the preserve of the wealthy and the leisured, but rather a mass market. The populations of the developed countries had the

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1 United States of America, Germany, Britain, France, Canada, Belgium, Netherland, Italy, Switzerland, Sweden, Denmark, and Luxemburg.

level of education and the disposable income to regard a holiday as an essential feature of their life, and even in those years when economic growth slackened a little, demand for leisure travel experienced only a slower rate of growth and not a decline. The increasing volume of world trade ensured the growth of business travel in line with it, the air services concerning the whole world and the steady reduction in the real cost of air travel extended business travel to echelons in companies which would not have envisaged travelling on business in an earlier period.

The annual holiday was established during the inter-war years as a reality for a considerable part of the population and as a realizable goal for all. Entertainment and leisure pursuits and the industries serving them all grew steadily. Tourism in its modern connotation had arrived and was identified as a phenomenon to be taken seriously. In 1924 the International Union of Official Organizations for Tourist Propaganda was formed, later to become the International Union of Official Travel Organizations, as the world body concerned with tourism. The Organization is known as World Tourism Organization (W.T.O).

According to a provisional estimate by International Union of Official Travel Organization (I U O T O), foreign tourist arrivals throughout the world totalled 215 million in 1973. Table gives the development of World

Table (1.1). Growth of International Tourism and World Exports.

(1958-72)

| Year | International Tourist Arrivals |                                 | International Tourist Receipts |                                 | World Merchandise Exports |                                 |
|------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|---------------------------|---------------------------------|
|      | Number (million)               | Increase over previous year (%) | US \$ (Bil.)                   | Increase over previous year (%) | US \$ (Bil.)              | Increase over previous year (%) |
| 1958 | 55.3                           | -                               | 5.4                            | -                               | 108.1                     | -                               |
| 1959 | 63.0                           | 13.9                            | 5.8                            | 7.3                             | 115.7                     | 7.0                             |
| 1960 | 71.2                           | 13.0                            | 6.8                            | 17.0                            | 128.0                     | 10.6                            |
| 1961 | 75.3                           | 5.8                             | 7.3                            | 7.3                             | 134.0                     | 4.7                             |
| 1962 | 81.4                           | 8.1                             | 7.8                            | 6.8                             | 141.4                     | 5.5                             |
| 1963 | 93.0                           | 14.3                            | 8.3                            | 6.4                             | 154.1                     | 9.0                             |
| 1964 | 108.0                          | 16.2                            | 9.6                            | 15.7                            | 172.4                     | 11.9                            |
| 1965 | 115.5                          | 6.9                             | 11.0                           | 14.6                            | 186.4                     | 8.1                             |
| 1966 | 130.8                          | 13.2                            | 12.5                           | 13.6                            | 203.6                     | 9.2                             |
| 1967 | 139.5                          | 6.6                             | 13.4                           | 7.2                             | 214.6                     | 5.4                             |
| 1968 | 139.7                          | 0.1                             | 13.8                           | 3.0                             | 239.6                     | 11.6                            |
| 1969 | 154.9                          | 9.4                             | 15.5                           | 12.3                            | 273.2                     | 14.0                            |
| 1970 | 168.0                          | 8.4                             | 17.4*                          | 12.2                            | 312.4                     | 14.3                            |
| 1971 | 181.0                          | 7.0                             | 19.9*                          | 14.4                            | -                         | -                               |
| 1972 | 198.0                          | 9.0                             | 24.0*                          | 20.6                            | -                         | -                               |
| 1973 | 215.0                          | 9.0                             | 28.0*                          | 16.7                            | -                         | -                               |

\* Estimated.

Source: Planning for Tourism Development, Gearing, Charles E.

Tourism since 1958 in terms of tourist arrivals, foreign exchange earnings and comparison with the world merchandise exports.

As can be seen from the table, the volume of world tourism, as measured by the aggregate number of tourist arrivals rose about 10 percent annually between 1958 and 1970; and the growth in world receipts from international tourism was similar. Although precise figures are not available for 1971-73, the increase of receipts rose considerably over the receipts in 1970. On the other hand, for the period 1968-70, the world tourism receipts grew faster than the world merchandise exports.

## 1.2 Development of Tourism by Region

Concerning tourism, some researchers stated that one of the most significant impulses in such development of tourism has been the search for the sun. The Mediterranean countries have been the immediate beneficiaries of the Northerners' sudden discovery that the enjoyment of sunshine, albeit for a few weeks a year can be anyone's birthright. But, already, more distant competitors have been entering the market.

Also, some European people have had a strong desire to visit Asian countries, which were their former

colonies and thus tourism of these countries improved.

In some Asian countries tourism became a significant role in their economies. The tables(1.2) and(1.3) show the tourist arrivals and tourism receipts by region.

As can be seen from the tables, tourism expended in all regions both in terms of tourist arrivals and receipts. Also benefits from tourism was reaped largely by Europe and the Americas. However there was a steady growth in Asia and Pacific. This is shown by the fourfold increase in tourism receipts of Asia and Pacific in the period 1972 to 1978.

Table(1.2). International Tourist Arrivals by Region.

| Region                          | 1972                     |            | 1974                     |            | 1976                     |            | 1978                     |            |
|---------------------------------|--------------------------|------------|--------------------------|------------|--------------------------|------------|--------------------------|------------|
|                                 | Number<br>(mil-<br>lion) | Share<br>% | Number<br>(mil-<br>lion) | Share<br>% | Number<br>(mil-<br>lion) | Share<br>% | Number<br>(mil-<br>lion) | Share<br>% |
| Europe                          | 131.8                    | 21.5       | 139.7                    | 71.0       | 165.0                    | 72.7       | 189.0                    | 72.9       |
| Americas                        | 38.1                     | 20.7       | 40.0                     | 20.3       | 43.5                     | 19.2       | 47.5                     | 18.3       |
| Africa                          | 3.4                      | 1.8        | 3.9                      | 2.0        | 4.1                      | 1.8        | 4.9                      | 1.9        |
| Middle<br>East                  | 3.7                      | 2.0        | 4.3                      | 2.2        | 3.6                      | 1.6        | 3.8                      | 1.5        |
| South<br>Asia                   | 1.1                      | 0.6        | 1.3                      | 0.7        | 1.7                      | 0.7        | 2.1                      | 0.8        |
| East Asia<br>and the<br>Pacific | 6.2                      | 3.4        | 7.5                      | 3.8        | 9.2                      | 4.0        | 12.0                     | 4.6        |
| Total                           | 184.3                    | 100        | 196.7                    | 100        | 227.0                    | 100        | 259.4                    | 100        |

Source: Burkart, A.J., Tourism, Past, Present and Future.

Table (1.3). International Tourism Receipts by Region.

(US \$ 1000 million)

| Region                    | 1972   |         | 1974   |         | 1976   |         | 1978   |         |
|---------------------------|--------|---------|--------|---------|--------|---------|--------|---------|
|                           | Amount | Share % |
| Europe                    | 16.2   | 65.3    | 21.5   | 63.8    | 27.7   | 63.4    | 44.0   | 67.7    |
| Americas                  | 6.1    | 24.6    | 8.7    | 24.6    | 11.0   | 25.2    | 13.5   | 20.8    |
| Africa                    | 0.6    | 2.4     | 0.9    | 2.7     | 1.0    | 2.3     | 1.5    | 2.3     |
| Middle East               | 0.4    | 1.6     | 0.8    | 2.4     | 0.8    | 1.8     | 1.45   | 2.2     |
| South Asia                | 0.15   | 0.6     | 0.2    | 0.6     | 0.5    | 1.1     | 0.8    | 1.2     |
| East Asia and the Pacific | 1.3    | 5.2     | 2.0    | 5.9     | 2.7    | 6.2     | 4.0    | 6.1     |
| Total                     | 24.8   | 100     | 34.1   | 100     | 43.7   | 100     | 65.0   | 100     |

Source: Burkart, A.J., Tourism, Past, Present and Future.

### 1.3 Significance of Tourism

#### 1.3.1 Importance of Tourism to Economic Developments of Countries

With the large-scale and rapidly increasing movement of people wishing to visit new and further-distant countries, some developing countries began to realize in tourism a ready-made solution for their economic difficulties

and encouraged possibilities for the future.

In 1963, the United Nations also recommended that the greater priority should be given to technical assistance in the tourism field because of its potential importance in strengthening development and earning foreign exchange. Today, international tourism is the largest single item in the world's foreign trade and for some countries is already the most important export industry and earner of foreign exchange.

For example, tourism has played an especially significant role in the economies of Greece, Mexico and Spain, three countries with amenity resources, historical sites, and antiquities of interest to a broad range of visitors. Particularly in Spain and Greece, international tourism has grown dramatically relative to the national economy.

Table(1.4) is a portrayal of relationship between International Tourism, Gross Domestic Product and Export of Spain. In 1954, the value of international tourism receipt was equal to 19.4 percent of the value of exports and this ratio had risen to 34.7 percent in 1982. However, in the year between 1954 and 1982, the percentage ratio fluctuated and rose as high as 92.3% in 1963. In relation to Gross Domestic Product, this ratio had been quite stable staying within 3.5% to 5% of G.D.P.

Table(1.4). International Tourism, G.D.P. and Export (Spain).

| Year | Tourism Receipts<br>(million US \$) | Gross Domestic Product<br>(million US \$) | Exports<br>(million US \$) | The ratio of Tourism Receipt to Exports<br>% | The ratio of Tourism Receipt to G.D.P.<br>% |
|------|-------------------------------------|---|----------------------------|--|---|
| 1    | 2                                   | 3   | 4                          | 5  | 6   |
| 1954 | 90                                  | -   | 464                        | 19.4   | -   |
| 1963 | 679                                 | 15,660                                    | 736                        | 92.3   | 4.3   |
| 1967 | 1,127                               | 23,491                                    | 1,392                      | 81.0   | 4.8   |
| 1970 | 1,681                               | 32,552                                    | 2,483                      | 67.7   | 5.2   |
| 1975 | 3,404                               | 98,874                                    | 7,807                      | 43.6   | 3.4   |
| 1977 | 4,003                               | 113,440                                   | 10,612                     | 37.7   | 3.5   |
| 1979 | 6,484                               | 198,541                                   | 18,203                     | 35.6   | 3.3   |
| 1980 | 6,968                               | 191,635                                   | 20,721                     | 33.6   | 3.6   |
| 1981 | 6,716                               | 177,734                                   | 20,337                     | 33.0   | 3.8   |
| 1982 | 7,126                               | 158,245                                   | 20,522                     | 34.7   | 4.5   |

Source: The Journal of Developing Areas.  
(January, 1987), p.181.

Similarly as ASEAN nations have been implementing their tourism plan to increase the number of tourists, the receipts from tourism increase more and more. Among them, Thai Government invested about 100 million baht (3.8 million US \$) to promote tourism in 1987, which is the year of 60th. birth-

day of highly reverd King Bhumipol Adulyadei, as 'Visit Thailand Year'. The Government expected three million tourists to arrive at their country. We can see from table(1.5) that in Thailand earning from tourism had obtained the top position in export income in the years 1982 and 1983 and second in 1981.

Table(1.5). Tourism and Other Major Exports of Thailand.

(million Baht)

| Export Item      | 1981   | 1982   | 1983   |
|------------------|--------|--------|--------|
| Tourism          | 21,455 | 23,879 | 25,050 |
| Rice             | 26,362 | 22,504 | 20,142 |
| Tapioca          | 16,446 | 19,769 | 15,387 |
| Textile Products | 12,531 | 14,049 | 14,346 |
| Rubber           | 10,840 | 9,490  | 11,787 |
| Sugar            | 9,571  | 12,933 | -      |

Source: Annual Statistical Report on Tourism in Thailand, 1983.

### 1.3.2. Other potential benefits from tourism

Apart from the economic benefit from tourism there are also other potential benefits in tourism. The following benefits can be expected from tourism:

(1) Dispersion of development <sup>1</sup>

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Tourism, by its nature, tends to distribute development away from the industrial centres towards those regions in a country which have not been developed. Also tourism can fulfil a component of a regional policy of a country which aimed at achieving an equitable balance between major industrial areas and other non-industrial areas of the country.

(2) Effect on general economic development <sup>2</sup>

The money spent by tourists becomes income in the hands of the local population in some form or other and is, again, respent or saved. Thus the money originally spent by tourists may be spent many times, each time giving rise to a certain amount of 'leakage', either for the purchases of imports or for saving, until the effects of the original expenditures become negligible. This constitutes what is known as the 'multiplier effect'. Nevertheless, it can be said at this stage that expenditures by tourists can have beneficial effects on all economic sectors and lead to considerable diversification of industries and other economic activities.

(3) Employment Opportunities <sup>3</sup>

Tourism is a service industry and could have a significant effect on countries with surplus labour. To

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1 Peters, Michael, "International Tourism", London (1963), pp. 10 - 12.

2 Ibid.

3 Ibid.

this service industry, human labour will always be extremely important. Demand for tourism services has been increasing rapidly, and this will influence employment opportunities and consumer goods industries in developing countries. Also the tourist industry may contribute to the development of the other industries, e.g. leather goods, handicrafts, watch-making, glassware, food and beverage, speciality confectionary, recreational equipment and supplies. So jobs are opened up for the industries. There would also be an increased demand for government services (for example, policemen, customs officials, street cleaners, etc.)

#### (4) Social benefits

The tourism has undoubtedly contributed to widening people's interest generally in world affairs and to a new understanding of foreigners and foreign tastes. Thus, the importance of tourism was formally acknowledged when XXI United Nations General Assembly designated 1967, as 'the International Tourist Year' with a unanimous resolution recognizing that tourism is a basic and most desirable activity deserving the praise and encouragement of all peoples and all governments.

Also, A.J. Burkart and S. Medlik, in their book, Tourism, Past, Present and Future, describe that tourism can create goodwill for a country in creating a better appreciation of other people's way of life and

institutions. The visits of tourists afford opportunities to improve co-operation as well as to project an image of a country to the outside world.

When travelling away from home, tourists come in contact with the places they visit and with their unhabitants and social exchange takes place. Their presence and their social background affect the social structure and mode of life at the destination; tourists are in turn affected by the experience and often carry back home with them new habits and a new outlook in life.

Tourism also has an educational significance. In the widest sense, it has the altogether beneficial affect which contact between people of different races and nationalities can bring about. In a narrower sense, much tourist activity takes the form of study trips and attendance at courses and conferences with specified educational aims in view.

Tourism is often accompanied by cultural exchange and by cultural enrichment of those who travel as well as those at the receiving end. Cultural factors attract tourists to destination - architecture, historical monuments and the famous birth places are some of the places most visited by tourists; festivals and exhibitions rely heavily on visitor traffic for the audience and attendance.

In bringing together people of different background from different countries, tourism, therefore has a political and social significance; in this and in the activities in which tourists engage, there is often also educational and cultural significance.

Politics, society, educational and culture thus often provide motivations for tourists to travel away from home; they influence tourism and tourism in turn has an influence on them.

Due to the above significance of tourism (economic, social, political, cultural and educational significance) more and more countries have been entering the international tourist trade and much research has also been directed at attempting to ascertain the motivations and attitudes of their main tourist markets. Thus in making such research, we will need to study the nature of tourism and technical definitions concerning tourism.

#### 1.4 Technical Definition of Tourism<sup>1</sup>

Tourism is variously interpreted by particular purposes and there are at least three particular aspects, which usually need to be defined.

The first is the purpose of travel or visit, which expresses a particular motivation. This has important implications for marketing in general and for promotion in particular, as between different types of traffic

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1 Burkart, A.J., op. cit., pp. 42-43.

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to particular destinations. Different considerations obtain in the case of business and holiday travel, visits to friends and relatives, and in travel for other reasons. A technical definition of tourism, therefore, first define the categories of travel and visits which are and those which are not included for a particular purpose.

Secondly, it is usually necessary to define the time element. The minimum and maximum period, in terms of length of stay away from home or in terms of length of stay at a particular destination may have to be established for a particular purpose. Thus travel or stay for a period shorter than a postulated minimum, for example, less than 24 hours, may be excluded. Similarly, a person may be away from home or resident at a particular destination for so long that he losses the character of a tourist and this normally recognized in postulating a maximum period, for example, a year.

The third aspect is particular situation which may obtain for particular purposes and it has to be determined whether they are or not regarded as tourism, for example, sea cruises and transit traffic.

Therefore, summarizing the above aspects, the United Nations Conference on Travel and Tourism held in Rome in 1963 recommended the following definitions:

Visitor:<sup>1</sup>

Visitor is any person visiting a country other than that in which he has his usual place of residence, for any reason other than following an occupation remunerated from within the country visited.

The conference likewise distinguished between two categories of visitors according to the duration of the journey. The two categories are

- (1) Tourists and
- (2) Excursionists.

(1) Tourists: Temporary visitors staying at least 24 hours in the country visited and the purpose of whose journey can be classified under one of the following headings:

- (a) leisure (recreation, holidays, health, study, religion and sports);
- (b) business, family, mission, meeting.

(2) Excursionists: Temporary visitors not making an overnight stay or staying less than 24 hours in the country visited. An equivalent term for 'excursionists' is 'day visitors' and the category may include visitors from cruise ships.

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1 Technical Handbook on Tourism Statistics, Spain (1981), pp. 16-17.

However, in practice, among countries, there very often exists some differences with regard to the term 'tourists'. In some countries, this term is applied only to persons who travel for holiday reasons. But in some countries, the term 'tourists' refers to persons who travel for any reason other than to exercise remunerated activity within the country visited. For example, the definition of tourist of Thailand is defined as follows:

Tourist:<sup>1</sup> Any person visiting Thailand for any reason other than to exercise remunerated activity within the country. The person must stay at least 24 hours but not longer than 60 days and the purpose of whose journey can be classified under one of the following:

- (a) leisure (recreation, holiday, health, study, religion, and sport);
- (b) business; family; mission; meeting.

As it can be seen that Thailand's definition of 'tourist' meets the world-wide definition described above. But the definition of tourist defined by Tourist Burma, one of the department under Hotel and Tourist Corporation, does not meet the above world-wide definition

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1 Annual Statistical Report on Tourism in Thailand, 1983.

of tourists. The term 'tourists' by our country refers to foreign visitors who travel for holiday reasons or recreational reasons. But before we study the definition of 'tourist' in Burma in greater detail, we first need to study the nature of tourism and some basic distinctions of tourism.

### 1.5 . Nature of Tourism and Some Basic Distinctions<sup>1</sup>

As in trade, so in tourism, a distinction is drawn between domestic or internal and foreign or international tourism. In domestic tourism, people travel outside their normal domicile to other areas within the country. They normally find it easy to do so, because there are neither language nor currency nor documentation barriers. Their own language serves as a medium of communication, the currency which they use in everyday life continues to be the medium of exchange; there is no need to meet particular requirements of documentation. It follows that domestic tourism has no balance of payments implications, except that it may be a substitute for foreign tourism, and therefore, result in saving of foreign currency of indigeneous people and a reduction of income for countries which would have been visited.

When people travel to a country other than that in which they normally live, and which is a separate national unit with its own political and economic system, they are involved in international tourism. The difference

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1 Burkart, A.J., op. cit., pp. 43-45.

between domestic and foreign tourism depends on the extent to which the country visited has a different language, a different currency, and to which obstacles to free movement exist between the country of residence and the country visited. Of these differences the latter two are the most significant. Where different currencies are involved, tourism has repercussions on the balance of payments because each country has to balance its transactions with the rest of the world. Where in the crossing of national frontiers obstacles are put in the way of tourists by the authorities, the requisite documentation may restrict and regulate the flow by means of passports, visas and other conditions of entry and movement to be met by tourists.

However for the true understanding of tourism the distinction between domestic and foreign tourism is better regarded as one of degree rather than one of substance. If tourism is viewed in this way, aspects of common significance can be recognized and evaluated. But today the distinction is diminishing, as language barriers are being lowered with improving language skills, especially on the part of the population of host countries, as currency and custom unions are developing in number and intensity, and as the free movement of people between countries is growing.

Also tourism is classified for various reasons according to purpose of visit. A broad distinction based

on purpose is between holiday, business, and common interest tourism; the third category includes tourists with other specific purposes for their journeys and is sometimes subdivided further into visits to friends and relatives, or for study, health, religious, and other miscellaneous purposes. This distinction is of relevance for marketing and for the physical development of facilities, as well as for other aspects of visits.

Another distinction of growing importance is between individual and group travel and quite separately, between independent travel and inclusive tours. In the former case, the terms denote no more and no less than that the tourist moves about individually or as a member of a group, irrespective of the way the travel and stay is arranged. The distinction is of some significance in the handling of traffic and in the reception of tourists at destinations.

The classification of travel and tourism into independent travel and inclusive tour is based on how the individual elements of a trip are bought by the tourist. In the former case transport, accommodation, and possibly other elements are arranged separately either by the tourist himself directly with the carrier, hotel or another supplier, or through a travel agent. In the latter case, the tourist buys a trip, for which he is unable to distinguish the pre-

paid cost for his fare from the cost of accommodation and other elements; this arrangement is also known as the 'package tour'. The tourist may then move about as an individual or as a member of a group, according to the particular arrangement entered into; the terms 'group' and 'inclusive' may, therefore coincide in specific instances, but they describe two distinct forms of holiday or trip.

Some other terms have been often applied more or less discriminately to tourism, in particular mass, popular, and social tourism, to which it is desirable to attach more precise meanings at the outset.

Mass tourism refers to the participation of large numbers of people in tourism, a general characteristic of developed countries in the twentieth century. In this sense the term is used in contrast to the limited participation of people in some specialist forms of tourist activity, such as yachting, or in contrast to the situation in developing countries or in countries with extreme inequities of income and wealth or, indeed, to the limited extent of tourist activity everywhere until a few decades ago.

Mass tourism is essentially a quantitative notation, based on the proportion of the population participating in tourism or on the volume of tourist activity.

Popular tourism denotes tourist activities meeting with a wide acceptance by people, because of their

attractiveness and availability. The acceptance may be due to the meeting the needs or tastes of people or more particularly to being available at a low price. Popular tourism is, therefore, essentially a qualitative notion, although by its nature it may give rise to mass tourism.

As distinct from the two, social tourism is concerned specifically with the participation in tourism of people of limited means and others disadvantaged through age, disability or family circumstances, and with the measures to encourage this participations and to make it possible. Although many individuals and groups with whom social tourism is concerned are often identified with workers' travel, it is neither exclusive to them nor confined to them. Action in social tourism is concerned in practice with subsidies, special facilities, and other measures, sometimes of a co-operative nature, sometimes by the State or another third party, to make participation in tourism possible in the interests of society and the well-being of those covered by the term 'social tourism'.

#### 1.6 Classifications and Characteristics of Tourism in Burma

Burma's tourism is divided into two classifications: domestic tourism and foreign tourism as the first distinction given by A.J. Burkart and S. Medlik. Domestic

tourism is concerned with travel of indigenous nationals from their normal domicile to other areas within the country. Foreign tourism is concerned with foreign visitors who travel to Burma for recreational purposes only. This distinction is important because there exists some differences between domestic and foreign tourism, but we will devote this thesis to foreign tourism,

According to the purpose of visit, the foreign visitors are classified as: the holiday visitors or recreational visitors, the business visitors, and the common interest visitors. This distinction is also of significance for marketing and for the physical development of facilities, as well as for other aspects of visits.

However, the Burmese Authorities issue 'Tourist Visa' to foreign visitors whose purpose is purely recreation. Thus, in this thesis, the term 'tourist' will be used to describe only recreational visitors or visitors entering Burma with Tourist Visa. (Here, recreational tourists include those who visit the country for purpose other than business which includes historical and cultural interests.) Because of this unique definition of tourist, we need to be careful in the use of the term in comparing with the tourist industries of other countries which as defined by the World Tourism Organization (W.T.O) include all types of tourists.

Types of Tourists

Again, the recreational visitors or tourists are classified according to their travel and stay arrangement: foreign independent tourists and package tourists.

If a tourist arranges to purchase tourist services such as transport and accommodation, some in advance and some only on arrival at the destination, then he is classified as an independent tourist. But a tourist who arranges for all services in advance before his arrival at the destination is classified as a package tourist.

The advance booking of package tourists facilitates the tour operators or the travel agents who have the opportunity to arrange all the tourist services for the convenience of the tourists during their stay in the country. Moreover the package tourists can avail themselves of the benefits of inclusive price offer. (The inclusive price is usually significantly lower than that which could be obtained by conventional methods of booking transport and accommodation separately from individual hotel and transport.) Besides, from the point of view of exchange authorities the package tour arrangement eliminates the possibility of exchange leakage as advance booking assured the declared package tour price.

Thus developing countries like Burma benefits more from package tourists than individual tourists.

CHAPTER II  
BURMA'S TOURIST TRADE

2.1 Burma and Early Travellers

Geographically, Burma is a coastal region with its sea-coast of 1200 miles. Hence it has had many sea-ports from earlier centuries. From historical and literary records, it could be seen that most foreigners especially Europeans had come to Burma for various purposes ever since the navigational exploration.

Early in Thirteenth Century A.D., Marco Polo, an Italian traveller passed through Tagaung, the ancient city of Burma on his way from China. Also in Fifteenth Century A.D., Vasco-de Gama, a Portuguese first discovered a sea-route to India through the 'Cape of Good Hope'. Since that time Europeans such as Portuguese, Dutch, French and English had ventured to the East including Burma in search of knowledge in geography, astronomy and navigation as well as for missionary and trading purposes. Thus Fifteenth Century A.D. was the period in which most Westerners came to Burma. At that time, famous Nicolo Di Conti from Venice came to Burma and reached as far as Ava, a Burmese ancient city. In 1569 A.D. and 1587 A.D., Caesar Frederick,

an Italian and Ralph Fitch, an English, also came to Burma and they wrote personal records of Burma and thus introduced Burma to the whole world.

By Twentieth Century A.D., many foreign travellers have visited Burma. Among them, was Rudyard Kipling, an English literian who composed the famous poem 'On the Road to Mandalay'. The publication of this book of verse became a major attraction of visitors to Burma and this contributed largely to tourism in Burma. Added to this was the fact that Burma was a British Colony and a place with which Westerners had been familiar. All these combined to help boost the arrival of tourists to Burma.

## 2.2 Burma and its tourist attractions

To be a place where most tourists visit, the place should possess tourist attractions. Tourist attractions can be divided into two parts:

- (1) natural attractions and
- (2) man-made attractions.

Charles, E. Gearing subdivided the attractions into the following as shown in Table (2.1).

- (1) natural factors
- (2) social factors
- (3) historical factors

- (4) recreation and shopping facilities and
- (5) infrastructure, food and shelter.

### (1) Natural Factors

It includes natural beauty of the place, its pleasant scenes and its comfortable weather. e.g. sea-beaches, waterfalls, natural stone caves, lakes, mountain scenery, flora and fauna are natural attractions. Comfortable weather means its pleasant season, temperate and fair weather, and its getting enough sunshine.

Fortunately Burma's geographical condition provides it in scenic mountains, pleasant sea-beaches, waterfalls, a famous extinct volcano, natural caves and many other tourist attractions such as Mount Popa, Ngapali and Inle Lake etc. Moreover the equitable climate with enough sunshine has made Burma a favourite spot or the international tourist route.

### (2) Social Factors

Social conditions which attract tourists to any particular place include traditional festivals, culture and tradition of its people and the hospitality and cordial treatment which its people has to offer.

It has often been said that Burma is a land of festivals. Each of the twelve months of the year has something to celebrate in a festival. For example, the first month in the Burmese Year Tagu (April) has the Water Festival



Table (2.1) contd.

| Group Heading                        | Criteria   | Consideration   |
|--------------------------------------|--|---|
| Recreational and Shopping Facilities | <p>Sports facilities</p> <p>Educational facilities</p> <p>Facilities conducive to health, rest and tranquility</p> <p>Night time recreation</p> <p>Shopping facilities</p> | <p>Hunting; fishing; swimming; skiing; sailing; golf; horseback riding.</p> <p>Archaeological and ethnographic museums; zoos; botanical gardens; aquarium.</p> <p>Mineral-water spas; hot-water spas; hiking trails; picnic grounds.</p> <p>Gambling casinos; discoteques; theatres; cinemas.</p> <p>Souvenirs and gift shops; handicrafts shops; auto-service facilities (beyond gasoline dispensing stations); groceries and necessities.</p> |
| Infrastructure and Food and Shelter  | <p>Infrastructure above 'minimal touristic quality'</p> <p>Food and lodging facilities above 'minimal touristic quality'</p>   | <p>Highways and roads; water, electricity and gas; safety services; health services; communications; public transportation facilities.</p> <p>Hotels; restaurants; vacation villages; bungalows, motels; camping facilities.</p>  |

Source: Charles E. Gearing, Planning for Tourism Development, p. 93.

to wash away the dirt grime and misfortune of the old year. Similarly Thadingyut has the festival of lights to celebrate the closing of the Buddhist Lent. Both these festivals are very popular with the tourists.

For tourists interested in the study of culture and tradition of people Burma has to offer its unique tradition and custom. Burma has preserved the tradition of close family tie, respect for elders, reverence for Buddhism and single native dress, all of which tourists find fascinating to observe and study. From records of tourists who had visited Burma, mention was made of the Burmese as a race of happy and fun-loving people, respectful of religion, steep in tradition and always friendly, cordial and hospitable to tourists whom they regard as guests of the country.

### (3) Cultural and Historical Factors

Architectural works of art, remains of ancient pagodas, buildings and temples which survive through natural destructions, buildings or places where ancient kings or presidents resided, pieces of destroyed buildings, shrines and cetiyas and inscriptions are things and places of cultural and historical interests for tourists.

Burma is fortunately bestowed with a vast cultural and historical heritage. Hence its tourism is based on its own national culture. Places where cultural attractions

abound are marked tour centres.<sup>1</sup> Examples of such places of cultural and historical interests are Pagan, the richest archaeological site in Asia as well as in Burma and Mandalay, the last capital of the Burmese kings, abundant in historical relics such as palaces, royal monasteries and ruined shrines. Thus Burma tourism market could extend as far as its facilities would permit.

#### (4) Recreational and Shopping Facilities

Recreational and shopping facilities that tourists expect to find are sports facilities such as hunting, skiing and golf; educational facilities that are like museums and libraries; facilities conducive to health, rest and tranquility and opportunities to shop for curios, souvenirs and local ethnic products.

In this respect, Burma does not have much to offer. There is the Rangoon Zoological Garden and National History Museum, Archaeological Research Museum and Maymyo Botanical Garden which could be of interest to some tourists. There are very limited sports facilities which we could say are tourist attractions.

To go shopping, Hotel and Tourist Corporation has a Diplomatic Store in Rangoon. This store caters not only to the diplomatic community but to anyone who can offer foreign exchange so that tourists enjoy right to purchase from the store. The store offers various types of handicrafts

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1 The tour centres of Burma are shown in Appendix (8).

such as lacquerwares, and precious stones. Any purchase made from the store can be taken out of the country without any export permit. In addition, there are Souvenir Shops at Government owned hotels in every tourist centres, catering especially for tourists. Moreover, there are other private own arts and crafts shops, art studios from which tourists can obtain object de-art.

(5) Infrastructure, food and shelter

These attractions can be divided into two: infrastructure and superstructure.

The infrastructure includes all forms of construction on and below ground required by any inhabited area in intensive communication with the outside world and as a basis for intensive human activity within. It includes roads, highways and parking areas, railway lines, harbours and airport runways as well as utility services such as water, electricity and power supply. The latter, superstructure, consists of passenger traffic terminals, hotels, restaurants, entertainment and shopping facilities, and the like.

To fulfil these requirements the government is building the infrastructure facilities such as express-ways and roads, bridges, sea-ports for the country's physical development within the limit of the country's finance. For example, Rangoon-Mandalay Express Way Project, Rangoon International

Airport Extension Project and Rangoon Port Development Project are now being implemented and they may help promote tourism. Thus it can be expected that the infrastructure development can be of benefit not only to the local people but also for tourists convenience in visiting Burma as well as in sight-seeing within the country.

Likewise the Hotel and Tourist Corporation is trying its best to satisfy tourists during their stay with convenience in accommodation, food, shopping and sight-seeing facilities. Table (2.2) shows the existing hotels that are ran by the Hotel and Tourist Corporation. Further the Ministry of Trade has empowered the Hotel and Tourist Corporation to form Regional Tourism Committees in major tour centres to systematically carry out tourist trade. The committees are to co-ordinate and supervise registered private tourist businesses. i.e. the businesses of hotels and guest-houses, tourist transportation businesses and tourist guides.

Therefore, with the concerted efforts made by the Hotel and Tourist Corporation and the Regional Tourism Committees in the coordination, supervision and operation to promote tourism, added to which is the various tourist attractions that Burma has to offer tourists, there is every reason to expect that the foreign exchange earning through tourist trade will be greatly increased.

Table (2.2). Hotels and Guest Houses owned by the Hotel and Tourist Corporation (1985).

| Centre   | Hotel               | Number |      |
|----------|---------------------|--------|------|
|          |                     | Rooms  | Beds |
| Rangoon  | Inya Lake Hotel     | 229    | 398  |
|          | Strand Hotel        | 100    | 188  |
|          | Thamada Hotel       | 58     | 98   |
|          | Kandawgyi Hotel     | 35     | 66   |
|          | Sakhantha Hotel     | 13     | 26   |
|          | Dagon Hotel         | 12     | 20   |
|          | Garden Guest House  | 16     | 40   |
| Mandalay | Mandalay Hotel      | 72     | 144  |
|          | Myamandalar Hotel   | 33     | 66   |
|          | Nanmyaing Hotel     | 30     | 53   |
|          | Maymyo Inn          | 12     | 20   |
| Pagan    | Thiripyitsaya Hotel | 68     | 136  |
|          | Irra Inn            | 25     | 50   |
|          | Pindaya Guest House | 14     | 27   |
| Meiktila | Wunzin Hotel        | 22     | 44   |
| Pegu     | Shwewatun Hotel     | 16     | 32   |
| Sandoway | Ngapali Beach Hotel | 36     | 72   |
| Taunggyi | Taunggyi Hotel      | 45     | N.A. |
|          | Kalaw Hotel         | 24     | N.A. |

Source: Tourist Burma.

### 2.3 Burma's Tourism Policy and Its Markets

Mention was made in the last section of Burma having excellent climate and possessing many tourist attractions, especially natural attractions, cultural attractions and recreational attractions. Accordingly it bases its tourism policy on its own national culture and deems as tour centres, places of cultural interest and natural attractions. Furthermore, records of visitors who came to Burma show that tourists who came for recreational purposes far outnumbered those for business and other common interest visitors. This can clearly be seen in Table (2.3) and Figure (2.1).

Hence, we can deduce that people who come to Burma are mostly recreational tourists in search of cultural and historical interests.

### 2.4 The Role of Tourist Trade in Country's National Economic Development

Many researchers of tourism asserted that tourism could have many benefits to tourist receiving countries. The most important and most apparent impact of tourism to host countries is the economic impact. Some countries having tourism as a major item in their export trade have largely improved their balance of payment situation. In Burma, the foreign exchange earning from tourism in relation to other export earnings has steadily increased over the last decade.

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Table (2.3). International Visitor Arrivals by Purpose of Visit.

| Year |        | Purpose of Visit |          |        | Total  |
|------|--------|------------------|----------|--------|--------|
|      |        | Tourist          | Business | Others |        |
| 1975 | Number | 16,326           | 7,486    | 2,305  | 26,117 |
|      | %      | 62.5             | 28.7     | 8.8    | 100    |
| 1976 | Number | 18,571           | 6,235    | 3,014  | 27,820 |
|      | %      | 66.8             | 22.4     | 10.8   | 100    |
| 1977 | Number | 22,076           | 4,344    | 5,125  | 31,545 |
|      | %      | 70.0             | 13.8     | 16.2   | 100    |
| 1978 | Number | 21,908           | 3,818    | 925    | 26,651 |
|      | %      | 82.2             | 14.3     | 3.5    | 100    |
| 1979 | Number | 22,208           | 5,084    | 6,478  | 33,770 |
|      | %      | 65.8             | 15.0     | 19.2   | 100    |
| 1980 | Number | 25,530           | 5,456    | 6,941  | 37,927 |
|      | %      | 67.3             | 14.4     | 18.3   | 100    |
| 1981 | Number | 28,070           | 6,501    | 8,109  | 42,680 |
|      | %      | 65.8             | 15.2     | 19.0   | 100    |
| 1982 | Number | 29,910           | 6,807    | 7,317  | 44,034 |
|      | %      | 67.9             | 15.5     | 16.6   | 100    |
| 1983 | Number | 29,668           | 825      | 6,940  | 37,433 |
|      | %      | 79.3             | 2.2      | 18.5   | 100    |
| 1984 | Number | 29,590           | 2,668    | 5,361  | 37,619 |
|      | %      | 78.7             | 7.1      | 14.2   | 100    |
| 1985 | Number | 33,711           | 3,247    | 4,376  | 41,334 |
|      | %      | 81.6             | 7.9      | 10.5   | 100    |

Source: Tourist Burma.

This is shown graphically in Figure (2.2).

Table (2.4) represents foreign exchange receipt from tourism and Export foreign exchange earnings and G.N.P. for Burma. From the table, it can be calculated that the average annual rate of growth for tourism receipts was 18% compared to 10.59% of export earnings and 6% of Gross National Product. Thus the tourism receipts have made some contribution to the Balance of Payment although not as significant as export earnings.

Moreover, the tourism receipts have tripled in size relative to G.N.P. from 0.14% of G.N.P. in 1975-76 to 0.36% in 1985-86. Similarly while the value of tourism receipt was 1.2% of the value of total exports in 1975-76, this figure had risen to 2.3% by 1985-86. Hence tourism has become an increasingly important source of foreign exchange for Burma.

In addition to this direct economic effect on the country, it can have indirect or induced effect such as regional income multiplier effect<sup>1</sup> to the country's

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1 In basic economic theory, the effect of a change in investment, on income and on employment is analysed. If the annual flow of investment changes by a certain amount, by how much will income and employment change, is the question posed. In the case of tourism, the definition applied will be the change in income generated by an increase or decrease in expenditure by foreign tourists.

economy. Moreover, tourism enhances regional development by utilizing the productive forces of the region and thereby fulfilling planned proportional development of the regions which is of the objective of the country's overall economic plan.

### 2.5 The Limitations and Problems of Tourism

As has been described, while tourism can have the potential benefits, both direct and indirect to the country, there is a wide range of problems in developing tourism. Thus we need to analyse the problems and limitations and find ways and means to overcome them.

The first problem is that tourism is to a considerable extent a seasonal activity. During peak tourist season, the available tourist facilities are not sufficient to meet the demand. Consequently, a lot of package tour which otherwise could have been serviced had to be forfeited, reducing the foreign exchange earnings from tourism. Besides this leads to an undesirable image for the country. Hence, there is an urgent need for developing new hotels and expansions of existing hotels and this problem can be solved by implementing hotel development program. On the other hand, the low season would result in wasteful use of resources such as accommodation and transport facilities. In other countries this problem is usually overcome by off-season

price reductions. By doing so it can be an attraction for budget-minded tourists and thereby increases the tourist arrivals to the country.

The next problem stems from the entry-visa and passport requirements. To enter Burma, tourists must present a valid passport and tourist visa obtained at one of Burma's overseas embassies or consulates. Some embassies require about a few weeks to process the visa upsetting the tour programs and delaying the arrivals to Burma. This could be due to the improper instructions or insufficient processing personnel at the embassies. This problem can be corrected by improving the services rendered by embassies. Moreover, the tourist visa period is very limited in Burma. This greatly inconvenienced in tourists in their arrangement of the tour. Thus the visa period extension should be made.

The third problem of tourism is of social nature. The local people especially youth come in contact and interact with tourists who come from various countries. In doing so they are likely to be influenced by behavior, style of dress and attitudes of foreigners which are not desirable according to Burmese culture and tradition. In some cases tourism can lead to increase in use of drugs, prostitution and theft. These problems at present are not very significant, but cautions handling of the problems may result in growth of tourism without these undesirable negative effects.

In addition, the question of health has also to be considered. Tourists suffering from such diseases as AIDS, Cholera and Syphilis may spread these diseases by having contact with local people during their stay. This problem must be recognized as a constraint in tourism development. Burma admits tourists only with certificate of immunization not requiring blood tests as in other countries to certify them as being free from AIDS.

Last, but not least, contravention of country's Foreign Exchange Control Regulation is a problem faced by every country which carries out tourism. For example, some tourists (especially foreign independent tourists) finance their stay by sale of personal belongings and duty-free goods and usually undertake black-market exchange for foreign currency. So this effects the foreign exchange earnings. However the problem can be surmounted with a further strengthening of control system through customs and police checks. But this measure would have a very negative effect on the attitude of package tourists. So in Burma, it has been prescribed for foreign independent tourists starting from May, 1987 that at least \$ 100 are required to be exchanged with local currency at the time of entering Burma. Therefore, this means of prevention of Foreign Exchange Contravention may possibly increase Country's Foreign Exchange Earning.

## 2.6 Necessary Conditions for the Success of Tourism Development

The growth and development of tourism are not without problems. Thus it is to be noted that both the government authorities and the organization which carries out tourism have responsibilities to solve all the problems.

First, the Government Authorities should recognize the international tourism as a potentially important economic sector and a type of export activity of the country as well as a means of increasing international understanding and cross-cultural exchange and should encourage for tourism development by making investment on infrastructure development of the country. Also the tourist visa period extension should be considered. At the same time the Government must provide legal basis for developing tourism and for establishing a well-structured tourism organization that can give some directions or a sound basis for promoting tourism.

Secondly, for the efficient development and operation of tourism, effective organization and co-ordination in all its aspects is essential. Tourism is a multi-sectoral activity requiring the participation of several government agencies. For tourism to function effectively, co-operation and co-ordination is necessary. Also the level of organization structure which would take the responsibility of tourism should be a high level organization such as that of the ministry.

Moreover all the government organizations concerned with tourism need to develope tourism in a carefully planned, controlled and organized manner so that all aspects of tourist facilities and services function in an efficient and integrated manner and meet the international standards where appropriate, in order to handle increasing numbers of tourists and achieve greater visitor satisfaction and improve tourism revenues without leading to unduly expensive tourism development and prices.

The existing government organization, Tourist Burma, under the Hotel and Tourist Corporation, which is responsible for tourism is a small one compared to other related organizations such as Burma Airways Corporation, Burma Railways Corporation and Inland Water Transport Corporation etc. Moreover the organization is not free to make all decisions which are relevant to tourism, but has to report to higher authorities in most cases for decisions concerning transportation, accommodation and entertainment. The resultant red-tape involves delays in the practical carrying out of arrangements necessary for the convenience of tourists. Thus the present organization cannot effectively handle large tourism operation especially in peak periods. Hence there should be a high level organization consisting of representatives from all agencies involved in any aspect of tourism such as Burma Airways Corporation, Burma Railways

Corporation, Inland Water Transport Corporation, Road Transport Corporation, Department of Culture, Department of Museums etc. The organization should be empowered to make instant decisions whenever necessary to carry out tourism operations.

Thirdly, the organization concerned with tourism should have a sound marketing plan which is a prerequisite tool for successful tourism development. A necessary basis for development of a marketing plan is analysis and research of the current tourism market situation and developing trends to identify the problems and opportunities and possible courses of action that can best achieve market objectives. A sophisticated activity such as tourism requires that it be well researched and analysed with an implementation program established that reflects constant effort to achieving the market goals.

Finally, the authorities should consider the possibility of Burma joining through the Hotel and Tourist Corporation the World Tourism Organization and its regional affiliations such as the Pacific Area Travel Association, South-east Asian Promotion bodies and regional travel agent associations. These organizations are very active in providing a wide range of tourism services, annual conferences and seminars. Also the members of these organizations can obtain the important market research data and the latest marketing and operational techniques among other benefits.

Thus the authorities should consider joining at least some of these organizations in order to strengthen the tourism development.

The first step in the development of a tourism program is the identification of the potential of the area. This involves a study of the natural, cultural, and historical resources of the area, as well as the existing infrastructure and services.

The next step is to develop a marketing strategy. This involves identifying the target market, determining the most effective marketing channels, and developing promotional materials and campaigns.

It is also important to establish a tourism authority or committee to oversee the development and implementation of the program. This body should be composed of representatives from the government, the private sector, and the community.

Finally, it is essential to monitor and evaluate the progress of the program. This involves collecting data on tourism statistics, assessing the impact of marketing efforts, and making adjustments as needed to improve the program's effectiveness.

In conclusion, the development of a tourism program is a complex task that requires careful planning and execution. By following these steps, authorities can create a successful program that promotes the area's tourism potential and contributes to its economic development.

The first step in the development of a tourism program is the identification of the potential of the area. This involves a study of the natural, cultural, and historical resources of the area, as well as the existing infrastructure and services.

The next step is to develop a marketing strategy. This involves identifying the target market, determining the most effective marketing channels, and developing promotional materials and campaigns.

CHAPTER III  
OVERVIEW OF THE TOURISM MARKET

Any business that wishes to penetrate aggressively its market must establish an effective marketing program. In tourism, the term 'market' means -

- (1) the actual or potential customers (passengers, visitors, guests) of a tourism service or destination,
- (2) the geographical area, a country, region or city from which a service or destination draws customers,
- (3) the demand for a certain type of service or destination, for example, the package tour market or the market for travel to a certain place.

A marketing program is an integral part of a carefully thought out marketing plan. A successful marketing plan must begin with the analysis of the existing market. One of the means to study the tourist market is to undertake a marketing research program. This program should answer the following question:

Firstly, what is the total size of the current market? and

Secondly, how can the maximum share of that market be obtained?

To answer these questions, marketing research must establish as

- (1) What is the current market for tourism to the country? From which countries do the visitor come? What type of people come? Is the market changing and if so, how?
- (2) What are the prospects for growth, and from which markets will the growth come?
- (3) What are the needs and wants of the visitors and potential visitors? What type of accommodation and other facilities are required to maximise visitors enjoyment?
- (4) How does our country stand in relation to competitors on these essential points?
- (5) Having ascertained the current market, the growth potential, the needs of the market and the country's relative standing, how can the particular tourism product be marketed to the best advantage?

There are two principal methods in obtaining above information on market: desk research and field research.

- (1) Desk Research is concerned with the analysis of existing data and is a quantitative analysis primarily concerned with the number of visitors.
- (2) Field Research is concerned more with qualitative than quantitative data. It studies attitudes, motivations and influences, and the facts about what kinds of people come to the country and why, how they come and how they can be persuaded to come more often.

The study in this chapter and the next two chapters are discussion of the answers to the questions raised above and following the methods just mentioned. Hence we have adopted as the main objectives of the study in this chapter the following:

- (1) to study the existing tourism market, and
- (2) to study the foreign exchange receipts from tourism in relation to the number of tourist arrivals.

To do so, we have adopted the following hypotheses:

- (1) the number of tourist arrivals to Burma have been growing and current tourism market is satisfactory,
- (2) Earnings from tourism is dependent not solely on the number of tourist arrivals and average length of stay but also on the individual spending pattern of the tourists.

### 3.1 Tourist Arrivals to Burma

First we will undertake to study the tourism market by looking at the tourist arrivals to Burma for the period 1977-78 to 1985-86. Table (3.1) shows the number of tourist arrivals to Burma for the period.

As given in this table, the number of tourist arrivals gradually increased except for the years 1978-79 and 1983-84. Particularly, tourist arrivals to Burma in 1985-86 totalled 35,948 showing a significant increase of 58.26% from the year 1977-78. The decrease in tourist arrivals in 1978-79 and 1983-84 was partly due to the crash of Burma Airways Corporation (B.A.C.) aircraft which took place in March 1978 and the attempt at the life of Chun Doo Hwan while on a visit to Rangoon in 1983.

It could be assumed that but for these two unfortunate events, the tourist arrivals would successively increase from 1977-78 to 1985-86. In general, we may conclude that the tourism market of Burma is considerably improving.

Moreover, the same data can be used to forecast the number of tourist arrivals in the future. In doing so, the best trend line using the time series of 1977-78 to 1986-87 has to be estimated.

As shown in Appendix (2), the best fitted trend line is found to be linear and the equation is as follows:

$$Y_t = 19512.4 + 1623.23t \quad (t = 1 \text{ at } 1977-78)$$

From the equation, since regression coefficient is + 1623, the tourist arrivals increase by about 1623 per year on the average. The trend line and original series are plotted in figure (3.1).

The forecasted number of tourist arrivals for the year 1986-87 to 1989-90 are as follows:

| <u>Year</u> | <u>Forecasted Number of Arrivals</u> |
|-------------|--------------------------------------|
| 1986-87     | 35745                                |
| 1987-88     | 37368                                |
| 1988-89     | 38991                                |
| 1989-90     | 40614                                |

The forecasted arrivals are based on the past arrivals and thus they are influenced by the limited conditions of Myanmar tourism market prevailing in the past. If the favourable conditions like extension of visa period, making available improvements in tourism

facilities and services, and the diversification of the country's economy, the actual arrivals can be expected to be greater than the forecasted arrivals.

Table (3.1). The number of Tourist Arrivals to Burma.  
(1977-78 to 1985-86).

| Year     | Number of Tourist Arrivals | Increase over base year (%) |
|----------|----------------------------|-----------------------------|
| *1977-78 | 22,715                     | -                           |
| 1978-79  | 21,158                     | -6.85                       |
| 1979-80  | 22,930                     | 0.94                        |
| 1980-81  | 27,278                     | 20.09                       |
| 1981-82  | 28,110                     | 23.75                       |
| 1982-83  | 30,741                     | 35.33                       |
| 1983-84  | 28,998                     | 27.66                       |
| 1984-85  | 30,779                     | 35.50                       |
| 1985-86  | 35,948                     | 58.26                       |

\* 1977-78 Base Year

1977-78 is chosen as the base year because prior to that year, tourism functions were undertaken not exclusively by Tourist Burma but includes Tourist Information Services under Burma Airways Corporation.

Secondly, we will examine tourist arrivals by their place of origin.

### 3.2 Tourist Arrivals to Burma by Region

Table (3.2) shows the percentage of tourist arrivals by place of origin. It can be seen from this table that most tourist arrivals are from Western Europe region comprising 52% - 60% in the years covered. The second place is taken by tourists from Asia and Pacific followed by North America and Middle East. Arrivals from Latin America, Eastern Europe and Africa are almost negligible. This is clearly shown in figure (3.2).

From the analysis of place of origin by region we can see that Western Europe which is very much farther from Burma than Asia and Pacific represented a much greater share of the tourist market. This is an indication that distance is a very minor factor influencing the tourism market.

However, the study of the trend in the rate of increase in tourist arrivals from West Europe, North America, and Asia and Pacific revealed that the growth rate of North America had been lower than that of West Europe up to the year 1983-84 when it overtook and surpassed for the remaining two years under study. This can be seen in table ((3.1) and figure ((3.3).

## Tourist Arrivals (Thousand)

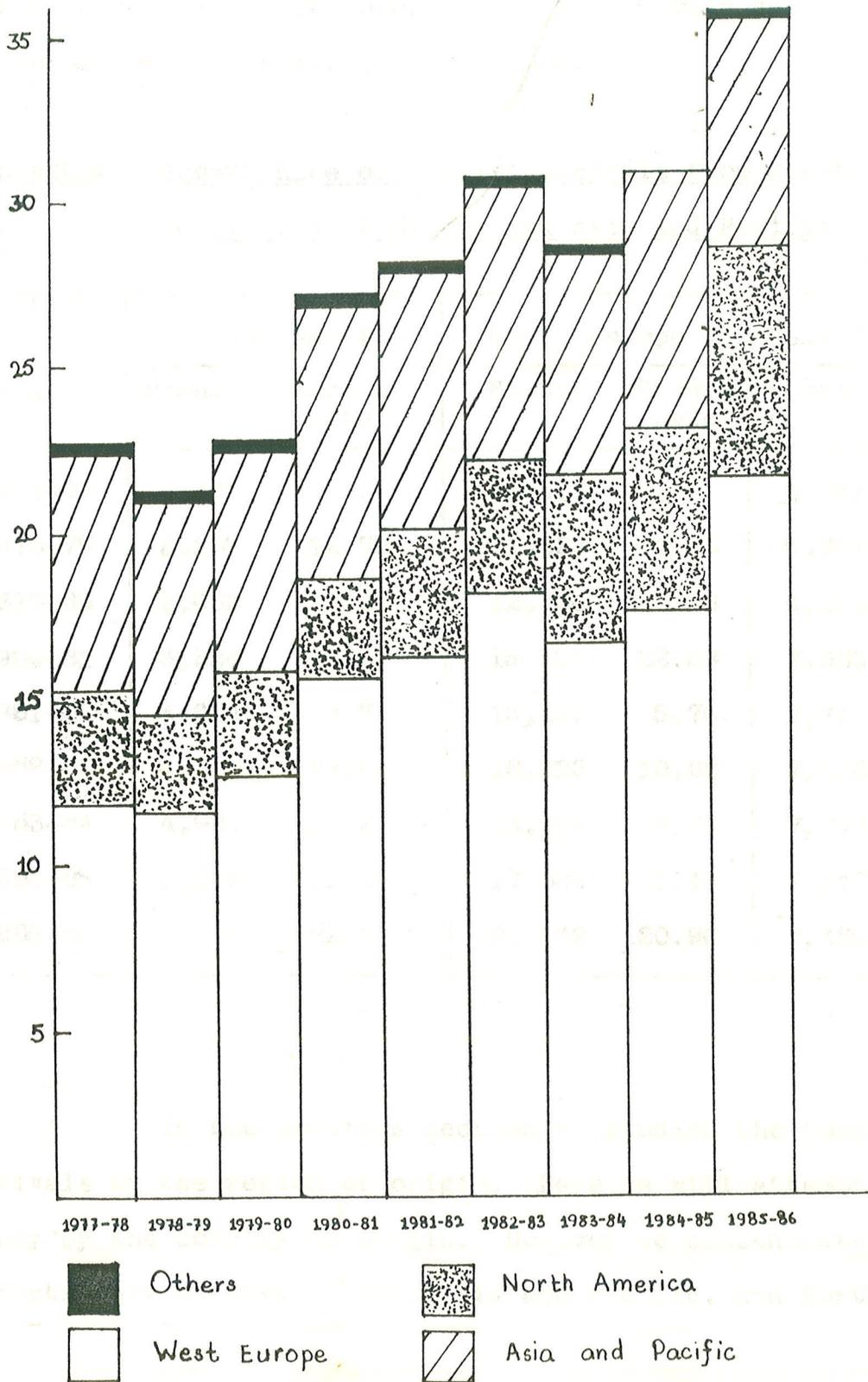


FIGURE (3.2) The Number of Tourist Arrivals by Region

Thus if this trend in the growth rate continued North America and West Europe would be the main generators of Burma tourism market in the future.

Table(3.3). Growth Rate of Tourist Arrivals from North America, West Europe and Asia and Pacific.

| Year    | North America |             | West Europe |             | Asia & Pacific |             |
|---------|---------------|-------------|-------------|-------------|----------------|-------------|
|         | Number        | Growth Rate | Number      | Growth Rate | Number         | Growth Rate |
| 1977-78 | 3,672         | -           | 11,814      | -           | 6,851          | -           |
| 1978-79 | 3,205         | -(12.72)    | 11,627      | -(1.58)     | 5,943          | -(13.25)    |
| 1979-80 | 3,032         | -( 5.4 )    | 12,706      | 9.28        | 6,659          | 12.05       |
| 1980-81 | 3,324         | 9.6         | 15,551      | 22.39       | 7,986          | 19.93       |
| 1981-82 | 3,614         | 8.7         | 16,446      | 5.76        | 7,712          | -( 3.43)    |
| 1982-83 | 4,257         | 17.8        | 18,226      | 10.82       | 7,878          | 2.15        |
| 1983-84 | 4,987         | 17.2        | 16,961      | -(6.94)     | 7,009          | -(11.03)    |
| 1984-85 | 5,648         | 13.2        | 17,684      | 5.44        | 7,247          | 3.4         |
| 1985-86 | 6,929         | 22.7        | 21,632      | 20.96       | 7,385          | 1.9         |

In the previous section we studied the tourist arrivals by the region of origin. Here we will attempt to study by the country of origin. However we concentrate our efforts only on West Europe, Asia and Pacific, and North

America, the major markets of Burma's tourism.

### 3.3 Tourist Arrivals by Country of Origin

First, we study the tourists from West Europe region, the major market of Burma's tourism. Table shows that the main tourist generating countries in the region are France with a share of 15% - 37%, West Germany between 20% - 27% and United Kingdom 12% - 16%, Italy and Switzerland each with a share of 8% - 11%. The market share of other countries such as Austria, Belgium, Denmark, Sweden and Netherland is only about 1% to 5%. Therefore France and West Germany are the major tourism market of Burma in the West European region.

Table (3.5) portrays the picture for Asia and Pacific region, the second largest tourism market of Burma. We find that Japan constitutes 32% - 40%. Australian tourists take up 22% - 26%, Thai tourists 12% - 19%, tourists from New Zealand 6% - 10% and the tourists from other countries such as Hong Kong, Malaysia and Singapore are only about 1% to 5%.

For North America region, American tourists make up the average share of 81% and Canadian tourists the remaining 19% of the region as can be seen in table ((3.6).



Table (3.6). The Percentage of Tourist Arrivals by Country of Origin (North America Region).

| Country | 1977-<br>78 | 1978-<br>79 | 1979-<br>80 | 1980-<br>81 | 1981-<br>82 | 1982-<br>-83 | 1983-<br>84 | 1984-<br>85 | 1985-<br>86 |
|---------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
| America | 80.75       | 84.24       | 79.55       | 82.82       | 78.44       | 79.73        | 78.83       | 80.70       | 80.49       |
| Canada  | 19.25       | 15.76       | 20.45       | 17.18       | 21.56       | 20.27        | 21.17       | 19.30       | 19.51       |
| Total   | 100         | 100         | 100         | 100         | 100         | 100          | 100         | 100         | 100         |

A summary table showing the percentage of tourist arrivals by region and by major country only is shown in table (3.7). A ranking of the percentage arrivals of tourists by country grouped by region is shown in table (3.8).

It can be seen from this table that French and West German tourists make up the highest number of tourist arrivals to Burma followed by American, Japanese and British in that order. The last two ranks of percentage tourist arrivals are Thai and Canadian.

Accordingly we can find that Burma's main tourism market are the developed countries such as France, West Germany, U.S.A. and Japan. The Gross National Product

Table (3.7). The Percentage of Tourist Arrivals by Region and by Country.

|                           | 1977-<br>78 | 1978-<br>79 | 1979-<br>80 | 1980-<br>81 | 1981-<br>82 | 1982-<br>83 | 1983-<br>84 | 1984-<br>85 | 1985-<br>86 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>West Europe</u>        |             |             |             |             |             |             |             |             |             |
| France                    | 13.44       | 20.48       | 17.28       | 17.91       | 17.17       | 14.57       | 9.05        | 9.68        | 10.51       |
| F.R.G.                    | 11.24       | 10.71       | 13.77       | 13.81       | 15.35       | 16.10       | 15.71       | 14.92       | 14.26       |
| U.K.                      | 7.87        | 7.54        | 6.52        | 6.16        | 7.14        | 7.83        | 9.49        | 8.86        | 9.23        |
| Switzerland               | 4.43        | 4.23        | 4.29        | 4.77        | 5.42        | 5.22        | 6.20        | 6.13        | 6.25        |
| Italy                     | 6.07        | 4.21        | 5.67        | 4.37        | 4.88        | 4.55        | 4.97        | 5.38        | 6.23        |
| <u>North America</u>      |             |             |             |             |             |             |             |             |             |
| America                   | 13.05       | 12.76       | 10.51       | 10.09       | 10.09       | 11.04       | 13.56       | 14.81       | 15.51       |
| Canada                    | 3.11        | 2.39        | 2.70        | 2.09        | 2.77        | 2.80        | 3.64        | 3.54        | 3.76        |
| <u>Asia &amp; Pacific</u> |             |             |             |             |             |             |             |             |             |
| Japan                     | 10.11       | 8.98        | 10.45       | 10.02       | 10.44       | 8.34        | 8.10        | 8.40        | 8.27        |
| Australia                 | 7.96        | 6.81        | 6.99        | 7.74        | 6.15        | 5.68        | 4.80        | 5.57        | 5.28        |
| Thailand                  | 5.21        | 4.36        | 4.35        | 4.59        | 4.36        | 4.93        | 4.08        | 3.53        | 2.39        |
| Others                    | 17.51       | 17.54       | 17.47       | 18.45       | 16.23       | 18.94       | 20.40       | 19.18       | 18.31       |
| Total                     | 100         | 100         | 100         | 100         | 100         | 100         | 100         | 100         | 100         |

Table (3.8). Rank of Percentage Arrivals by Country.

|                           | 1977<br>-78 | 1978<br>-79 | 1979<br>-80 | 1980<br>-81 | 1981<br>-82 | 1982<br>-83 | 1983<br>-84 | 1984<br>-85 | 1985<br>-86 | Mean | Rank |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|------|
| <u>West Europe</u>        |             |             |             |             |             |             |             |             |             |      |      |
| France                    | 1           | 1           | 1           | 1           | 1           | 2           | 4           | 3           | 3           | 1.8  | 1    |
| F.R.G.                    | 3           | 3           | 2           | 2           | 2           | 1           | 1           | 1           | 2           | 1.8  | 1    |
| U.K.                      | 6           | 5           | 6           | 6           | 5           | 5           | 3           | 4           | 4           | 4.8  | 5    |
| Switzerland               | 9           | 8           | 9           | 7           | 7           | 7           | 6           | 6           | 6           | 7.2  | 7    |
| Italy                     | 7           | 9           | 7           | 3           | 8           | 3           | 7           | 8           | 7           | 7.8  | 8    |
| <u>North America</u>      |             |             |             |             |             |             |             |             |             |      |      |
| America                   | 2           | 2           | 3           | 3           | 3           | 3           | 2           | 2           | 1           | 2.3  | 3    |
| Canada                    | 10          | 10          | 10          | 10          | 10          | 10          | 10          | 9           | 9           | 9.7  | 10   |
| <u>Asia &amp; Pacific</u> |             |             |             |             |             |             |             |             |             |      |      |
| Japan                     | 4           | 4           | 4           | 4           | 4           | 4           | 5           | 5           | 5           | 4.5  | 4    |
| Australia                 | 5           | 6           | 5           | 5           | 6           | 6           | 8           | 7           | 8           | 6.2  | 6    |
| Thailand                  | 8           | 7           | 8           | 8           | 9           | 8           | 9           | 10          | 10          | 8.5  | 9    |

of the above countries is high and thus they can generate more tourists than others. On the other hand, there may be other factors which also contribute to the generation of tourists from these developed countries such as population. Therefore, the correlation of population of these countries and the tourists generated by them will be studied as follows.

3.4 The Relationship of Population of Countries and the Number of Tourist Arrivals to Burma

The population of the selected countries and the tourist arrivals to Burma from these countries in 1983 and 1984 can be seen in the table (3.9).

From this table, a matrix each for 1983 and 1984 will be constructed to establish the relationship between the population and tourist arrivals.

The population as given in the table is divided into three groups: high, medium and low. For 1983, the high group includes with a population of 681 million and above, medium with a population between 342 million and 680 million. The remaining countries will be treated as low group.

The corresponding figures for 1984 are high 687 million and above, medium between 345 million and 686 million and the remaining countries in low group.

Table (3.9). The Population of Some Selected Countries and the Number of Tourist Arrivals to Burma from These Countries.

| Country           | 1983                 |                  | 1984                 |                  |
|-------------------|----------------------|------------------|----------------------|------------------|
|                   | Population (million) | Tourist Arrivals | Population (million) | Tourist Arrivals |
| 1. West Germany   | 61.4                 | 4802             | 61.2                 | 4561             |
| 2. U.S.A.         | 234.5                | 3792             | 237.0                | 4241             |
| 3. France         | 54.7                 | 2928             | 54.9                 | 2878             |
| 4. United Kingdom | 56.3                 | 2686             | 56.4                 | 2655             |
| 5. Japan          | 119.3                | 2513             | 120.0                | 2522             |
| 6. Switzerland    | 6.5                  | 1812             | 6.4                  | 1773             |
| 7. Australia      | 15.4                 | 1534             | 15.5                 | 1613             |
| 8. Italy          | 56.8                 | 1447             | 57.0                 | 1606             |
| 9. Canada         | 24.9                 | 932              | 25.1                 | 1038             |
| 10. Thailand      | 49.2                 | 1330             | 50.0                 | 1025             |
| 11. New Zealand   | 3.2                  | 683              | 3.2                  | 677              |
| 12. Netherland    | 14.4                 | 627              | 14.4                 | 617              |
| 13. India         | 733.2                | 423              | 749.2                | 394              |
| 14. Belgium       | 9.9                  | 430              | 9.9                  | 343              |
| 15. Sweden        | 8.3                  | 297              | 8.3                  | 304              |
| 16. Denmark       | 5.1                  | 256              | 5.1                  | 264              |
| 17. Pakistan      | 89.7                 | 201              | 92.4                 | 261              |
| 18. Malaysia      | 14.9                 | 250              | 15.3                 | 175              |
| 19. Bangladesh    | 95.5                 | 61               | 98.1                 | 93               |
| 20. Nepal         | 15.7                 | 32               | 16.1                 | 75               |
| 21. China         | 1019.1               | 85               | 1029.2               | 53               |
| 22. Korea (R.O.K) | 40.0                 | 154              | 40.1                 | 45               |
| 23. Indonesia     | 155.7                | 30               | 158.9                | 28               |

Source: The World Bank Annual Report (1985), (1986).

By taking the highest and lowest population and dividing equally into three groups the above determinants are achieved. (The computations for the determinants are shown as in Appendix (3)).

The same computational process is used for tourist arrivals, the following results are achieved.

The high group for 1983 includes the countries which generate the number of tourist arrivals to Burma of above 3211, the medium includes those between 1620 and 3210 and the remaining countries are in the low group.

The corresponding figure for 1984 are high 3050 and above, medium between 1539 and 3049 and the remaining countries in low group.

The number of population and the number of tourist arrivals for 1983 and 1984 (as of table (3,9)) are cross-tabulated according to these classifications giving a matrix table as shown in figure (3.4).

From the matrix, it can be seen that for both the years, out of the 23 countries studied, 15 (65%) in 1983 and 13 (57%) in 1984 are in the low group. Here low group means that countries with low population generates small number of tourists to Burma. Hence it could be deduced that there is a spurious relationship between population and the number of tourist arrivals. However in some cases such as China and India, the population is

Fig.(3.4). Matrix Tables for the Correlation of Tourist Arrivals and Population.

(1983)

| Tourist Arrivals \ Population | High    | Middle          | Low   |
|-------------------------------|---------|-----------------|---|
| High                          |         |                 | (13) (21)   |
| Middle                        |         |                 |   |
| Low                           | (1) (2) | (3) (4) (5) (6) | (7) (8) (9) (10) (11) (12)<br>(14) (15) (16) (17) (18) (19)<br>(20) (22) (23) |

(1984)

| Tourist Arrivals \ Population | High    | Middle                     | Low   |
|-------------------------------|---------|----------------------------|---|
| High                          |         |                            | (13) (21)   |
| Middle                        |         |                            |   |
| Low                           | (1) (2) | (3) (4) (5) (6)<br>(7) (8) | (9) (10) (11) (12) (14) (15)<br>(16) (17) (18) (19) (20)<br>(22) (23) |

(1) = West Germany  
 (2) = U.S.A.  
 (3) = France  
 (4) = United Kingdom  
 (5) = Japan  
 (6) = Switzerland  
 (7) = Australia  
 (8) = Italy

(9) = Canada  
 (10) = Thailand  
 (11) = New Zealand  
 (12) = Netherland  
 (13) = India  
 (14) = Belgium  
 (15) = Sweden  
 (16) = Denmark

(17) = Pakistan  
 (18) = Malaysia  
 (19) = Bangladesh  
 (20) = Nepal  
 (21) = China  
 (22) = Korea (R.O.K)  
 (23) = Indonesia

positively large but the number of tourist arrivals from these countries is decidedly small.

Besides population there are other factors which influence the increase in the tourist arrivals which need to be further analysed. Michael Peter described in his book, 'International Tourism', that the factors affecting the tourist growth may be as follows: trade relations between countries; education and widening interests; the increasing wealth of the world's developed countries; discretionary income; increasing leisure time and paid holidays; car ownership; technological progress; relative freedom for currency movements out of the developed countries; relative price in the tourist's own country and his country of destination and propensity to travel.

Out of these factors only the trade relationship between Burma and the countries of origin of tourists will be studied in this paper due to the difficulty in obtaining data and the limited time at our disposal.

### 2.5 Relationship of Trade Values and Number of Tourist Arrivals

To determine the relationship between trade and the tourist arrivals, we will measure the trade relation with value of import and export.

In doing so, we analyse only by major regions such as North America, West Europe and Asia. The trade values of Burma and the number of tourist arrivals from the above regions are shown in table (3.10).

The relationship will be determined by computing the correlation coefficient between these two variables.

Table (3.11). Correlation Coefficients between Trade Values and Number of Tourist Arrivals.

|  | North America | West Europe | Asia    |
|--|---------------|-------------|---------|
| Correlation Coefficient of Import Value and Number of Tourist Arrivals | - 0.542       | + 0.677     | + 0.809 |
| Correlation Coefficient of Export Value and Number of Tourist Arrivals | - 0.186       | + 0.333     | + 0.581 |

Table (3.11) shows that for North America, the correlation coefficients are negative for both import and export. For West Europe and Asia, the corresponding correlation coefficients are + 0.677 and + 0.333, and + 0.809 and + 0.581 respectively.

The positive correlation for West Europe and Asia could be an indication that there is a strong relationship between trade values and number of tourist arrivals whereas the negative correlation for North America would only be an indication of indirect relationship. However the absolute number of arrivals and the trade values i.e., values of imports and exports for Asia and North America show that the number of arrivals from North America is very much greater than that from Asia although the trade value is very much lower. Therefore we can conclude that statistically, although there is correlation between trade values and number of tourist arrivals, tourism can still be independent of foreign trade with tourist generating countries.

### 3.6 Receipts from Tourism

In the last chapter, we studied the importance of tourism earning relative to Export Earnings. In this chapter we will study the tourism earning relative to the number of tourist arrivals.

The number of tourist arrivals and the foreign exchange receipt from tourism for 1977-78 to 1985-86 are shown in table (3.12).

Table (3.12). Number of Tourist Arrivals and Foreign Exchange Tourism Receipt.

| Year    | Tourist Arrivals | Foreign Exchange Tourism Receipt Kyat ('000) |
|---------|------------------|--|
| 1977-78 | 22,715           | 24,719                                       |
| 1978-79 | 21,158           | 31,510                                       |
| 1979-80 | 22,930           | 44,330                                       |
| 1980-81 | 27,278           | 61,929                                       |
| 1981-82 | 28,110           | 71,233                                       |
| 1982-83 | 30,741           | 82,894                                       |
| 1983-84 | 28,998           | 82,506                                       |
| 1984-85 | 30,779           | 81,134                                       |
| 1985-86 | 35,948           | 75,308                                       |

Source: Tourist Burma.

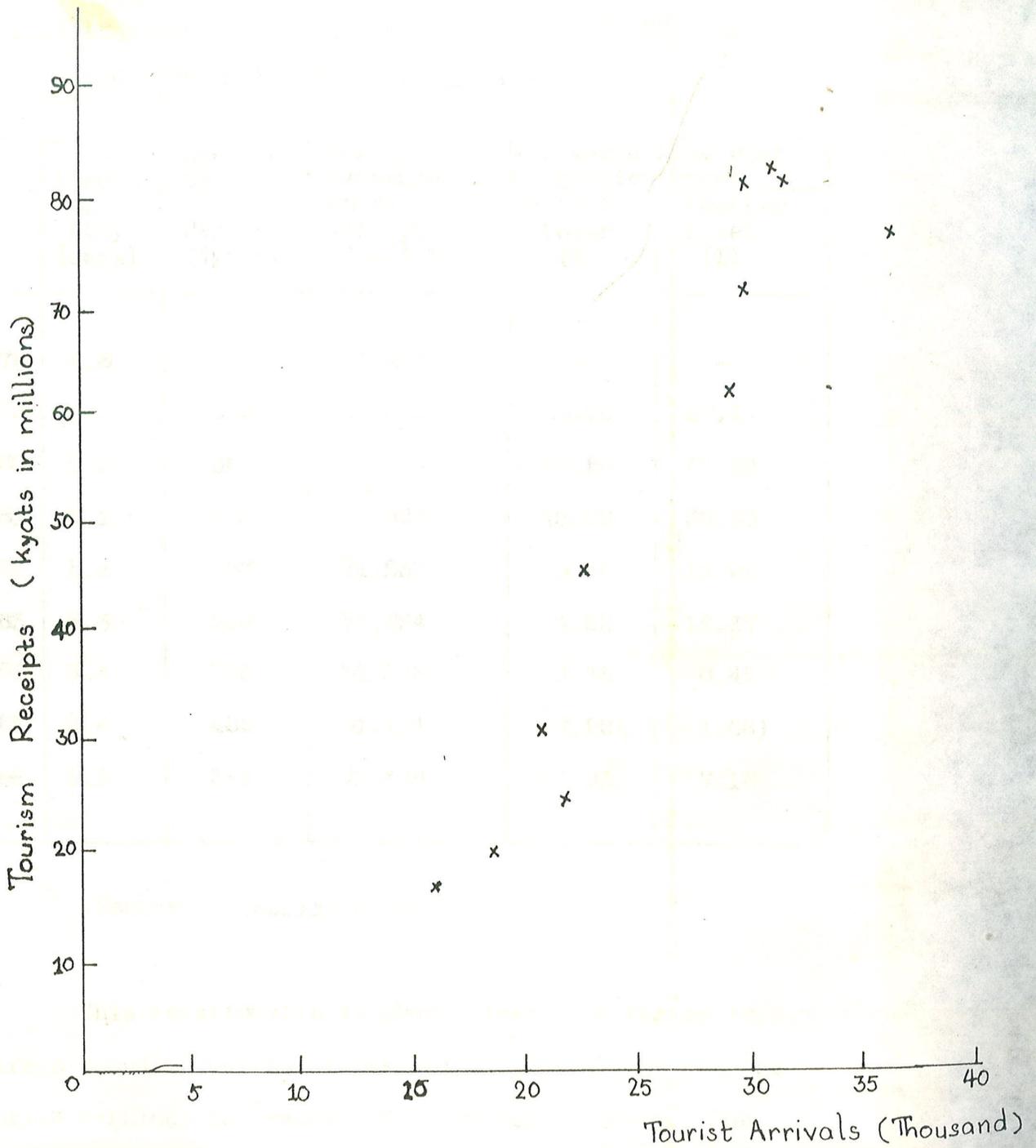
During the period 1977-78 to 1985-86, whereas the tourist arrivals increased by 6.27% average annual rate of growth, the tourism receipt grew at a 16.24% average annual rate of growth.

We can determine the relationship of the number of tourist and the receipt from tourism by using the scatter diagram as shown in figure (3.5).

This diagram shows that the tourism receipt rises at an increasing rate as the number of tourist arrivals increase. Thus there is a direct relationship between these two variables. Moreover, increase in tourism receipt has a more than proportional increase compared to that of the number of tourists.

Thus increase in tourism receipt may be due to the increase in average length of stay as well as average spending power. This calls for further analysis of the relationship between the average length of stay, average spending power and tourism receipt.

Using table(3.12) correlation coefficients for the relationship between (1) average length of stay and (2) average spending power per day and tourism receipt was computed. The results are + 0.74 and + 0.95 respectively. Hence it could be deduced that tourism receipt depends largely on spending power of tourists since it has a stronger correlation.



FIGURE(3.5) Scatter Diagram Showing the Relationship between the Number of Tourist Arrivals and Tourism Receipts

Table (3.13) Length of Stay, Average Spending Power Per Day and Foreign Exchange Tourism Receipt.

| Year    | Length of Stay (days) | Average Spending Power Per Day (Kyats) | Foreign Exchange Tourism Receipt ('000) Kyat | Increased Rate over previous year |                     |
|---------|-----------------------|--|--|-----------------------------------|---------------------|
|         |                       |  |  | Spending Power (%)                | Tourism Receipt (%) |
| 1977-78 | 4.8                   | 227                                    | 24,719                                       | -                                 | -                   |
| 1978-79 | 4.8                   | 310                                    | 31,510                                       | 36.56                             | 27.47               |
| 1979-80 | 5.0                   | 387                                    | 44,330                                       | 24.84                             | 40.69               |
| 1980-81 | 5.1                   | 445                                    | 61,929                                       | 15.00                             | 39.70               |
| 1981-82 | 5.2                   | 487                                    | 71,233                                       | 9.44                              | 15.02               |
| 1982-83 | 5.3                   | 509                                    | 82,894                                       | 4.52                              | 16.37               |
| 1983-84 | 5.4                   | 526                                    | 82,506                                       | 3.33                              | -(0.47)             |
| 1984-85 | 5.4                   | 488                                    | 81,134                                       | -(7.22)                           | -(1.66)             |
| 1985-86 | 5.5                   | 381                                    | 75,308                                       | -(21.93)                          | -(7.18)             |

Source: Tourist Burma.

This relationship is shown clearly in figure (3.6). The average spending per day increased until the year 1983-84 but tourism earnings increased until the year 1982-83. The earnings decreased after the year 1982-83 due to the decline in tourist arrivals in the year 1983-84 and partly due to the decrease in their spending power in 1984-85 and 1985-86.

However the reasons for the changes in their average spending may be any one or combination of the following:

- (1) changes in price of tourist facilities and services (i.e. the accommodation rate, food and transportation cost)
- (2) changes in proportion of package tourists and foreign independent tourists and
- (3) changes in individual spending pattern.

Accordingly, we will first study the relationship of price changes and average spending power.<sup>1</sup> The accommodation rate and average spending power per day are shown as in table (3.14).

This table shows that average spending power per day increased until the year 1983-84 as the accommodation rate rose. But the average spending power per day of tourists dropped in the year 1984-85 and 1985-86. The reason may be decrease in the proportion of package tourists. The spending habit of package tourists is usually higher than that of foreign independent tourists.

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1 Under the period reviewed, there were only changes in accommodation rate and the rate of other services such as food, transportation were not significantly changed.

Table (3.14) Average Accommodation Rate and Average Spending Power Per Day.

| Year     | Average Accommodation Rate |                   | Average Spending Power Per Day |                   |
|----------|----------------------------|-------------------|--------------------------------|-------------------|
|          | Kyats                      | Increase Rate (%) | Kyats                          | Increase Rate (%) |
| 1977-78  | N.A.                       | -                 | 227                            | -                 |
| 1978-79  | 81                         | -                 | 310                            | 36.56             |
| *1979-80 | 114                        | 41                | 387                            | 24.84             |
| 1980-81  | 114                        | -                 | 445                            | 15.00             |
| 1981-82  | 114                        | -                 | 487                            | 9.44              |
| *1982-83 | 160                        | 40                | 509                            | 4.52              |
| 1983-84  | 160                        | -                 | 526                            | 3.33              |
| 1984-85  | 160                        | -                 | 488                            | -(7.22)           |
| 1985-86  | 160                        | -                 | 381                            | -(21.93)          |

N.A. = Not Available

Source: Budget Department, H.T.C.

Tourist Burma, H.T.C.

Accordingly we further study the change of the portion of package tourists and foreign independent tourists. The number and percentage of the two categories of tourists are shown as in table (3.15).

Table (3.15). Number of Package Tourists and Foreign Independent Tourists.

| Year    |     | Package Tourists | Foreign Independent Tourists | Total  |
|---------|-----|------------------|------------------------------|--------|
| 1979-80 | No. | 11,978           | 10,952                       | 22,930 |
|         | %   | 52               | 48                           | 100    |
| 1980-81 | No. | 11,621           | 15,657                       | 27,278 |
|         | %   | 43               | 57                           | 100    |
| 1981-82 | No. | 11,910           | 16,200                       | 28,110 |
|         | %   | 42               | 58                           | 100    |
| 1982-83 | No. | 12,611           | 18,130                       | 30,741 |
|         | %   | 41               | 59                           | 100    |
| 1983-84 | No. | 9,846            | 19,152                       | 28,998 |
|         | %   | 34               | 66                           | 100    |
| 1984-85 | No. | 10,705           | 20,074                       | 30,779 |
|         | %   | 35               | 65                           | 100    |
| 1985-86 | No. | 13,316           | 22,632                       | 35,948 |
|         | %   | 37               | 63                           | 100    |

Source: Tourist Burma.

The table shows that the percentage of package tourists has been declining since 1980-81 while in the year 1984-85 and 1985-86 the percentage of package tourists slightly increased. However the average spending power per day and tourism earnings significantly decreased. Thus we may say that there were changes in individual spending pattern.

Thus, on the whole, both the tourism earnings and average spending power per day increased until the year 1982-83. This was due not only to the increase in tourist arrivals, but also to the increase in accommodation rate and the proportion of tourists who had a large propensity to spend. However in 1983-84 the tourism earnings decreased but average spending power per day continued to increase. The explanation for the decrease in the tourism earnings was due to the decline in the number of tourist arrivals while the increase in the average spending power was due to the rise in price of hotel accommodation which took effect in early 1983.

In the two years 1984-85 and 1985-86 both the tourism earnings and average spending power declined. In these periods the number of tourist arrivals was found to be still increasing. Therefore it could be concluded that the decrease in tourism earning was due to the change in individual spending pattern.

There was no evidence of any changes in these years either in the price of accommodation, food or transport. However, the study revealed that although the occupancy rate of lower-priced hotel rooms remained constant, that of the more expensive hotel rooms had a marked decline. Moreover, although the study cannot produce documentary evidence it would be conjectured as that often happened in other countries the large number of revisitors reduced the individual spending. Those who had once visited a country is in a better position to manage their exchange money: more efficient management in hotels, transport etc., and better bargain purchases. ✓

In the table (3.10) and figure (3.7), the average occupancy rate of business class of hotel rooms and that of economy class hotel rooms for the year 1981-82 to 1985-86 are shown. The figure shows that tourists' individual spending pattern significantly changed in the year 1984-85 and 1985-86.

Source: Tourist Bureau

Table (3.16). Occupancy Rate of Hotel Rooms in Rangoon Area.

| Hotel                       | 1981-<br>82 | 1982-<br>83 | 1983-<br>84 | 1984-<br>85 | 1985-<br>86 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| <u>Business Class Hotel</u> |             |             |             |             |             |
| Inya Lake Hotel             | 62          | 62          | 61          | 61          | 63          |
| Strand Hotel                | 69          | 68          | 75          | 63          | 60          |
| Thamada Hotel               | 58          | 61          | 74          | 70          | 76          |
| Kandawgyi Hotel             | 70          | 65          | 64          | 67          | 78          |
| Average                     | 65          | 64          | 69          | 65          | 69          |
| <u>Economy Class Hotel</u>  |             |             |             |             |             |
| Sakantha Hotel              | 4           | 55          | 88          | 93          | 89          |
| Dagon Hotel                 | 93          | 91          | 89          | 90          | 90          |
| Garden Guest House          | 68          | 61          | 52          | 53          | 57          |
| Average                     | 55          | 69          | 76          | 79          | 79          |

Source: Tourist Burma.

Implications

Although the tourist industry is still in its infancy, operations being on a limited small scale, the arrivals of tourists have been steadily increasing for the period under study except for the two years 1978-79 and 1983-84. There is an increase of 58.26% in the number of tourist arrivals between 1977-78 and 1985-86, the beginning and ending years of the study. This may partly support the first hypothesis that the number of tourist arrivals to Burma is increasing.

Most tourists who came to Burma were from West Europe and North America; the major markets of Burma's tourism being West Germany, France, U.K. and U.S.A. which are developed countries distant from Burma. It was also found that the Asia and Pacific shared a considerable portion of Burma's tourist trade.

The examination of the factors which are attributable to the increase in the number of tourist arrivals revealed that although most tourists were from developed regions there was only negligible relationship between the population of the country of origin and the number of tourist arrivals to Burma. It was also found that the foreign trade especially import trade with West Europe and Asia had some impact on the tourist trade. However the relationship in

case of North America was found to be negative indicating that trade relationship has only limited significance as a factor in increasing tourism.

The increase in the number of tourists can be explained by the affluence of the developed countries. People generally earned high incomes which enable them to spend more on travel in the pursuit of leisure and development of historical and cultural interests. Thus a country like Burma with a wealth of historical and cultural treasures as well as other various exotic and scenic places has the appeal to lure vast numbers of people from the pollution filled and crowded cities and towns of developed countries.

Another finding of the study is concerned with receipt from tourism. This has increased steadily until the year 1982-83. This increase can be explained not only by the increase in number of tourists but also by the increase in the average length of stay as well as the spending pattern of tourists. However, in the following three years from 1983-84 to 1984-86, the tourism receipt showed a decline. The explanation for 1983-84 decline was less tourist arrivals while that for 1984-85 and 1985-86 was not due to the number of tourist arrivals but due to the decline of the average spending power of the tourists. The Hotel and Tourist Corporation made a series of changes in the rate for accommodation in 1979, 1981 and 1983 which resulted in the increase in tourism receipts. The decline in the last two

years of the study despite these changes can be attributed to the individual spending pattern. The study revealed that the occupancy rate of economy class hotel rooms had increased while that of the business class hotel rooms had a decline.

These findings are in agreement with the hypothesis that earnings from tourism is dependent not solely on the number of tourist arrivals and average length of stay but also on the individual spending pattern of the tourists.

The question of whether the tourism market is satisfactory is not completely answered by the findings in this chapter. With respect to number of tourists it could be taken as satisfactory. But from other points of view, namely, tourism earning and proportion of package and foreign independent tourists, the tourism market was not up to what could be expected. There were two years of set back both in number of arrivals and tourism receipts, in 1978-79 and 1983-84. In 1978-79, the crash of BAC aircraft occurred and this can be taken as a partial explanation of the decrease in the arrivals. The attempt at the life of Chun Doo Hwan in Rangoon was partly responsible for the decline in arrivals in 1983-84. Although the number of arrivals picked up in the last two years, the tourism receipt failed to recover. Moreover percentage of package tourists who contribute more income relatively to foreign independent tourists failed to score achievements of the former years. Thus we can say that there is much room for improvement in the tourist industry.

## CHAPTER IV

### CHARACTERISTICS OF TOURISM MARKET

Following the overview of the tourism market, we will in this chapter study the profile of the tourists who come to Burma with respect to their age, occupation and sex. Further analysis of the tourism market such as the travelling pattern, countries included in their tour program and the tourist season will be made to enhance the proficiency of tour operators in planning and arranging the tour programs. The information obtained from such a study could be used as guidelines in the choice of types and standards of facilities to be provided for the convenience and satisfaction of tourists.

The studies in this chapter used data obtained from Tourist Burma as well as the survey on Arriving/Departing Tourists.

#### 4.1 Sources of Information

These include official documents such as Report to the Pyithu Hluttaw; various reports of Tourist Burma, and Immigration and Manpower Department; and the survey on Arriving/Departing Tourists.

The data on sex of tourists and the time of their arrivals to Myanmar was collected from the books 'Selected Monthly Economic Indicators' issued by the Central Statistical Organization and Report to the Pyithu Hluttaw. The analysis covers the period 1981-1986.

The data for age and occupation of tourists was collected from embarkation/disembarkation cards issued to arriving and departing tourists. Out of a total of 29530 tourists who arrived in 1984, only 9679 cards of the tourists who arrived during the peak three-month period from October to December were considered. Out of these, only 5745 cards were complete so that the analysis was made only of these 5745 tourists.

The analysis of the travelling pattern and tour program of the tourists was made using some of the results of the survey on Arriving/Departing tourists. This survey was conducted by the Tourist Burma in conjunction with the consultants of the United Nations Development Program in the beginning of 1986. The survey is a part of the feasibility studies for constructing new hotels in Rangoon, Pagan and Mandalay.

The questionnaires used in this survey are shown in Appendix (6) and (7). A total of 500 questionnaires each were distributed at the State-run Hotels in Rangoon upon the arrival and departure of the tourists.

331 responses were collected from arrivals and 324 for departing tourists so that there was 65.5% response rate. The analysis was made from the response of these 655 tourists.

#### 4.2 Tourist Profile

First, we will study the characteristics of tourists visiting Burma. The tourism market profile can be seen in table (4.2).

Table (4.1). Profile - Burma Tourism Market

| * Occupation  | (1984)    | No.       | %         |           |
|---|-----------|-----------|-----------|-----------|
| A. Professional, technical, administrative and managerial workers                 |           | 2916      | 51        |           |
| B. Clerical, Sales and Service workers  |           | 1090      | 19        |           |
| C. Agricultural, industrial, armed forces and other workers                       |           | 110       | 2         |           |
| D. Other status<br>(Home makers, students, income recipients, others and unknown) |           | 1629      | 28        |           |
| Total   |           | 5745      | 100       |           |
| Age Groups  | (1984)    | No.       | %         |           |
| Under 19  |           | 176       | 3         |           |
| 20 - 29   |           | 2049      | 36        |           |
| 30 - 49   |           | 2695      | 47        |           |
| Over 50   |           | 825       | 14        |           |
| Total   |           | 5745      | 100       |           |
| Sex   | 1982-83   | 1983-84   | 1984-85   | 1985-86   |
|   | No. %     | No. %     | No. %     | No. %     |
| Male  | 18229 59  | 16964 57  | 17481 57  | 20495 57  |
| Female  | 12512 41  | 12034 43  | 13298 43  | 15453 43  |
| Total   | 30741 100 | 28998 100 | 30779 100 | 35948 100 |

Source: Compiled from Immigration and Manpower Planning Department. (For Occupation and Age Group).

Books on 'Monthly Economic Indicators'. (For sex).

\* International Standard Classification of Occupation.

The occupational data showed that more than half of the tourists who arrived in 1984 were executives. The tourists who were professional, technical, administrative and managerial personnel were 51% and only 2% were involved in agriculture, industry and armed forces while 28% are from other status such as home-makers, students and income recipients. The remaining were clerical, sales and service workers.

With respect to age, we find that most tourists to Burma were in the middle age group. In 1984, 36% of the total tourists were in the age group 20-29, 47% were in 30-49 and 14% over 50. Thus the oldest age group constituted the lowest share of tourism market of Burma.

As for sex, the male tourists were always slightly more than female tourists throughout the study period. Approximately 58% of tourists was male and remaining female. This can be seen in table (4.1).

#### 4.3 Travelling Pattern of Tourists

Next, we will study the travelling pattern of tourists. According to the survey, we found that most tourists travelled with their friends/family. Among the arriving tourists, 42% travelled with their friends/family, 25% with their wife/husband and 33% alone. The responses of the departing tourists showed that 44% travelled with friends/family, 34% with wife/husband and 22% alone. Thus on the whole, they travelled in groups

rather than alone. Table(4.2) shows the travelling pattern of tourists.

Table (4.2). Pattern of Travelling.

| Pattern of Travelling | Arriving Tourists |            | Departing Tourists |            |
|-----------------------|-------------------|------------|--------------------|------------|
|                       | Number            | %          | Number             | %          |
| Alone                 | 108               | 33         | 70                 | 22         |
| With wife/husband     | 82                | 25         | 111                | 34         |
| With friends/family   | 137               | 42         | 143                | 44         |
| <b>Total</b>          | <b>327</b>        | <b>100</b> | <b>324</b>         | <b>100</b> |

Source: Survey of Arriving/Departing Tourists.

#### 4.4 Country Combination

With respect to the country combination in their tour, 89 percent of tourists' tour included Eastern and Southern Asia Region; 5 percent Asia and Pacific and Europe; and 4 percent Asian and Pacific Region. From them it could be inferred that only a small percentage dropped into Burma on their way from Asia and Pacific region to European countries while most tourists who visited Burma were on their way to Asian countries from European countries. This can be studied in Table (4.3).

Table (4.3). Country Combination by Region.

| Region                   | Number     | %          |
|--------------------------|------------|------------|
| East Asia                | 140        | 54         |
| East and South Asia      | 92         | 35         |
| Asia and Pacific         | 11         | 4          |
| Europe, Asia and Pacific | 12         | 5          |
| Others                   | 5          | 2          |
| <b>Total</b>             | <b>260</b> | <b>100</b> |

Sources: Survey on Arriving Tourists.

In terms of particular countries, Thailand, Nepal and other neighbouring countries were included in almost all tour programs. Table(4.4) shows the percentage of tourists in terms of the combination of countries in the tour program. According to the table, of the tourists who visited Burma, 26% came to visit only Burma, 56% on their way to Thailand, 8% Nepal and 7% who called on Thailand, Nepal and Burma. Thus, more than half of tourists included Thailand in their tour program and only a few came specifically to Burma in pursuit of a particular interest.

Sources: Survey on Departing Tourists.

Table (4.4). Countries included in Tour Program.

| Countries                 | Number     | %          |
|---------------------------|------------|------------|
| Burma only                | 81         | 26         |
| Thailand and Burma        | 171        | 56         |
| Nepal and Burma           | 25         | 8          |
| Thailand, Nepal and Burma | 21         | 7          |
| Others                    | 10         | 3          |
| <b>Total</b>              | <b>308</b> | <b>100</b> |

Source: Survey on Departing Tourists.

Furthermore it was found that regarding their travel experience, large numbers of tourists had been to Thailand. The neighbouring countries which they had been are described as follows:

Table (4.5). Travel Experience of the Tourists.

| Countries  | Total Respondents | Number | %  |
|------------|-------------------|--------|----|
| Thailand   | 324               | 273    | 84 |
| India      | 324               | 172    | 8  |
| Bangladesh | 324               | 30     | 1  |
| Nepal      | 324               | 126    | 6  |
| Sri Lanka  | 324               | 82     | 4  |

Source: Survey on Departing Tourists.

The table (4.5) shows that of the total respondents of tourists, 84% had been to Thailand, 8% India, 6% to Nepal, 4% to Sri Lanka, and 1% to Bangladesh. (The percentages, given for countries visited are not mutually exclusive, that is, a tourist who had been to Thailand may also have been to other countries, for example, India or Nepal). Thus Burma would have to develop her tourist attractions more fully if it is to compete or at least to keep up with her close neighbour, Thailand.

#### 4.5 Seasonality of Tourism

Next we will study the seasonal pattern of tourist market. The number and percentage of tourists by month for the period 1981 to 1985 can be studied in table (4.6).

The peak period is January with the seasonal index of tourist arrivals as 141.07 followed by December with 136.66% while June the lowest month with 47.94% of tourist arrivals. Figure(4.1) shows the seasonal Index of tourist arrivals by month.

Therefore the tourist season for Burma occurs during the five months beginning late October through February which is during Burma's dry season and Europe's winter season. The slack season generally begins in late March and extends through early October which is the raining monsoon season in Burma. But during August tourist arrivals are almost to the level of the peak season due in large part

Table (4.6). The Number and Seasonal Index of Tourist Arrivals to Burma. (1981 to 1985).

| Year<br>Month | 1981         | 1982         | 1983         | 1984         | 1985         | Seasonal<br>Index |
|---------------|--------------|--------------|--------------|--------------|--------------|-------------------|
|               | Number       | Number       | Number       | Number       | Number       |                   |
| January       | 3064         | 3376         | 3631         | 3309         | 3758         | 141.07            |
| February      | 2852         | 2806         | 3093         | 2969         | 3412         | 122.67            |
| March         | 3095         | 2859         | 3148         | 2924         | 3221         | 121.30            |
| April         | 2165         | 2454         | 2051         | 2313         | 2579         | 93.54             |
| May           | 1247         | 1481         | 1493         | 1364         | 1517         | 57.99             |
| June          | 1080         | 1277         | 1282         | 1041         | 1283         | 47.94             |
| July          | 1969         | 2336         | 1751         | 2100         | 2337         | 83.21             |
| August        | 2670         | 2888         | 2675         | 2477         | 2991         | 108.81            |
| September     | 1447         | 1620         | 1563         | 1414         | 1624         | 61.24             |
| October       | 2287         | 2015         | 2415         | 2428         | 2715         | 92.54             |
| November      | 3083         | 3464         | 3273         | 3387         | 4155         | 133.01            |
| December      | 3121         | 3334         | 3293         | 3864         | 4119         | 136.66            |
| <b>Total</b>  | <b>28080</b> | <b>29910</b> | <b>29668</b> | <b>29590</b> | <b>33711</b> | <b>1200</b>       |

Source: Report to the Pyithu Hluttaw.

to the extensive travel which coincides with the summer holiday in foreign countries especially in Europe and North America. In table(4.6), we find that nearly 60% of annual tourist arrivals take place in the five months of the peak season and August. Therefore, during the six months, approximately 1.5 times as tourists travel to Burma as during the slack six months.

In accordance with this finding, Burma's tourism is rather seasonal and its annual seasonality causes an uneconomical use of tourist resources or facilities such as accommodation and transportation. Besides the efficient use of manpower is not attainable as staff is idle during the slack season or additional seasonal staffing must be added.

Therefore a well-established program which reduces its deleterious effects should be pursued.

### Implications

The focus of study in this chapter is the individual tourists, their characteristics, their travelling pattern and the seasonal nature of their arrivals to Burma.

It was found that most tourists are in the middle age group with the number of males slightly higher than that of females. They were mostly of the professional, technical, administrative and managerial class with very few engaged in agriculture and the armed forces or other occupations. Tourists were usually accompanied by wives, families

or friends. Most tourists did not come solely to Burma but in combination with other Asian countries such as Thailand, India, Nepal, Sri Lanka and Bangladesh which are on similar tourist routes.

From these findings, we could imply that

- (1) most tourists are businessmen on their way to other countries who had included Burma on their tours for a brief stay to see its fabulous pagodas and other places of historical and cultural interest,
- (2) some businessmen came to Burma to transact business either as suppliers of our imports or as buyers of our exports. Due to the difficulty involved in getting business visa, they usually entered the country as tourists on tourist visa, eventually changing the visa status,
- (3) some tourists came to Burma merely because it is included in the package tour arrangement,
- (4) some tourists came with the specific purpose of seeing the country either for relaxation or to study its vast cultural heritage like Pagan and Mandalay.

Another finding of this chapter has to do with the seasonal nature of tourist arrivals. Nearly 60% of tourist arrivals were in the five month peak season from October through February which is the open season in Burma and August which coincides with the summer holiday season in the West. For the remaining months of the year, the tourist trade slackens to well below its capacity.

If our tourist industry is to develop to the level of some of our close neighbour we should take measures to expand tourist attractions which we already possessed, promoting historical and cultural treasures and developing our natural scenic spots.

## CHAPTER V

## ATTITUDES, PURPOSES AND EXPECTATION OF TOURISTS

In this chapter, we will approach the study from the angle of the tourists: (1) their attitudes, motivations and expectations, (2) capability of Burma's tourist industry to fulfil their purposes and expectations, and (3) their attitudes, and opinions towards facilities and services. It is important to touch on these points if tour organizations are to render tourist services and facilities which will best satisfy the purposes and expectations of tourists. Here again, we will use the result of survey on Arriving/Departing tourists to undertake the studies in this chapter.

The objectives of this chapter are as follows:

- (1) to determine the purposes and expectations of tourists visiting Burma,
- (2) to evaluate Burma's tourist services in terms of her ability to fulfil tourists' objectives and expectations and
- (3) to determine the attitudes and opinions of tourists towards tourist facilities and services.

To do so we have adopted the following hypothesis:

The cultural and environmental attractions available in Burma and the service facilities offered by its tourist industry are in conformity with the expectations of tourists visiting the country.

First, we will attempt to determine the expectations of tourists in visiting Burma.

#### 5.1 Motivations and Expectations of Tourists' Visit to Burma

According to the survey as shown in table (5.1), about 78% of tourists expect to come in contact with the local culture of Burma, 73% to see the historical monuments such as pagodas, temples etc., 62% to perceive of Burma as a foreign and exotic country, 24% to appreciate local handicrafts, 17% to enjoy the food and 12% to have rest and relaxation.<sup>1</sup>

Hence, the most common of the tourists' purpose is to observe the local culture such as ancient pagodas, palaces and monasteries displaying the arts and crafts which is our cultural heritage, and also to collect handicrafts of our present day artisans.

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1 In questionnaire of the survey, the kinds of expectations during their stay are described. Some ticks only one expectation and some ticks two or three. Thus their expectations are not mutually exclusive.

Table (5.1). The Motivations of their visit to Burma.

| Expectations during their stay                   | Number | Total Respondent | %  |
|--|--------|------------------|----|
| To meet a foreign and exotic country             | 205    | 329              | 62 |
| The local culture                                | 257    | 329              | 78 |
| Historical monuments<br>(pagodas, temples, ....) | 239    | 329              | 73 |
| The local handicrafts                            | 78     | 329              | 24 |
| The food   | 56     | 329              | 17 |
| Relaxation                                       | 38     | 329              | 11 |

Source: Survey on Arriving Tourists.

Tourists' priority with respect to tourist centres in Burma is shown in table (5.2). It points out that most tourists come to Burma to see the country as a whole. However, the Pagan area, the largest archeological site in South East Asia and abound in historical and cultural relics is the most popular followed by Mandalay obviously for the same reasons. Rangoon, the capital city has its share of tourist attractions with Shwedagon, one of the Wonders of the World. Other areas such as Bassein and Tavoy could be developed if the visa duration permits tourists a longer stay to explore the country at leisure. Beside the limitation of seven day

visa there is also the added problem of irregularity in transportation schedules which is a major obstacle in planning tour programs.

Table (5.2). Main Interest Areas of Tourists.

| Main Interest Area <sup>1</sup> | Number | Total Respondent | %  |
|---------------------------------|--------|------------------|----|
| Burma as a country              | 210    | 329              | 64 |
| The Rangoon Area                | 49     | 329              | 15 |
| The Pagan Area                  | 120    | 329              | 36 |
| The Mandalay Area               | 66     | 329              | 20 |
| Other Areas                     | 38     | 329              | 12 |

Source: Survey on Arriving Tourists.

## 5.2 Tourist's Expectations on Accommodation

In the next section, the study focuses the type and standards of accommodation that tourists expected to find during their stay. Table (5.3) shows that 66% of the total number of respondents to the survey expected only a modest simple and comfortable type while 12% anticipated international standard hotels. From this we can conclude that tourists are willing to sacrifice luxury to visit an

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1 Their interest areas are not mutually exclusive.

exotic oriental country and observe first hand her historical and cultural treasures. However, there are certain minimum standards which tourists expected to be maintained.

Table (5.3). Tourists' Expectation on Hotel Standard.

| Expectations on Hotels      | Number | %   |
|-----------------------------|--------|-----|
| Simple but comfortable      | 212    | 66  |
| Simple without much comfort | 70     | 22  |
| International Standard      | 40     | 12  |
| Total Respondent            | 322    | 100 |

Source: Survey on Arriving Tourists.

In answer to the question 'Please state what you find most important about the hotels', 154 out of 251 respondents (about 61%) gave cleanliness of rooms and toilets with facilities for showers, hot and cold water and air conditioning, 40 respondents (about 16%) emphasized the importance of a quiet, friendly and courteous as is typical of a Burmese neighbourhood. 32 respondents (about 13%) stated importance in terms of services. They expected other services such as telex, telephone, postal services and bookings for transport. This can be seen in table (5.4).

Table (5.4). Tourists' Expectations on Hotel Facilities and Services.

| Particulars   | Number | %   |
|---|--------|-----|
| Cleanliness on rooms, toilets with water facilities, showers, air condition and hot water   | 154    | 61  |
| Comfortable and Convenience   | 17     | 7   |
| Service - pleasant service<br>- telex, telephone, stamps<br>- bookings                      | 32     | 13  |
| Price - Reasonable Price  | 8      | 3   |
| Atmosphere - friendly courtesy<br>- quiet place, typical style of the country<br>- security | 40     | 16  |
| Total Respondent  | 251    | 100 |

Source: Survey on Arriving Tourists.

### 5.3 Satisfaction Level of Tourists with Hotel Facilities and Services

The logical sequel to the expression of the attitudes and expectation of tourists before and on arrival would be the evaluation of how well the tourist industry was able to satisfy them. The evaluation will be made on the result of the survey on departing tourists. (The survey of departing tourists which is independent of

that of arriving tourists examined the satisfaction/dissatisfaction with tourist facilities and services.)

The survey measured the level of satisfaction/dissatisfaction on a four point scale: very good, good, moderate and bad. Tourists' attitudes on accommodations conducted at three tourist centres Rangoon, Pagan and Mandalay are shown in table (5.5). The table shows that Pagan with the new "Thripyitsaya Hotel" came up top. 49% of the respondents gave a very-good rating to Pagan whereas only 5% and 6% gave this rating to Rangoon and Mandalay respectively. 60% and 67% of the respondents stated that accommodation is either moderate or bad in Rangoon and Mandalay. We can deduce from these findings that there is much room for improvement in the accommodation provided by the hotels.

Table (5.5). Satisfaction Level of Tourists with Hotel Rooms in the Three Tourist Centres.

| Satisfaction | Centre |     | Rangoon |     | Pagan |     | Mandalay |     | Total |   |
|--------------|--------|-----|---------|-----|-------|-----|----------|-----|-------|---|
|              | No.    | %   | No.     | %   | No.   | %   | No.      | %   | No.   | % |
| Very Good    | 17     | 5   | 122     | 49  | 45    | 6   | 154      | 19  |       |   |
| Good         | 109    | 35  | 93      | 37  | 65    | 27  | 267      | 33  |       |   |
| Moderate     | 128    | 41  | 29      | 12  | 36    | 40  | 253      | 32  |       |   |
| Bad          | 60     | 19  | 7       | 3   | 65    | 27  | 132      | 16  |       |   |
| Total        | 314    | 100 | 251     | 100 | 241   | 100 | 806      | 100 |       |   |

Source: Survey on Departing Tourists.

Next, we studied the satisfaction level concerning hotel services, food provided and trips and excursion arranged for tourists to various points of interest in each of the tour centres.

As far as hotel service is concerned, table (5.6) shows that more than 65% responded that service is either good or very good and about 30% moderate. This result pointed to the fact that the majority of tourists found hotel services satisfactory.

Most tourists (about 52%) rated the food provided by hotels in all the centres either good or very good. More than 82% of the respondents answered that the trips and excursions arranged by Tourist Burma are good or very good. These can be seen in tables (5.7) and (5.8). From the above observations, the hotel services, food and trips and excursions were found satisfactory to the majority of tourists.

Tourist services also includes general services such as transport to/from airport, domestic flights to points of interest to other tour centres, guide service and information regarding booking and transport etc. The satisfaction of these services are important to the tourist industry if it is to develop and expand in the future. Hence we include these dimensions in our study. Table (5.9) shows the satisfaction level of tourists with general services. They are also measured on the same four point scale.

Table (5.6). Satisfaction Level of Tourists with Hotel Services.

| Satisfaction Level \ Tourist Centres | Rangoon    |            | Pagan      |            | Mandalay   |            | Total      |            |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                      | No.        | %          | No.        | %          | No.        | %          | No.        | %          |
| Very Good                            | 46         | 16         | 91         | 38         | 27         | 11         | 164        | 22         |
| Good                                 | 119        | 41         | 111        | 47         | 107        | 46         | 337        | 44         |
| Moderate                             | 89         | 31         | 35         | 15         | 74         | 32         | 198        | 26         |
| Bad                                  | 36         | 12         | 1          | -          | 26         | 11         | 63         | 8          |
| <b>Total</b>                         | <b>290</b> | <b>100</b> | <b>238</b> | <b>100</b> | <b>234</b> | <b>100</b> | <b>762</b> | <b>100</b> |

Source: Survey on Departing Tourists.

Table (5.7). Satisfaction Level of Tourists with the Food provided by Respective Hotels in Three Main Tourist Centres.

| Satisfaction Level \ Tourist Centres | Rangoon    |            | Pagan      |            | Mandalay   |            | Total      |            |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                      | No.        | %          | No.        | %          | No.        | %          | No.        | %          |
| Very Good                            | 16         | 6          | 47         | 20         | 17         | 8          | 80         | 11         |
| Good                                 | 108        | 38         | 103        | 43         | 102        | 46         | 313        | 42         |
| Moderate                             | 119        | 42         | 80         | 33         | 86         | 38         | 285        | 38         |
| Bad                                  | 38         | 14         | 9          | 4          | 19         | 8          | 66         | 9          |
| <b>Total</b>                         | <b>281</b> | <b>100</b> | <b>239</b> | <b>100</b> | <b>224</b> | <b>100</b> | <b>744</b> | <b>100</b> |

Source: Survey on Departing Tourists.

Nearly 70% of respondents gave a good or very good rating to transport to/from airport and information provided whereas 84% gave this rating to guide service. For the domestic flight, 59% gave a good or very good rating and 41% moderate or bad. Hence the general services except domestic flight were found to be satisfactory by majority of tourists.

#### 5.4 Tourists' General Suggestions

The response to the general comments and suggestions in the same survey were classified as visa, arrival/departure procedure, hotel facilities and services, transport, trips and excursions, entertainment and other services. Analysis of their comments gave valuable insights to the planning of future tourist operations.

Table (5.10) showed these suggestions and recommendations. Regarding visas, tourists find the seven day period a restriction. On arrival/departure procedure, 37 % of the respondents commented that the formalities involved too much red tape. 45 respondents (32%) recommended to make improvement in hotel facilities and services. Another area which the tourist felt that called for improvement is flight and travel arrangement. They asked for more comfortable means of transport such as air-conditioned coaches with toilet facilities aboard, and prompt and efficient air travel services.

Table (5.10). The Suggestions and Recommendations of Tourists.

| Particulars  | Nos. | %   |
|--|------|-----|
| 7 days Visa limitation, entry time taken at airport, lots of paper works on airport, customs and immigration formalities, to get Burmese visa easily.                          | 51   | 37  |
| Improvements of hotel services and hotel standards, clean toilet facilities, hot water, better local food and more mineral water, better plumbing, inadequate in hotel rooms.  | 45   | 32  |
| Proper transport facilities, more planes, possibilities of getting flights for everyone, wasting time in airport due to flights delay, air conditions and comfortable coaches. | 27   | 19  |
| Others. (to preserve own culture and restoration of monuments)   |      |     |
| - limited availability of arts and crafts,   |      |     |
| - more outside information such as newspapers and magazines,   | 16   | 12  |
| - more places for entertainments,  |      |     |
| - good printed guide books, brochures, pamphlets.  |      |     |
| Total  | 139  | 100 |

Finally the general comments made by the respondents mentioned that more efforts should be dedicated to the preservation of our culture, and maintenance and restoration of our religious and cultural monuments, increase the availability of local arts and crafts, advertise more in newspapers and magazines to give the world a more comprehensive information about Burma and her cultural and historical attractions and to increase the number of places of entertainment.

### Implications

The findings in this chapter disclosed a number of relevant issues concerning the satisfaction of tourist expectations: (1) the motivation for their visit (2) their satisfaction with tourist facilities and services provided to them and (3) their positive recommendations.

Most tourists claimed that their purpose in coming to Burma was to see the country as a foreign and exotic country; to study its marvellous pagodas, ruined palaces and ancient monasteries, and to observe its local culture. Accordingly most tourists cited Pagan, the largest archaeological site in South East Asia with its multitude of ruined pagodas as the most interesting place, followed by Mandalay, the last capital of the Burmese kings abound in palaces and monasteries, with its nearby Mount Popa,

a dormant volcano. Thus the Burma's tourism is based more on its own national culture than on other tourist attractions like nature's endowment of natural lakes, palm fringed beaches or for entertainment of the sorts available in developed countries. Hence the development of tourist industry must be along the lines of improvements and extensions of the existing tourist centres which are built around the cultural and historical relics like Pagan, Mandalay and Rangoon.

In respect of hotel accommodation and services, the services provided to them came up to their expectations. Most tourists were prepared not to find international class luxury hotels so that the modest and simple but comfortable ones that the hotel industry could provide was well within their expectations. They were also quite pleased with the standards of food and other services like postal services, telephone and telex facilities. In particular, tourists stressed their satisfaction with the guide service and arrangements of trips and excursions provided at all the three tour centres this study was concerned with. However, for tourists who arrived within the peak tourist season, the problem of shortage of accommodation had to be faced. Hence measures should be taken to plan for the increase and improvement to the accommodations provided by the tourist industry. Also we should take advantage of what we already possessed by way of tourist services by increasing the efficiency of our tour operators.

The chief complaint of tourists was with respect to the arrangement for internal flights, rail and road transport. Most tourists suggested that transport facilities be improved to make available more domestic flights and prompt and efficient rail and road services.

Finally most tourists suggested a longer visa period. They felt that the seven day visa was too short to cover all the places they wanted to see. Hence the development of tourists industry would require changes in administrative policy as well as in planning and operations.

## CONCLUSION

Today, tourism is the largest single item in the world's foreign trade and for some countries it is already the most important export industry and earner of foreign exchange. For other countries, tourism represents a promising new resource for economic development.

World Tourism Organization (W.T.O) predicts that tourism can keep country's growth rate until A.D. 2000, in the world today which is full of economic depressions increase in inflation rate and unemployment. Also H.Davis<sup>1</sup> said that tourism can speed up the development process because the gestation period of most tourist investment projects is relatively short. Of course, tourism is not only an industry that involves services based on the existing natural resources of a country but also a prestigious industry to impress foreigners with its own exotic style. Moreover, the country which carries out tourism can get several potential backward and forward linkages associated with it. For example, the country can get forward linkages such as economic development of the country

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1 Gearing, Charles. E., "Planning for Tourism Development". New York: Praeger (1976), p.15.

through foreign currency obtained from tourism. Similarly, it can also get backward linkages such as employment-creating, capital saving, regional development, smooth and convenient transportation and communication, the efficient services of government and good international relations.

Hence, the United Nation Organizations such as International Labour Organization (I.L.O) are giving necessary support to countries which are implementing tourism and are encouraging them. In Myanmar, with the help of the I.L.O., adequate training for the needs of the industry are being provided at the Kandawgyi Hotel starting from the year 1982.

The Union of Myanmar is a country which possesses many cultural and historical attractions and is carrying out tourism basing upon these attractions. A viable tourist trade began just after the year 1969 because prior to 1969, tourists were allowed only 24 hours stay in Myanmar. Then the time limit was increased to three days in 1969 and to seven days in 1970. In the present study, the tourism market of Myanmar is examined from 1977-78 to 1985-86, since Tourist Burma has taken solely all the responsibilities of tourist industry only in the year 1978.

From the present study, we found that the number of tourist arrivals to Burma had steadily increased starting from 1979-80. The annual rate of increase was nearly 6.27% and the number of tourist arrivals in 1985-86

increased to nearly three-sixty thousand.

The World Tourism Organization's (W.T.O's) published figures for the corresponding period showed the number of world-wide international tourists to be 340 million and the average annual increase rate of 4.4%. The same source reported that the speed of development has been much faster in East Asia and the Pacific than almost anywhere else. The corresponding figures for the region in the same period are 34.5 million and 16.5%.

Therefore, Myanmar's growth rate of 6.3% is higher than the world-wide figure but very much below that of the East Asia and the Pacific. It could be taken as an indication that the development of Myanmar tourist trade is independent of the movement in world tourism or that of the East Asia and Pacific region. However it must be acknowledged that Myanmar's tourism is strongly linked to that of Thailand as most tourist (about 56%) came to Myanmar either before or after visiting Thailand. The number of tourist arrivals in Thailand in 1976 was 1.2 million which increased to 2.3 million in 1986 with an average annual increase rate of 9.8%. Compared to these figures, Myanmar's tourism was only more than 1% of that of Thailand.

Although Myanmar tourism has a growing trend, it does not compare favorably with that of her neighbours, particularly Thailand which enjoys similar climate, environment, culture and natural endowment. However, the adoption of the open-door economic policy by Myanmar could be a right step in the direction for stepping up her tourist trade to catch up with that of her neighbours. In addition, other measures, such as extending the visa period, improving the existing tourist services in accommodations, travel facilities and tour centres would greatly help to enhance tourism development.

On the other hand, Thailand and Myanmar have same tourist attractions. Myanmar's main tourist attraction is a combination of cultural and historical attractions, which is also true of Thailand. Although the Thai tourism product to some extent competes with the attractions of Myanmar, the uniqueness of Myanmar makes the two countries complementary rather than competitive. Moreover Thailand recently has been promoting intensively her tourism market. Therefore it could be expected that the growth in Thailand tourism would partly support to increase in the tourist arrivals to Myanmar.

Further we found that the major markets of Myanmar's tourism were the Western Europe and North America countries, particularly West Germany, France, Britain and America. Japan was also included in the

major markets. The above mentioned countries except Japan are distant from Myanmar. Therefore the finding shows that the travel distance is not a factor influencing the tourist trade. Moreover, we found that the relationship between the population of these countries and volume of trade with these countries, and the tourist arrivals were not significant. Therefore, Myanmar's tourist trade depends largely on her affluent visitors from Europe and some from Japan. This limited scope of her market partly explains disparity in the development of tourism between Myanmar and Thailand. Thailand has a very different composition of its tourist trade with a large number of regional visitors (Malaysia, Singapore and India) and also with a much proportion from the developed countries such as West Germany, France and Japan. Hence, if possible, Myanmar should try to extend its tourism market.

Analysis of the profile of tourists disclosed that as is normal of world tourism, males were slightly higher in sex ratio throughout the study period. According to the available data, most were of the professional, technical and administrative level indicating that the purpose of their visit could be business although their expressed purpose was leisure. It could be assumed that due to the difficulty involved in getting business visa, then they might change the visa status from tourist to business.

Moreover, the finding that the majority of tourists did not come solely to Myanmar but in combination with other Asian countries such as Thailand, India and Sri Lanka which are on similar tourist routes could be taken in support of the conclusion that although they were businessmen, who came to do business in the neighbouring countries, they dropped into Myanmar only for the purpose of leisure. Therefore, the fact that some tourists came to Myanmar with the main purpose to do business in the other Asian countries should be considered in planning for tourism development.

It is also to be noted that tourists usually came to Myanmar during the peak five-month period from October through February, which is Myanmar's cold season and European's winter, and also during August, the summer holiday season in the West. We found that about 60% of annual tourist arrivals took place during these two peak seasons. This seasonality is due to the holiday and weather conditions in the tourist generating countries and weather conditions of Myanmar. Hence, a program to reduce its deleterious effects should be established. For example, the relaxation of visa restriction, the seasonal pricing of group air fares and accommodation, the promotion of longer tours during the slack season, the scheduling of existing and subsequent trade shows, other official meetings, public festivals of interest to tourists etc., should be introduced

during the slack season.

If such measures were taken, the earnings from tourism could increase as the number of tourist arrivals increased. In the present study, the earnings increased at an average annual growth rate of 16.24%. In the earlier years of period reviewed (1977-1983), the tourism earnings increased as the number of tourist arrivals and the average length of stay increased, but in the latter years (after 1983), the earnings did not increase although both the number of tourist arrivals and the average length of stay increased. This may be partly due to the decline in the proportion of package tourists and foreign independent tourists (F.I.T). Moreover, in these years the occupancy rate of the business-class hotel rooms had a decline. We can thus conclude that the increase in tourism earnings also depends on the individual spending of tourists. That is, if more affluent tourists come, the tourism earnings can rise.

Accordingly, the organization responsible for tourism should make the effort not only to increase the number of tourist arrivals but also to attract the more affluent tourists. One of the measures available to do this is to offer general interest tours, special interest tours and to attract the overflow of foreign independent tourists from the tourist generating countries of Southeast

Asia who visit Thailand besides the main customers from Europe, North America and Japan. One other strategy available is to offer a lower exchange rate as a special tourist attraction. This would enable tourists who visit Myanmar to get more kyats for their foreign currency so that their visit would be either at a lower cost to them or they would enjoy increased tourist facilities and services at the same cost to them in the foreign currency.

Moreover, it is important to give the best tourism facilities and services to satisfy the majority of tourists. The survey on tourists revealed a number of important issues although the result of the survey could not be representative for all tourists who came to Myanmar. According to this, although accommodations in Bagan and Mandalay, two of the three tour centres covered in this study were found to be satisfactory, that of Yangon fell short of their expectations. Hence, our third hypothesis is found to be only partly true. Most tourists cited Bagan as the most interesting place they saw in Myanmar. They were fascinated with local archaeological sites and ancient pagodas and found the trips arranged by local tour operators satisfactory. There is only one hotel, one inn and one guest house which is run by Myanmar Travels and Tours which the tourists felt reliable. Thus the problem of accommodation has to be faced during the

peak tourist season. Hence private-run guest houses had to be restored to during such a peak period.

Therefore, to promote tourism, efforts must be made to develop the existing tour centres. Extension should be made in hotel accommodation to cater to their needs during the peak season. For off-season, arrangements to attract visitors by more advertising, price reduction, and arrangements of local fairs and festivals should be made. Moreover, other amenities such as domestic flights, rail and road transport etc. should be improved. Finally some administrative actions should be taken to lengthen the visa period to enable tourists to spend more time to study and observe the country at leisure.

On the whole, Myanmar's tourist industry compared to that of her neighbouring countries is still developing. Although there are many natural and cultural attractions of which tourists are satisfied, the tourist facilities and services provided are not enough. There is a great need for developing amenities such as hotels, entertainment and internal transport and communications. It is also important to promote the new external transport and communications, which enable tourists to come to Myanmar easily. Therefore, for the future tourism development, the results of the analysis made above could be used to some extent.

The above study was undertaken from the point of view of positive side of tourism to promote Myanmar's tourist trade. Also, this study is more concerned with the facilities and services which are state-owned and was conducted in a very limited time and circumstances. As to be expected tourist trade can have not only advantages but also disadvantages to the country; for example, danger of degenerating Myanmar's culture and custom. Thus a more comprehensive undertaking than this study is necessary to cover all aspects of tourism. Suggestions for further research could be along these lines:

- (1) the social impact of tourism on local people,
- (2) detail analysis of economic effects of tourism such as employment, income multiplier and input-output analysis,
- (3) extending the study to include registered private hotels and restaurants, and
- (4) extending the study by including the business tourists in order to obtain a fuller understanding of the situation.

## Appendix 1

## Tourist Arrivals by Country

(1977-78 to 1985-86)

| Country                    | 1977-<br>78  | 1978-<br>79  | 1979-<br>80  | 1980-<br>81  | 1981-<br>82  | 1982-<br>83  | 1983-<br>84  | 1984-<br>85  | 1985-<br>86  |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| North America              | 3672         | 3205         | 3032         | 3324         | 3614         | 4257         | 4989         | 5648         | 6929         |
| America                    | 2965         | 2700         | 2412         | 2753         | 2835         | 3394         | 3933         | 4558         | 5577         |
| Canada                     | 707          | 505          | 620          | 571          | 779          | 863          | 1056         | 1090         | 1352         |
| Latin America              | 106          | 70           | 230          | 148          | 117          | 187          | 3            | -            | -            |
| West Europe                | 11814        | 11627        | 12706        | 15551        | 16446        | 18226        | 16961        | 17884        | 21632        |
| Austria                    | 639          | 288          | 393          | 356          | 291          | 336          | 43           | -            | -            |
| Belgium                    | 301          | 331          | 389          | 360          | 323          | 426          | 403          | 351          | 355          |
| Denmark                    | 147          | 119          | 179          | 169          | 139          | 255          | 238          | 291          | 442          |
| France                     | 3052         | 4334         | 3962         | 4886         | 4826         | 4480         | 2624         | 2978         | 3778         |
| F.R.G.                     | 2553         | 2267         | 3157         | 3768         | 4316         | 4950         | 4556         | 4591         | 5127         |
| Italy                      | 1378         | 891          | 1299         | 1193         | 1371         | 1400         | 1440         | 1657         | 2238         |
| Sweden                     | 198          | 178          | 178          | 252          | 344          | 400          | 256          | 340          | 494          |
| Switzerland                | 1007         | 896          | 983          | 1301         | 1523         | 1606         | 1799         | 1886         | 2245         |
| Netherland                 | 386          | 261          | 491          | 368          | 489          | 817          | 693          | 607          | 721          |
| U.K.                       | 1787         | 1596         | 1496         | 1680         | 2007         | 2407         | 2751         | 2727         | 3317         |
| Others                     | 366          | 466          | 179          | 1218         | 817          | 1329         | 2158         | 2456         | 2915         |
| East Europe                | 86           | 128          | 107          | 88           | 103          | 42           | 7            | -            | 2            |
| G.D.R.                     | 1            | 5            | 8            | -            | -            | -            | -            | -            | -            |
| Russia                     | 9            | 3            | 7            | 3            | 1            | 2            | 2            | -            | 2            |
| Others                     | 76           | 120          | 92           | 85           | 102          | 40           | 5            | -            | -            |
| Africa                     | 34           | 77           | 21           | 30           | 33           | 13           | -            | -            | -            |
| Middle East                | 152          | 108          | 175          | 151          | 85           | 138          | 29           | -            | -            |
| Asia                       | 4518         | 4087         | 4598         | 5398         | 5446         | 5507         | 4703         | 4922         | 4968         |
| Hong Kong                  | 95           | 307          | 117          | 211          | 99           | 98           | 80           | 49           | 92           |
| Japan                      | 2297         | 1897         | 2396         | 2733         | 2935         | 2564         | 2348         | 2586         | 2974         |
| Malaysia                   | 139          | 86           | 105          | 144          | 154          | 343          | 221          | 198          | 171          |
| Singapore                  | 156          | 142          | 159          | 101          | 100          | 133          | 28           | -            | -            |
| Thai                       | 1183         | 922          | 998          | 1251         | 1227         | 1514         | 1183         | 1088         | 859          |
| Others                     | 648          | 733          | 823          | 958          | 931          | 855          | 843          | 1001         | 872          |
| Australia &<br>New Zealand | 2333         | 1856         | 2061         | 2588         | 2266         | 2371         | 2306         | 2325         | 2417         |
| Australia                  | 1807         | 1441         | 1602         | 2110         | 1729         | 1746         | 1392         | 1714         | 1899         |
| New Zealand                | 526          | 415          | 459          | 478          | 537          | 625          | 714          | 611          | 518          |
| <b>Total</b>               | <b>22715</b> | <b>21158</b> | <b>22930</b> | <b>27278</b> | <b>28110</b> | <b>30741</b> | <b>28998</b> | <b>30779</b> | <b>35948</b> |

Source: Tourist Burma.

Appendix 2Forecasting the tourist arrivals.

We will find out the best trend line by using orthogonal polynomial. Thus to examine the variance, we use the Analysis of Variance Table ( ANOVA ) using the figures from the table (a).

Table (a)

| Year    | t | $Y_t$  | $Y_t^2$    | $P_1(t)$ | $P_1(t)Y_t$ | $P_2(t)$ | $P_2(t)Y_t$ | $Y_L$ |
|---------|---|--------|------------|----------|-------------|----------|-------------|-------|
| 1977-78 | 1 | 22715  | 515971220  | -4       | - 90860     | +28      | + 636020    | 21136 |
| 1978-79 | 2 | 21158  | 447660960  | -3       | - 63474     | + 7      | + 148106    | 22759 |
| 1979-80 | 3 | 22930  | 525784900  | -2       | - 45860     | - 8      | - 183440    | 24382 |
| 1980-81 | 4 | 27278  | 744089280  | -1       | - 27278     | -17      | - 463726    | 26005 |
| 1981-82 | 5 | 28110  | 790172100  | 0        | 0           | -20      | - 562200    | 27629 |
| 1982-83 | 6 | 30741  | 945009080  | +1       | + 30741     | -17      | - 522597    | 29252 |
| 1983-84 | 7 | 28998  | 840884000  | +2       | + 57996     | - 8      | - 231984    | 30875 |
| 1984-85 | 8 | 30779  | 947346840  | +3       | + 92337     | + 7      | + 215453    | 32498 |
| 1985-86 | 9 | 35948  | 1292258700 | +4       | +143792     | +28      | +1006544    | 35745 |
| Total   |   | 248657 | 7049177080 |          | 97394       |          | 42176       |       |
| $S_t$   |   |        |            | 60       |             | 2772     |             |       |
| $L_t$   |   |        |            | 1        |             | 3        |             |       |

Suppose the trend line is linear, it can be represented by

$$Y_t = A_0 + A_1 P_1(t)$$

Appendix (2) contd.First Part

$$\begin{aligned}
 \text{Total Sum of Squares} = S &= \sum_{t=1}^n (Y_t - \bar{Y})^2 \\
 &= \sum_{t=1}^n Y_t^2 - n\bar{Y}^2 \quad (\bar{Y} = A_0) \\
 &= 7049177080 - 9 \left( \frac{248,657}{9} \right)^2 \\
 &= 7049177080 - 9 (27628.55)^2 \\
 &= 179146150
 \end{aligned}$$

$$\begin{aligned}
 \text{Sum of Squares due to Linear Regression} = S_1 &= A_1 \sum_{t=1}^n P_1(t) Y_t \\
 &= \frac{\sum_{t=1}^n P_1(t) Y_t}{\sum_{t=1}^n P_1^2(t)} \sum_{t=1}^n P_1(t) Y_t \\
 &= \frac{97394}{60} \times 97394 \\
 &= 1623.23 \times 97394 \\
 &= 158092860 \\
 \therefore \text{Deviation from Linear Regression} &= S - S_1 \\
 &= 179146150 - 158092860 \\
 &= 21053290
 \end{aligned}$$

Appendix (2) contd.Second Part

$$\begin{aligned}
 \text{Sum of Squares due to Quadratic} &= S_2 = A_2 \sum_{t=1}^n P_2(t) Y_t \\
 &= \frac{\sum_{t=1}^n P_2(t) Y_t}{\sum_{t=1}^n P_2^2(t)} \sum_{t=1}^n P_2(t) Y_t \\
 &= \frac{42176}{2772} \times 42176 \\
 &= 641708
 \end{aligned}$$

$$\begin{aligned}
 \text{Deviation from Quadratic} &= (S - S_1) - S_2 \\
 &= 21053290 - 641708 \\
 &= 20411582
 \end{aligned}$$

Appendix (2) contd.First Part

$$\begin{aligned}
 \text{Total Sum of Squares} = S &= \sum_{t=1}^n (Y_t - \bar{y})^2 \\
 &= \sum_{t=1}^n Y_t^2 - n\bar{y}^2 \quad (\bar{y} = A_0) \\
 &= 7049177080 - 9 \left( \frac{248,657}{9} \right)^2 \\
 &= 7049177080 - 9 (27628.55)^2 \\
 &= 179146150
 \end{aligned}$$

$$\begin{aligned}
 \text{Sum of Squares due to Linear Regression} = S_1 &= A_1 \sum_{t=1}^n P_1(t) Y_t \\
 &= \frac{\sum_{t=1}^n P_1(t) Y_t}{\sum_{t=1}^n P_1^2(t)} \sum_{t=1}^n P_1(t) Y_t \\
 &= \frac{97394}{60} \times 97394 \\
 &= 1623.23 \times 97394 \\
 &= 158092860 \\
 \therefore \text{Deviation from Linear Regression} &= S - S_1 \\
 &= 179146150 - 158092860 \\
 &= 21053290
 \end{aligned}$$

Appendix (2) contd.Second Part

$$\begin{aligned}
 \text{Sum of Squares due to Quadratic} &= S_2 = A_2 \sum_{t=1}^n P_2(t) Y_t \\
 &= \frac{\sum_{t=1}^n P_2(t) Y_t}{\sum_{t=1}^n P_2^2(t)} \sum_{t=1}^n P_2(t) Y_t \\
 &= \frac{42176}{2772} \times 42176 \\
 &= 641708
 \end{aligned}$$

Deviation from  
Quadratic

$$\begin{aligned}
 &= (S - S_1) - S_2 \\
 &= 21053290 - 641708 \\
 &= 20411582
 \end{aligned}$$

## Analysis of Variance Table

| Models                              | Hypothesis        | Sources of Variance                 | Sum of Squares | Degree of Freedom | Mean Square | F      |
|-------------------------------------|-------------------|-------------------------------------|----------------|-------------------|-------------|--------|
| $t = A_0 + A_1 P_1(t)$              | $H_0: A_1 = 0$    | Due to Linear Regression            | 158092860      | 1                 | 158092860   |        |
|                                     | $H_1: A_1 \neq 0$ | Deviation from Linear               | 21053290       | 7                 | 3007623     | 52.56  |
| $t = A_0 + A_1 P_1(t) + A_2 P_2(t)$ | $H_0: A_2 = 0$    | Due to Quadratic Regression         | 641708         | 1                 | 641708      |        |
|                                     | $H_1: A_2 \neq 0$ | Deviation from Quadratic Regression | 20411582       | 6                 | 3401930     | 0.1886 |
| Total                               |                   |                                     | 179146150      | 8                 |             |        |

Critical Value:  $K_1 = F(.05, 1, 7) = 5.59$

$K = F(.05, 1, 6) = 5.99$

Decision (1) From the ANOVA Table,  
since  $F > K_1$ , reject  $H_0$

$\therefore A_1 \neq 0$

$\therefore$  the trend line is not constant and we have to make further examinations.

Analysis of Variance Table (contd.)

Decision (2)

From the ANOVA Table

since  $F < K_2$ , accept  $H_0$

$$\therefore A_2 = 0$$

$\therefore Y_t = A_0 + A_1 P_1(t)$  i.e: The best trend line  
is Linear:

Substituting the value of  $A_0, A_1, P_1(t)$  in the trend  
line, we get

$$\begin{aligned} Y_t &= 27628.55 + 1623.23 \left( t - \frac{n+1}{2} \right) \\ &= 27628.55 + 1623.23 (t - 5) \\ &= 19512.4 + 1623.23t \quad (t = 1 \text{ at } 1977-78). \end{aligned}$$

Appendix 3

## Calculation of Determinants.

For Population (1983)

$$\begin{aligned} \text{Class interval width} &= \frac{\text{Largest Value} - \text{Smallest Value}}{\text{Number of Classes}} \\ &= \frac{1019.1 - 3.2}{3} \\ &= 338.63 \end{aligned}$$

$$\begin{aligned} \therefore \text{Lower Limit of middle group} &= \text{Smallest Value} + \text{Class Interval} \\ &= 3.2 + 338.63 \\ &= 341.82 \end{aligned}$$

$$\begin{aligned} \text{Upper Limit of middle group} &= \text{Lower Limit} + \text{Class Interval} \\ &= 341.82 + 338.63 \\ &= 680.45 \end{aligned}$$

$\therefore$  3.2 - 342 Low group

342 - 681 Middle group

681 - 1019.1 High group

The same procedure is adopted for tourist arrivals for 1983, 1984 and population for 1984.

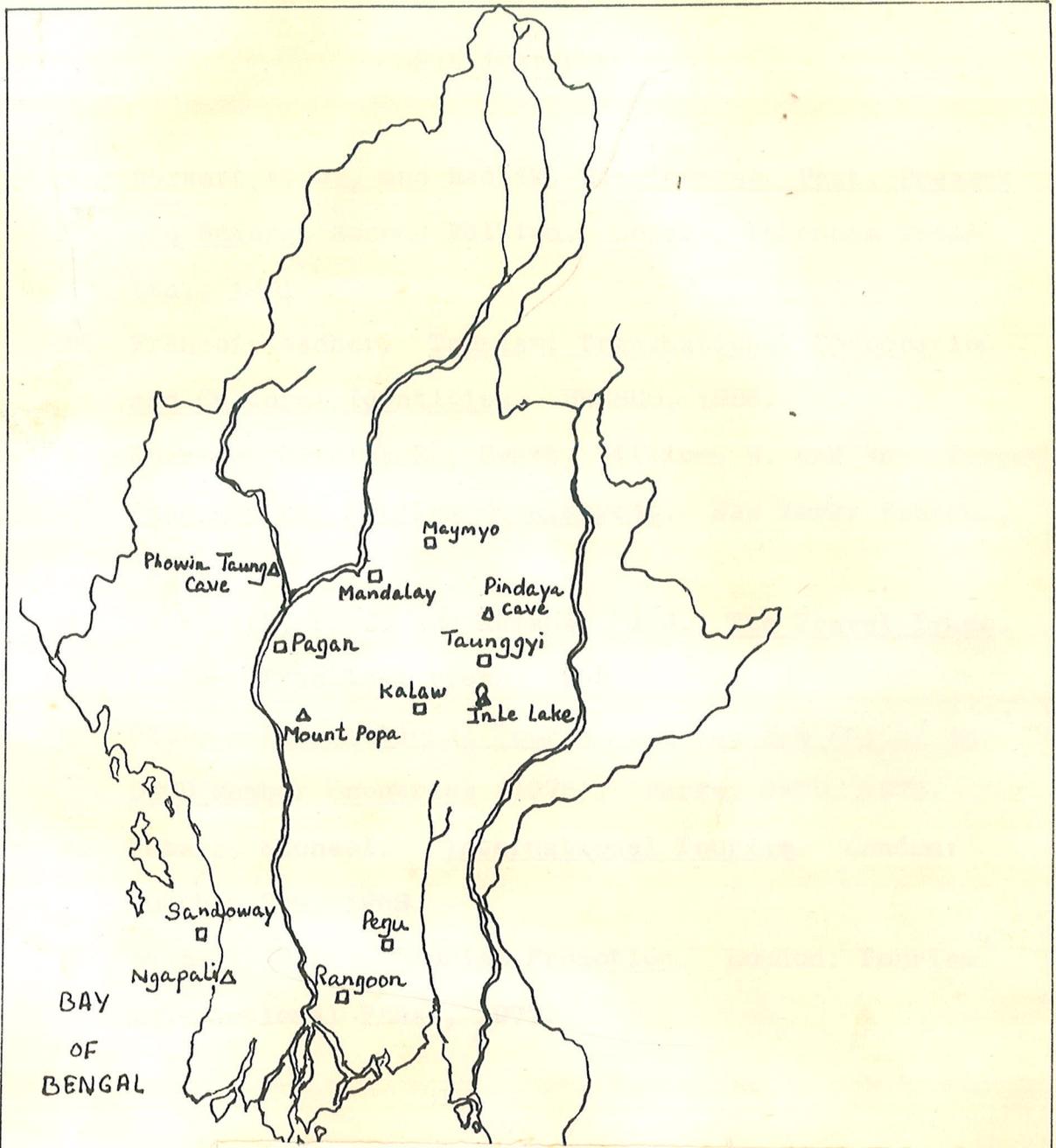
## Appendix 4

Tourist Arrivals, Length of Stay, Foreign Tourism Receipt  
And Average Spending Power

| Year    | Tourist Arrivals | Length of Stay (day) | F.E.Tourism Receipt Kyat ('000) | Average Spending Power Col. (4÷2) | Average Spending Power Per Day Col. (5÷3) |
|---------|------------------|----------------------|---------------------------------|-----------------------------------|---|
| 1       | 2                | 3                    | 4                               | 5                                 | 6   |
| 1975-76 | 15,710           | 5.3                  | 16413                           | 1045                              | 197                                       |
| 1976-77 | 18,933           | 4.7                  | 19277                           | 1018                              | 217                                       |
| 1977-78 | 22,715           | 4.8                  | 24719                           | 1088                              | 227                                       |
| 1978-79 | 21,158           | 4.8                  | 31510                           | 1489                              | 310                                       |
| 1979-80 | 22,930           | 5.0                  | 44330                           | 1933                              | 387                                       |
| 1980-81 | 27,278           | 5.1                  | 61929                           | 2270                              | 445                                       |
| 1981-82 | 28,110           | 5.2                  | 71233                           | 2534                              | 487                                       |
| 1982-83 | 30,741           | 5.3                  | 82,894                          | 2697                              | 509                                       |
| 1983-84 | 28,998           | 5.4                  | 82,506                          | 2845                              | 526                                       |
| 1984-85 | 30,779           | 5.4                  | 81,134                          | 2636                              | 488                                       |
| 1985-86 | 35,948           | 5.5                  | 75,308                          | 2095                              | 381                                       |

Source: Tourist Burma.

Appendix (8)



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5. စာပေဗိမာန်၊ ခရီး သွား စာပေစာတမ်း များ ၊ ပထမတွဲ၊ ဒုတိယတွဲ ( ၁၉၈၁ )
6. စီမံကိန်း နှင့်ဘဏ္ဍာရေး ဝန်ကြီး ဌာန။ ပြည်ထောင်စုဆိုရှယ်လစ်စမ္မတ မြန်မာနိုင်ငံတော်၏ဘဏ္ဍာရေး ၊ စီးပွားရေး ဖွံ့ဖြိုးရေးအခြေအနေနှင့် ပတ်သက်သည့်ပြည်သူ့လွှတ်တော်အစီရင်ခံစာ ( ၁၉၈၆ - ၈၇ ) ( ၁၉၈၇ - ၈၈ )
7. ညိုညို၊ မောင်။ မြန်မာနိုင်ငံကမ္ဘာ့လှည့်ခရီး သည်လုပ်ငန်း နှင့်ဝင်ငွေရရှိမှု အခြေအနေ၊ စီးပွားရေး စီမံကိန်း ပညာအိတ်ပလိုမာစာမေးပွဲအထွက်လို အပ်ချက်စာတမ်း ( ၁၉၈၂ )
8. နိုင်ငံတကာရေးရာ။ ကမ္ဘာ့လှည့်ခရီး သွားလာမှု၊ ဇူလိုင်လ ( ၁၉၇၉ )
9. မြန်မာ့စွယ်စုံကျမ်း ။ ခရီး သွား လာရေး လုပ်ငန်း ( ၁၉၇၈ )
10. လမ်းစဉ်သတင်း ။ ကမ္ဘာ့လှည့်ခရီး သွား လုပ်ငန်း ၊ ဩဂုတ်လ ( ၁၉၈၂ )
11. လမ်းစဉ်သတင်း ။ ကမ္ဘာ့လှည့်ခရီး သွား လာရေး ၊ ဇူလိုင်လ ( ၁၉၈၅ )

ERRATA

Please substitute the words in the left hand side  
with the words in the right hand side.

| <u>From</u>                           | <u>To</u>                             |
|---------------------------------------|---------------------------------------|
| Burma                                 | Myanmar                               |
| Rangoon                               | Yangon                                |
| Pagan                                 | Bagan                                 |
| Pegu                                  | Bago                                  |
| Hotel and Tourist<br>Corporation      | Myanmar Hotel and Tourism<br>Services |
| Tourist Burma                         | Myanmar Travels and Tours<br>Services |
| Inland Water Transport<br>Corporation | Inland Water Transport                |
| Burma Airways Corporation             | Myanmar Airways                       |
| Burma Railways Corporation            | Myanmar Railways                      |
| Road Transport Corporation            | Road Transport                        |