

BIMSTEC-Japan Cooperation in Tourism Development: Myanmar Perspective

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Aung Kyaw Oo*

“If properly incorporated into development strategies, the tourism sector can be a cornerstone of new productive systems aimed at eradicating poverty and integrating the developing countries into the global economy.”

—Rubens Ricupero, Former Secretary-General of UNCTAD

1. INTRODUCTION

BIMSTEC¹ is an important regional cooperation initiative. It provides a unique link between South Asia and Southeast Asia. It brings together over 1.3 billion people - one fifth of the world population. With a combined GDP of approximately US\$ 750 billion, BIMSTEC has the potential to grow further and to evolve into an economic powerhouse benefiting the entire region. In BIMSTEC, countries like India and Thailand have comparatively large and vibrant tourism industry and earn a good amount of foreign exchange from it. However, the current tourism industry in remaining BIMSTEC countries is very much uneven and small.

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BIMSTEC Expert Group on Tourism was set up in late 1990s and the first and second meetings were held in 1999 and 2000 respectively. As a result, the Year 2001 was designated as the “Visit BIMSTEC Year.” The strategies adopted by member countries include: facilitation of travel formalities, human resource development, strengthening the transportation networks, development of new tourism products, marketing and promotional strategies, incentives for tourism investment opportunities, environmental management of tourism and cultural preservation, regulatory issues, and information dissemination.²

In order to enhance the development of the tourism sector in BIMSTEC, this paper argues that the BIMSTEC countries can learn from their experiences in the region and also from country like Japan. In this paper, our objective is to present Myanmar’s perspective on BIMSTEC tourism development and the ways in which the BIMSTEC member countries may develop their tourism sector in cooperation with other BIMSTEC countries and Japan. This paper is generally based on the publications of the government departments and the data from various organizations of ADB, World Bank, WTO, UNWTO, UNCTAD, WTTC and UNESCAP, among others.

2. TOURISM DEVELOPMENT: GLOBAL AND REGIONAL TRENDS

Tourism is recognized as one of the fastest growing industries in the world. In 2003, tourism accounted for about 11 per cent of the world’s gross domestic product (GDP) and the foreign tourism earnings amounted to \$523 billion with 691 million international tourism arrivals³. This industry supports over 200 million jobs, representing about 9 per cent of the global workforce (World Travel and Tourism Council 2005). Hence, international tourism be a crucial means for income redistribution among countries and thus contribute towards balanced development of the world economy.

2.1. Global Trend

Tourism has appeared as one of the most remarkable economic and social phenomena of the contemporary world. The number of international tourist arrivals shows an evolution from a mere 25 million

international arrivals in 1950 to 766 million in 2004, about 30-fold increase within 54 years.

International tourists worldwide beat all expectations last year, exceeding the predicted 800 million and achieving an all-time record. The estimated increase represents a staggering 42 million additional arrivals, of more than 18 million in Europe, 11 million in Asia and the Pacific, 7 million in the Americas, 3 million in Africa and 2 million in the Middle East.⁴

The international tourism industry has higher multiplier and positive spillover effects than most other economic sectors. According to estimates of the World Tourism Organization and by the World Travel and Tourism Council, for each job created in the tourism industry, some five to nine affiliated jobs are generated in other areas.

The expansion of tourism has made an important contribution to the development of several developing countries, which have selected the tourism as a priority sector. Tourism services can stimulate development in terms of income, employment, foreign exchange earnings, taxation, and multiplier and spillover effects.⁵

International tourism and tourist attractions all over the world are mutually interrelated. In addition, endowed with natural tourism sites, developing countries have a chance to attract international tourists like developed countries.

In some developing countries, tourism is a major source of foreign exchange earning. In addition, as tourism is a multi sector dimension, other tourism-related businesses such as transportation, restaurants, recreation programs, souvenir shops, and hotels develop at the same time.

The tourism industry significantly contributes to employment creation, small entrepreneurship, and greater gender equity and poverty alleviation. However, because of their acute structural handicaps, particularly the lack of physical infrastructure and skilled human

Table 1: International Tourist Arrivals by Sub Region

	Full Year										Average				Share	
	2000	2001	2002	2003	2004	2005*	03/ 02	04/ 03	05*/ 04	05*/ 04	05*/ 00	05*/ 00	2000	2005*	2005* (%)	
	abs. (million)						Change %		abs. (million)		Change (%)					
World	689	688	709	697	766	808	-1.7	10	5.5	42.3	119.2	3.2	100	100	100	
Europe	396.2	395.8	407.4	408.6	425.6	443.9	0.3	4.2	4.3	18.3	47.7	2.3	57.5	54.9	54.9	
Northern Europe	44.6	42.3	43.8	44.5	48.4	51.8	1.8	8.6	7.1	3.4	7.2	3	6.5	6.4	6.4	
Western Europe	139.7	135.8	138	136.1	138.7	141.1	-1.4	1.9	1.7	2.3	1.4	0.2	20.3	17.5	17.5	
Central/ Eastern Europe	71.2	74	78.1	80.3	89.1	92.3	2.8	11	3.6	3.2	21.1	5.3	10.3	11.4	11.4	
Southern/ Mediterranean Europe	140.8	143.7	147.6	147.7	149.5	158.8	0.1	1.2	6.2	9.3	18	2.4	20.4	19.6	19.6	
Asia and the Pacific	111.4	116.6	126.1	114.2	145.4	156.2	-9.4	27.3	7.4	10.8	44.8	7	16.2	19.3	19.3	
North-East Asia	58.3	61	68.2	61.7	79.4	87.5	-9.6	28.6	10.2	8.1	29.2	8.5	8.5	10.8	10.8	
South-East Asia	37.8	40.7	42.8	37	48.3	50.2	-13.6	30.3	4.1	2	12.5	5.9	5.5	6.2	6.2	
Oceania	9.2	9.1	9.1	9	10.2	10.6	-0.9	12.4	3.9	0.4	1.3	2.7	1.3	1.3	1.3	
South Asia	6.1	5.8	5.8	6.4	7.6	7.9	10.2	18.1	4.5	0.3	1.8	5.4	0.9	1	1	
Americas	128.2	122.2	116.7	113.1	125.8	133.1	-3.1	11.2	5.8	7.3	4.9	0.8	18.6	16.5	16.5	
North America	91.5	86.4	83.3	77.4	85.9	89.4	-7.1	10.9	4.1	3.5	-2.1	-0.5	13.3	11.1	11.1	
Caribbean	17.1	16.8	16	17	18.2	19.2	6.5	6.7	5.4	1	2.1	2.3	2.5	2.4	2.4	
Central America	4.3	4.4	4.7	4.9	5.8	6.6	4.2	17.8	13.6	0.8	2.2	8.6	0.6	0.8	0.8	
South America	15.2	14.6	12.7	13.7	16	18	7.9	16.2	12.7	2	2.8	3.4	2.2	2.2	2.2	
Africa	28.2	28.9	29.5	30.7	33.3	36.7	4.1	8.4	10.1	3.4	8.5	5.4	4.1	4.5	4.5	
North Africa	10.2	10.7	10.4	11.1	12.8	13.6	6.6	15.5	6.1	0.8	3.4	5.9	1.5	1.7	1.7	
Sub-Saharan Africa	18	18.2	19.1	19.6	20.5	23.1	2.8	4.5	12.6	2.6	5.1	5.2	2.6	2.9	2.9	
Middle East	25.2	25	29.2	30	35.9	38.4	2.9	19.8	6.9	2.5	13.2	8.8	3.7	4.8	4.8	

* = provisional figure or data

(Data as collected by UNWTO January 2006)

Source: UNWTO, World Tourism Barometer, Volume 4, No. 1, January 2006, Madrid, Spain.

resources, developing countries require substantial financial and technical support from the international community to be able to induce sustained tourism growth.

2.2. Regional Tourism Cooperation

As unity is strength, the role of regional cooperation is crucial in regional economic development. Nowadays regional integration has emerged all over the world, and Asia, ASEAN, SAARC⁶, and GMS are such examples.

A part of ASEAN is well developed in tourism; they have joined hands to jointly develop it further by promoting and marketing the region as a whole. As a collective endeavor, 10 ASEAN countries are promoting ASEAN as a Single Destination with an ASEAN logo, ASEAN map and brochure, a video tape and TV commercial. The project, Visit ASEAN Campaign, is under preparation after having been officially launched in Brunei in January 2001. In addition, the ASEAN tourism forum was held in Malaysia on 24 January 2005.

GMS⁷ countries recently held the Mekong Investment Summit⁸ and Mekong Tourism Forum⁹ for regional cooperation matters such as tourism policy, investment, infrastructure and promotion, and discussed and addressed sub-regional tourism issues.

As one of the private sector cooperation, Mekong Tourism Office (MTO) has been undertaking the development –to coordinate sustainable pro-poor tourism development projects in the Mekong in line with the United Nations Millennium Development Goals, and marketing – To promote the Mekong region as a single travel and tourism destination under the brand ‘Mekong Tourism.

2.3. Historical Tourism Perspective in BIMSTEC

Bhutan

The Bhutan government perceived tourism as the country’s largest foreign exchange earner since its inception in 1974 and received as revenue, US\$ 300,000 from 390 visitors in 1976 and US\$ 2 million

from 2524 visitors in 1987 respectively. The government decided to limit the number of tourists to around 2,000 a year and restricted access seasonally and to certain historical, cultural, and scenic sites. These restrictions resulted in reduction in tourist arrival i.e. only 2,199 tourists and to revenues of US\$1.9 million in 1988.

In 1991, however, the Ministry of Trade, Industry, and Tourism announced plans to gradually double the number of entry visas granted and to reduce the charges levied on tour operators. In addition, whereas only group tours were allowed before 1991, after that date individual tourists were granted visas for prearranged tours. Thus, many of Bhutan's religious sites become more accessible to tourists in 1991.

The largest number of tourists came from the United States until 2002. Although tourists from West Germany and Japan were close behind in numbers in 1988. Only Japan retained its position up to 2002. According to the country report of ADB 2004, the purpose of visit the Bhutan is for pleasure, holiday and recreation.

Sri Lanka

The variety of topography, ecology and cultural diversity found in Sri Lanka are the main attractions for tourists. Between 1976 and 1982, the number of tourist arrivals increased at an annual rate of almost 24 percent, reaching a peak of 407,230 before declining to 337,342 arrivals in 1983 as a result of the Tamil insurgency. More than half of the arrivals were from Western Europe.

Total arrivals were 230,106 in 1986, down 43 percent from 1982 due to the serious civil disturbances. To ease the plight of the industry, the government provided various concessions to hotels, such as the rescheduling of loans and the reduction of the turnover tax from 10 percent to 5 percent. The Ceylon Tourist Board also undertook a crash promotion program in an attempt to restore the island's image in world tourist markets.

*Nepal*¹⁰

Tourism is the major source of foreign exchange earnings, especially since the first ascent of Mount Everest in 1953, the Himalayas have attracted foreigners to Nepal. Mountaineering and hiking activities are of considerable interest among tourism products.

Beginning in the 1960s, the government encouraged the building of hotels and other tourist facilities through loans. According to government statistics, between 1985 and 1988 the number of hotel rooms increased from under 22,000 to more than 27,000.

Between 1985 and 1988, the number of tourists increased from approximately 181,000 to about 266,000 with more than 80 percent of the tourists arriving into the country by air. In FY 1985, more than US\$40 million worth of foreign exchange was earned through tourism. In FY 1988, this amount increased to more than US\$64 million.

Tourism industry in Nepal has undergone a massive change in 1990s. Today, it shows over 8 percent of GDP and over 30 percent of country's foreign exchange earnings.

Bangladesh

Bangladesh is not yet considered by many international tourists as a destination for holidaying. While business is still the predominant purpose of visiting Bangladesh, crews of international ships, missionaries and students are increasingly visiting this country over time. The second most important purpose is business plus leisure, followed by vacation leisure.

The share of Bangladesh was much less than that of other South Asian countries in the total tourist arrivals as well as on a global basis in the 1980s. India emerged as the single largest market for Bangladesh.

International tourist arrivals in Bangladesh increased in absolute terms from 34,580 in 1972 to 115,369 in 1990. However, the trend

has fluctuated widely, recording even negative growth rates in some years.

A WTO survey found that only 25 per cent of the sample tourists considered Bangladesh as a location for real tourist destination. According to the tourists' opinions, improvements in transportation and hotel facilities are the most important areas requiring attention from the Government for encouraging tourist arrivals in Bangladesh. Improvement in the customs facilities, greater dissemination of tourist information, and greater availability of sports and recreation facilities were also mentioned as important areas requiring government intervention. One-third of the tourists visiting Bangladesh are either entrepreneurs or proprietors, who constitute 43 per cent of Asian nationals and 21 per cent of non-Asians visiting Bangladesh.

The average length of stay of international tourists in Bangladesh is less than 10 days. The analysis of international tourism receipts revealed that despite fluctuations over time, foreign exchange earnings from tourism in Bangladesh increased from Tk. 15.5 million in 1972 to Tk. 302.9 million in 1990, registering an average growth rate of 24 per cent per annum. The contribution of tourism receipts to GDP was low, ranging between 0.1 per cent and 0.2 per cent during the 1980s. Tourism receipts also constituted only 2-3 per cent of export earnings of Bangladesh during the same period.

The analysis of the expenditure pattern of the international tourists in Bangladesh shows that expenditures were highest on shopping and souvenirs, followed by hotels, services and transport.

India¹¹

The first ever Tourism Satellite Accounts for India compiled by the National Council of Applied Economic Research for 2002-03 showed that tourism employed 38.8 million people, directly and indirectly. This is 8.3 per cent of total employment and contributed to 5.8 per cent of GDP.

The number of persons employed in this sector is estimated to have increased to 41.85 million in 2003-04 contributing 5.9 per cent

of GDP. Various studies have shown that tourism generates the highest employment per unit of investment for skilled, semi-skilled and unskilled workers. The World Travel and Tourism Council (WTTC) has identified India's tourism sector as one of the foremost growth areas in the coming decades.

In terms of tourist arrivals, India is the second largest in the region, where about 20 percent of visitors are from Pakistan and Bangladesh, most of whom usually visit friends and relatives and do not stay in paid accommodation. Of the balance two hundred thousand tourists, it is not known as to how many of them are PIOs (Persons of India origin holding foreign passport) although it is estimated that this number may be very high. Again, while a number of them come to visit friends and relatives it is not known as to how many are genuine tourists as commonly understood. Because a large number of Pakistanis, Bangladeshis and PIOs stay for longer duration, the length of stay for all foreign tourists comes to 31.2 days compared with the average stay of foreign tourists in hotels, only 2.8 days, according to the survey.

Thailand¹²

The tourism industry of Thailand has steadily expanded during the past 40 years. In 2000, the number of tourists to Thailand increased to 9.5 million, and the income from tourism was about 6 percent of GDP. This industry has continuously brought the highest amount of foreign currency into the country since 1982.

The tourism industry plays an important role in generating income and tourism revenue amounting to 300 billion baht (US\$ 7 billion) was earned in 2002 representing about 6% of Thailand's GDP. Nearly 10.8 million tourists visited Thailand in 2002 staying long for about 8 days on average in one of the world's most favorite tourist destinations.

Furthermore, Thailand is centrally situated and has easy connections to other countries in the region. These factors enabled the tourism industry to grow very quickly. In addition, the Tourism Authority of Thailand (TAT) has tried to facilitate tourists' visits

through the revision of immigration rules and formalities for greater convenience, the lengthening of tourist visas from 15 days to 30 days, and visa exemptions for 56 countries. These rules have been in place since 1993 to support the tourism promotion policy.

The outcome of the “Amazing Thailand” campaign was that in the year 2000, 9.5 million foreign tourists visited Thailand, and the increase in the number of tourists during that period indicates that the tourism industry is a powerful tool to assist the revival of the economy, leading to the fulfillment of Thailand’s economic goals.

2.4. Analysis of BIMSTEC Tourism

Table 2 presents the distribution of international tourist arrivals by country. It shows that BIMSTEC has been attracting a large number of international tourists.

Tourism development in BIMSTEC region is very much; Thailand and India are considered to be more developed whereas Myanmar and Bhutan less developed. Although each country has its own advantages in endowment, the extent of tourism development depends on how much they are committed to the development of tourism. It means that the share of budgetary¹³ allocation is a factor for tourism development. In 2004, total tourist arrivals in the region accounted for less than 2% of the world total and 10.8 % of the Asia and the Pacific region.

The vision of doubling of tourism business in the region in the next five years was decided at the July 2004 Bangkok summit of BIMSTEC. The targeted vision is likely too ambitious. One of the ASEAN Research Fellows, retired Rector U Myat Thein remarked that the vision of doubling of tourism business in the region in the next five years would seem to be somewhat beyond reach. On the other hand, given immense tourism attractions of the region and geographical contiguity and primary access to the Bay of Bengal of all the member countries, doubling of tourism business in the region should not be too far beyond”¹⁴.

Table 2: Distribution of International Tourist Arrivals by Country

	International Tourist Arrivals(1000)										Change %			Average annual growth (%)		
	1990	1995	2000	2002	2003	2004	03/02	04/03	90-95	95-00						
Myanmar	21	117	208	217	206	242	-5.3	17.7	41	12.2						
Thailand	5299	6952	9579	10873	10004	11651	-8	16.5	5.6	6.6						
Bangladesh	115	156	199	207	245	271	18.4	10.6	6.3	5						
Bhutan	2	5	8	6	6	9	12.5	47.6	19.1	9.6						
India	1707	2124	2649	2384	2726	3371	14.4	23.6	4.5	4.5						
Nepal	255	363	464	275	338	360	22.7	6.5	7.3	5						
Sri lanka	298	403	400	393	501	566	27.3	13.1	6.2	-0.1						
BIMSTEC	7697	10120	13507	14355	14026	16470	-2.3	17.4	-	-						
Asia and the Pacific	57740	85024	114863	131108	119255	152503	-9	27.9	8	6.2						
World*	-	-	689000	709000	697000	766000	-1.7	9.9	-	-						

(Data as collected by WTO November 2005.)

Source: UNWTO. *Tourism Market Trends*, 2005 Edition, World Tourism Organization (WTO), Annex-6.

Note: **World*** data is calculated from UNWTO. *World Tourism Barometer*, Volume 4. No. 1, January 2006. Madrid, Spain.

Table 3: Distribution of International Tourism Receipts by Country

	International Tourism Receipts (US \$million)										Change %			Average annual growth (%)	
	1990	1995	2000	2002	2003	2004	03/02	04/03	90-95	95-00					
Myanmar	9	151	162	99	116	136	17.2	17.2	75.8	1.4					
Thailand	4326	8035	7483	7906	7828	10034	-1	28.2	13.2	-1.4					
Bangladesh	11	25	50	57	57	67	0	17.9	17.8	14.9					
Bhutan	2	5	10	8	8	12	4.3	50	20.1	14.9					
India	1513	2582	3168	2918	3533	4969	21.1	35	11.3	4.2					
Nepal	64	177	158	103	199		93.2		22.6	-2.2					
Sri Lanka	132	226	248	363	441	513	21.5	16.3	11.4	1.9					
BIMSTEC	6057	11201	11279	11454	12182	15731	6.4	29.1							
Asia and the Pacific	46667	81988	90383	99069	94855	124960	-4.3	31.7	11.9	2					

(Data as collected by WTO November 2005.)

Source: *Tourism Market Trends*, 2005 Edition, World Tourism Organization (WTO), Annex-13.

Table 4: International Tourism Expenditure

	1990	1995	2000	2001	2002	2003	Share %	Per Capita (US \$)	Change % 02/01	Change % 03/02	Average % 95-00
	(US \$million)										
Myanmar	16	18	25	27	28	32	0	1	3.7	14.3	6.8
Thailand	854	4721	2772	2924	3303	3495	3.2	54	13	5.8	-8.3
Bangladesh	78	233	290	165	113	165	0.2	1	-31.5	46	4.5
Bhutan	-	-	-	-	-	-	-	-	-	-	-
India	393	996	2567	2571	2942	3579	3.3	3	14.4	21.7	20.8
Nepal	45	136	73	80	69	81	0.1	3	-13.8	17.4	-11.7
Sri Lanka	74	186	240	250	263	279	0.3	14	5.2	6.1	5.2
BIMSTEC	1460	6290	5967	6017	6738	7631	-	-	-	-	-
Asia and the Pacific	57551	95172	103925	100253	109903	108972	100	30	9.6	-0.8	1.8
World	269247	410850	479407	466515	481890	525079	-	83	3.3	9	3.1

*(Data as collected by WTO November 2005.)

Source: *Tourism Market Trends*, 2005 Edition, World Tourism Organization (WTO), Annex-***.

Table 5: Tourism as percent of GDP, Export, (2003-2004)

	Year	Bangladesh	Sri Lanka	Thailand	Myanmar*	Bhutan	India	Nepal
Tourism Receipts % of GDP	2002	0.15	2.39	5.5	0.76	1.36	0.55	1.89
	2003	0.14	2.61	5	0.60	1.25	0.6	3.38
	2004	0.15	2.64	5.78	0.52	-	0.75	-
Tourism Receipts % of Exports	2002	1.33	8.4	11.96	3.23	6.75	5.34	16.98
	2003	1.24	9.27	10.02	4.92	6.29	5.62	30.85
	2004	1.19	9.15	10.45	4.64	-	-	-

Note: * Myanmar data is tabulated from ASEAN Statistical Year book, 2005, Ministry of Commerce, Nay Pyi Daw, Myanmar(at official rate of exchange) and Myanmar Tourism Statistics, 2005.

Source: ADB, *Key Indicators of Developing Asian and Pacific Countries*, 2005 and *Tourism Market Trends*, 2005 Edition, World Tourism Organization (WTO), Annex-13.

International tourism receipts are defined as expenditure of international inbound visitors including their payments to national carriers for transport. They also include any other preparation made for goods/services received in the destination country.

Tourism receipts in BIMSTEC exhibit upward trends, as do Asia and the Pacific region. Among them, Thailand and India play leading roles in tourism industry. Myanmar, despite increase in tourist arrivals in late 2003, still cannot reach the level of 2000. Nepal and Sri Lanka are making good progress in this industry.

Table 4 shows tourism expenditure by BIMSTEC countries as well as Asia and Pacific and the world.

International tourism expenditure is defined as expenditure of outbound visitors in other countries including their payments to national carriers for transport. As world figures in tourism expenditure gradually increased, tourism expenditure in BIMSTEC countries also shows an upward trend.

Concerning tourism receipts as portion of GDP, Thailand and Nepal are taking the leading role. One apparent fact is that Nepal's tourism receipts accounted for nearly one third of its export earning in 2003.

3. MYANMAR TOURISM PERSPECTIVE

Developing countries with advantageous natural endowments and rich cultural heritages are in a favorable position to develop their tourism industry. Myanmar with her long cultural heritage and excellent natural endowment has every chance of enhancing her annual growth through development of her tourism industries.

Besides, as Myanmar lies between China and India, whose populations exceed one billion, entry of tourists from both countries through border gates offers strong opportunities for Myanmar tourism development.

In addition, since Myanmar is a member of the Greater Mekong sub region (GMS) - comprising Cambodia, Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam and Yunnan Province of China and also member of BIMSTEC, comprising Bangladesh, India, Myanmar, Sri Lanka and Thailand. This country has great potential to attract visitors from around the world.

3.1 Background

Myanmar tourism industry can be categorized by three chronological segments- parliamentary democracy period of 1948-62, socialist period of 1962-88, and market- oriented period since 1988. During the parliamentary period, since Myanmar economy was capitalist-oriented, there were several private local tour and travel operators as well as privately owned hotels in Yangon and other large cities throughout the country. Tourist Information Service (TIS), a tourism branch of the Union of Burma Airways (UBA), took responsibility to cater to the rare tourists visiting the country at that time. Later, the Burma Economic Development Corporation (BEDC) set up a branch called "Tourist Burma" and the TIS was incorporated into this set up. Tourist visas were valid for one month during those days.

After the Revolutionary Council took over the power of the state in 1962, the validity of entry visas was reduced to just 24 hours and the number of tourists drastically reduced. In 1964, 'Tourist Burma' was taken over by Corporation No (20) under the Ministry of Trade in accordance with the nationalization law of the socialist regime. All the hotels were also nationalized and handed over to the Ministry of Trade. In 1971, Tourist Information Service (TIS) was revived in coordination with the Burma Airways Corporation (BAC). In 1978, the Tourist Information Service (TIS) and Tourist Burma were amalgamated as the Hotel and Tourism Corporation under the Ministry of Trade. Tourism business during the socialist period was not commercially successful because the tourism policy was overshadowed by the policy of safeguarding the traditional values and customs of the nation from foreign influences.

In September 1988, the State Law and Order Restoration Council (SLORC) renamed as the State Peace and Development Council (SPDC) in 1997, took over the state power and adopted the market-

oriented economic system. Many of the economic reform measures introduced during the late 1980s and the early 1990s generated benefits. Participation of the private sector in the economy has increased and so also the tourism industry.

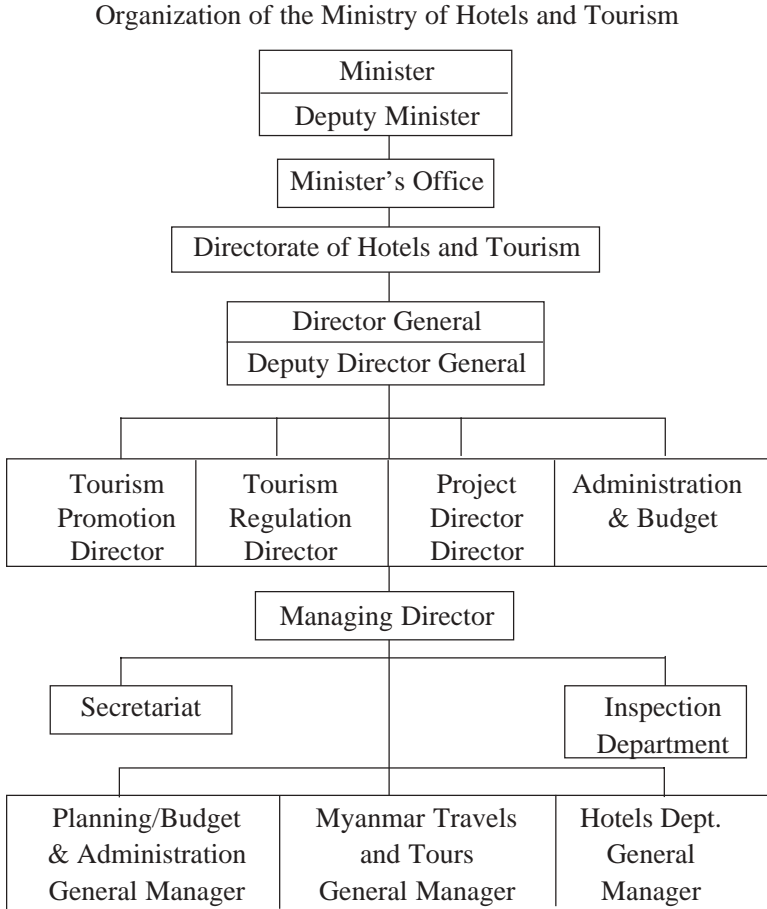
The SLORC (SPDC) made efforts to expand its economic base and gave tourism a priority by passing the Myanmar Tourism Law in 1990. The Ministry of Hotels and Tourism was set up on 28 September 1992. Since then, the ministry has launched a drive to encourage foreign investment in tourism infrastructure and superstructure including joint venture partnerships and foreign direct investment (FDI). It has also announced an extension of the tourists' visa validity and opened up some border crossing points in order to attract tourists from neighbouring countries.

New tourism resources have also been developed to promote the tourist attraction. The e-visa was also launched in 2004. Apart from the government agency the Myanmar Travels and Tours, there were 657 privately owned tour companies, 603 hotels altogether with 19040 rooms in 2005 and nearly 700 thousand tourists came to visit Myanmar during that year.

3.2. Tourism Policy and Institutional Development

Convinced that the tourism industry could benefit the economy within a short period, it set up the Ministry of Hotels and Tourism under which the Directorate of Hotels and Tourism and the Myanmar Hotels and Tourism Services were formed. There are three operational departments under the Myanmar Hotels and Tourism Services which are the Hotel Department, the Myanmar Travels and Tours, and the Restaurants and Beverage Enterprises.

The Directorate of Hotels and Tourism is responsible for implementation of tourism policies laid down by the Tourism Council and the Ministry of Hotels and Tourism. It also has a duty to improve the quality and standard of tourism by conducting training courses, discussions, exhibition, issuing licenses for operations permitted under the Tourism Law, and to generally supervise all operations of the industry.

Figure 1: Organization of the Ministry of Hotels and Tourism

The Myanmar Travel and Tours (MTT) is the main earner for the Ministry. It has opened duty free shops, set up hotels and arranged for the provision of necessary services at various tourist sites within the country. The Myanmar Travels and Tours (MTT) is one of its sub departments and it operates as a tour agency. The organization of the Ministry of Hotels and Tourism is shown in figure 1.

Myanmar Tourism Law was promulgated in June 1990 and revised and enacted as Myanmar Hotels and Tourism Law in 1993.

The law is related to licensing of hotel and tourism business. Private sector participation has increased significantly due to promulgation of this law.

The Myanmar Tourism Promotion Board (MTPB) was formed as a mechanism to promote Myanmar on the international tourist map. The MTPB is chaired by the Director General of the Department of Hotels and Tourism and officials from both public and private tourism organizations are included as members.

The Myanmar Marketing Committee (MMC) for tourism industry was formed by hoteliers, tour companies, airlines, car rental agencies and cruise ship owners in Myanmar. The MMC conducts familiarization trip for overseas tour agents and travel writers. It also organizes Myanmar tour companies to participate at various international travel shows and road shows.

The Union of Myanmar Travel Association (UMTA) was formed in 2002 under the directive of the Ministry of Hotels and Tourism. The principal tasks of the association are to organize various travel and tour companies under one umbrella and work for the development of the travel and tour business in the country. It also undertakes various HRD programs for capacity building of tourism professionals of the UMTA.

3.3 Private Sector Participation

The Myanmar Tourism Law was promulgated in June 1990 and revised and then enacted as the Myanmar Hotels and Tourism Law on 23rd October 1993. The procedures and orders relating to the licensing of hotel and tourism business by this law are as follows:

- Order for licensing of tour enterprise
- Order for licensing of hotel and lodging-house business
- Order relating to licensing of tour guide business
- Order relating to licensing of tourist transport business

Since the promulgation of this law, private sector participation has become significantly increased. The number of licensed tour companies, tourist transportation and tour guides are shown in tables 6, 7 and 8. The trends of privately owned tourism business often,

since 2000, can be seen in figure 2. These trends show that private participation in tourism business is not be increased sustainable but it is a bit fluctuated.

Table 6: Licensed Tour Companies

No.	Types of Owner	2000	2001	2002	2003	2004
1	Foreign Company	1	1	1	1	1
2	J.V Company	14	14	16	18	18
3	Local Company	582	612	514	557	667
	Total	597	627	531	576	686
	rate of increase/decrease	-	5.00%	-15.30%	8.50%	19.10%

Source: Myanmar Tourism statistics- various issues

Table 7: Licensed Tourist Transportation

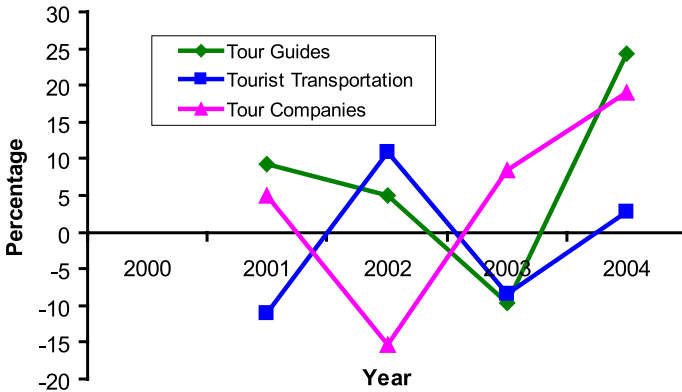
No.	Type	2000	2001	2002	2003	2004
1	Coach (26 to 50 seator)	87	72	91	96	98
2	Mini Bus (21 to 25 seator)	23	17	21	23	21
3	Van (7 to 20 seator)	61	50	46	41	40
4	Saloon (3 to 5 seator)	34	24	22	21	20
5	Motor Boat	208	196	217	173	181
6	Boat	2	2	3	3	4
7	Yacht	28	33	37	43	47
8	Hot Air Ballon	1	1	1	1	1
	Total	444	395	438	401	412
	Rate of increase/decrease	-	-11.00%	10.90%	-8.40%	2.70%

Source: Myanmar Tour Statistics – various issues

Table 8: Licensed Tour Guides

No.	Type	2000	2001	2002	2003	2004
1	English	3416	3742	3933	4282	4411
2	Japanese	640	694	730	764	795
3	French	228	248	254	263	282
4	Chinese	279	298	305	330	341
5	Thai	119	125	136	146	150
6	German	122	132	146	169	188
7	Russian	24	26	24	24	27
8	Italian	21	23	29	36	40
9	Korean	6	8	11	14	16
	Total	4854	5296	5568	5028	6250
	Rate of increase/decrease	-	9.20%	5.10%	-9.70%	24.30%

Source: Myanmar Tourism Statistics -various issues

Figure 2: Rate of growth of Private Participation in Tourism

The number of local private owned, licenses hotels, motels and guesthouses and the amount of foreign investment in hotels and commercial complex up to December 2004 are shown in table 9 and 10, respectively. It can be seen that the number of hotels, motels and

Table 9: Licensed Hotels, Motels and Guest Houses in Myanmar

Sr.no	Particular	2000	2001	2002	2003	2004
1	No. of hotels, Motels, guest houses	479	502	533	563	596
2	No. of rooms	10345	11550	15848	17039	18317

Source: Myanmar Tourism Statistics 2000 to 2004

Table 10: Foreign Investment in Hotels and Commercial Complex

Year	Completed project		Projects under construction	
	No. of Projects	US\$ (million)	No. of projects	US\$ (million)
2000	21	529.83	*	*
2001	20	519.825	*	*
2002	26	602	14	633
2003	27	614	13	621
2004	27	614	8	548.481

* Data not available

Source: Myanmar Tourism Statistics

guesthouses has gradually increased since 2000 but foreign investment in hotel business has not exhibited any significant change. Foreign investment in hotel business by country can be seen in the Appendix-1.

3.4 Infrastructure Development

Tourism development also depends on the development of its related infrastructure, namely transportation, electricity, communication and other tourism-related services – restaurants, recreation programs, souvenir shops and availability of items for personal use.

According to modernization theory, developing countries can adopt tourism as an engine for faster economic growth. However, tourism cannot prosper without proper infrastructure. Therefore, the modernization approach emphasizes the role of government in developing roads, airport, harbors, and electricity and so on.

The government, in collaboration with the private sector, has constructed a new road transport network and also upgraded old ones since it took over the state power but most of the road transport is still weak for convenient utilization and time consuming to get to the destination.

Concerning air transportation, the conditions of Yangon international airport terminal and runway are not fit for heavy aircraft such as Jumbo-jets and air-buses. Therefore, the Yangon International Airport and the Mandalay International Airport have now been under construction to meet international standards. The other domestic airports have also been expanded and upgraded; but there are only 3 airlines flying the domestic routes and 14 international airlines landing in Myanmar, rather less when compared to 21 airlines¹⁵ in Sri Lanka. Inadequate and shortage of aircrafts can pose difficulties for the visitors to access to their journey.

Railroad conditions, still lacking in improvement, are pre-World War II built tracks. The widths of tracks are of small gauge and are meant only for steam engines. Now-a-days, in most of the countries, broad gauges of 1.4358 meter railroad tracks are built

instead of 1.1 meter gauge in order for trains to run with high speed. In Myanmar, since railroad traveling can not be upgraded, only the obsolete compartments are mended again and again to maintain the railway system. Therefore, visitors cannot rely on rail transportation.

The government has continuously increased the number of city buses in Yangon but the bus is not convenient even for local commuters. As the buses are crowded most of the time, tourists usually have to incur more expenses for visit route by relying on taxi trips.

3.5 Human Resource Development

The government of Myanmar, the SLORC/ SPC has been aware of the importance of human resource development and endorsed the “Jakarta Plan of Action on human resource development in the ESCAP region – 1986”. Realizing the importance of full and effective utilization of manpower and human resource, the Manpower Planning Committee and the National Nucleus Commission for Human Resource Development were formed in Myanmar. A number of training programmes and Seminars have been undertaken by each and every economic and social sector in order to enhance human resource development. One of the objectives of Tourism policy in Myanmar is to upgrade the level of technical education on tourism and training which help the local people getting the employment opportunities.

The DHT, jointly with the Kandawgyi Palace Hotel Training Centre conduct the two months training courses on the basic hotel operations such as front office operations, housekeeping operations, food and beverage service and bartending, and food and beverage production regularly. The DHT, the Singapore Tourism Board (STB) and the Singapore Hotels and Training Education Centre (SHATEC) successfully collaborated to launch the training courses as the first joint ministerial working committee. The following Modular Diploma and Certificate courses were started to conduct as the first phase in 1999-2000.

- Diploma in Hotel Management
- Certificate in Supervisory Skills
- Certificate in Food Preparation
- Certificate on Front Office Operation
- Certificate on Communication Skill
- Diploma in HRD for Hospitality, Supervisory and Trainers
- Certificate in Tourism Statistics
- Certificate in Tourism Marketing

The guide training school under the Ministry of Hotels and Tourism also engaged in the HRD programmes. It undertakes such courses as language guide training and other competency courses. The UMTA also conducted seminars, workshops and training courses for the industry professionals. The Ministry of Hotels and Tourism has undertaken measures in developing common competency standard in hospitality industry with the aim of producing competent staff to service both the travel and hotel industries. Basic tourist guide courses conducted by the hotels and tourism-training center produced 6932 graduates from 1992 to 2005.

Myanmar tourism is still in its infancy when compared to neighbouring BIMSTEC countries, especially Thailand and India. Though the government is aware of the importance of human resource development, human resource in this industry is weak in experience to reach International Standard. As tourism is a service sector, it is important to enhance all dimensions of tourism related work. To enhance human resources, hotel related courses were conducted jointly with foreign training centre but the training needs to be expanded to enhance bigger number of trainees.

Myanmar also actively participated in the meetings on tourism cooperation on BIMSTEC, GMS and Mekong Region Tourism Development Plan. To promote Myanmar as a unique tourist destination, the Ministry with the collaboration of the private sector has participated in major travel fairs all over the world. The Ministry of Hotels and Tourism also signed agreements on tourism cooperation

with neighbouring countries. Bilateral agreements on tourism cooperation have also been signed by the government with some ASEAN countries and China, (see Appendix 2).

However, in spite of numerous meetings at various levels of expertise and authority, human resource development such as vocational training still need to be encouraged and enhanced in order to offer better services in various tasks of the whole tourism sector.

3.6 Information and Communication Development

The ease and reliability of communication is especially critical for the business traveller. The infrastructure system of post and telecommunication services includes postal services, telephones, telexes, facsimile and other electronic machines, radio relay, and television relay.

In 2001, the E-Commerce and Development Report (ECCR) analyzed e-commerce and tourism with a view to exploring how the tourism industry was starting to benefit from information technologies and the Internet, as well as the effects on developing countries' competitiveness in tourism markets¹⁶.

So the internet has come to be one of the most important factors for the development of the tourism industry and gives potential tourists immediate access to information on destinations worldwide.

Consumers are more and more looking for tailor-made vacations and expect to obtain related information online. The Internet has provided consumers with an increasing number of options for obtaining information and organizing their trips, more travel choices, and price transparency in an online highly competitive environment. Meanwhile, the Internet represents a solution for direct sellers (hotels, transportation companies) enabling them to enter the market without paying fees to third-party intermediaries, and search engines drive significant volumes of traffic direct to suppliers.

Tourism – business and leisure travel – has increasingly become one of the largest, fastest growing sectors of the global economy and an important component of globalization itself. About 700 million people travel around the world every year, directly injecting more than 500 billion dollars into the international economy. Many more aspire to do so - in rich and poor countries. The associated capital investment and the indirect expenditure in dozens of related economic sectors – from basic agriculture to modern telecommunications – make tourism a sector which punches massively above its obvious weight.

In Myanmar, accessibility and usage of the internet is still limited and rather expensive in installation and charges because there is only one internet service provider in the country, which is under the Ministry of Posts and Telecommunications.

3.7 Tourist Visa

In order to promote tourism and attract tourists, the government has extended the validity of entry visa for tourists to 28 days and that of the business visa have been extended to 70 days since 1998. It has also practiced opening up some border crossing point in order to attract tourists from neighbouring countries. New tourism locations have been developed to promote the tourist attraction. The e-visa was also launched in 2004¹⁷.

Entry visa to Myanmar can be applied at Myanmar Embassies and Consulate General Offices abroad. Overland entry is permitted to Thai and Chinese tourists with border passes and to third party tourists with visas at designated checkpoints along Myanmar- Thailand and Myanmar – China borders. Visa on Arrival is granted to package cruise liner and chartered flight tourists and to FITs from places where there is no Myanmar representation applicable through any licensed tour agencies in Myanmar or direct to the Ministry of Hotels and Tourism.

To be able to get visa on arrival, visitors to Myanmar need to make some prior arrangement before arriving at the entry points of the country. Those who come on a package tour can obtain the visa on arrival.

Therefore, visitors who want to visit Myanmar urgently or immediately will find it hard to get visa on arrival because of the necessary prior arrangements.

4. ANALYSIS OF MYANMAR TOURISM

Table 11 shows tourist arrivals in Myanmar by region.

In 2004, the GMS countries attracted around 18.7 million international arrivals and more than 24 million border pass tourists. By 2010, the volume of international tourism is expected to rise to 30.6 million and, by 2015, to 46.1 million.¹⁸

Tourism in Myanmar has been growing since economic policies were liberalized to create a market-oriented economy. The Myanmar Tourism Law of 1990 was revised in 1993 to promote systematic development and encourage private sector participation. However, according to Pacific Asia Travel Association, Myanmar's tourism industry (with 273,448 tourist arrivals in 2005) still lags behind even Cambodia and Lao PDR in terms of tourist arrivals, where the later two countries attracted about 1,089,771 and 886,034 tourists in 2005, respectively.¹⁹

According to Table 11, visitors from West European countries accounted for more than half of the total in 1992 but reduced to nearly 28% in 2005, while visitors from Asia increased from 30% to nearly 60% of total visitor during the same period. There is no doubt that Asia is a leading market for Myanmar's tourism industry while Western Europe, North America and the Oceania are the potential markets. It can also be seen that among Europeans, French and German are the majority, while the Japanese, Taiwanese and Thai people form the majority among Asian visitors. The amenities of tourism industry in Myanmar are based largely upon border tourism rather than air gateways and it has increased gradually, see Appendix 3).

More than 30000 Japanese tourists visited Myanmar in 1996-1997 but the number gradually decreased in later years. However, the

Table 11: Tourist Arrivals by Region

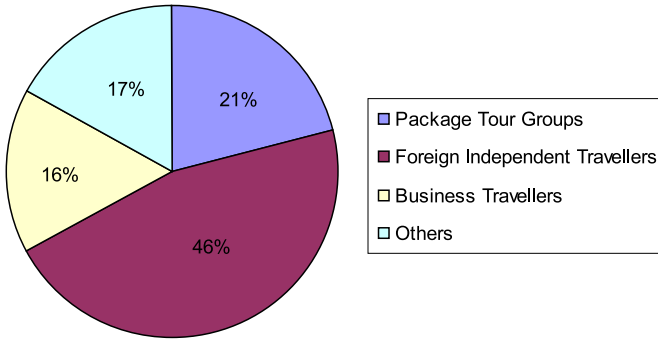
Year	(Percentage)								
	North American	Latin American	West Europe	East Europe	Africa	Middle East	Asia	Oceania	Total
1992	3177 (11.90)	16 (0.10)	13570 (51)	1064 (4)	-	-	7982 (30)	798 (3)	26607
1993	5336 (8.50)	184 (0.30)	14720 (23.50)	7293 (6.90)	-	1227 (1.90)	35560 (56.90)	1227 (2)	62547
1994	7869 (8.50)	88 (0.10)	26524 (28.90)	1768 (2)	-	2652 (2.90)	51190 (55.70)	1768 (1.90)	91859
1995	9516 (7)	422 (0.30)	38333 (28)	368 (0.30)	137 (0.10)	2865 (2.10)	82590 (60.30)	5652 (1.90)	136883
1996	10270 (5.70)	503 (0.30)	56183 (31.30)	431 (0.20)	139 (0.10)	2497 (1.40)	106052 (59.10)	3519 (1.90)	179594
1997	10991 (5.80)	574 (0.30)	49400 (26.20)	506 (0.30)	321 (0.20)	1972 (1)	120864 (64.10)	4064 (2.10)	188692
1998	13041 (6.50)	647 (0.30)	52036 (26)	754 (0.40)	354 (0.20)	1869 (0.90)	126441 (63.10)	5210 (2.60)	200352
1999	12330 (6.30)	538 (0.30)	51230 (25.70)	935 (0.40)	298 (0.10)	1358 (0.70)	128542 (64.50)	4146 (2.10)	199377

Table 11 continued

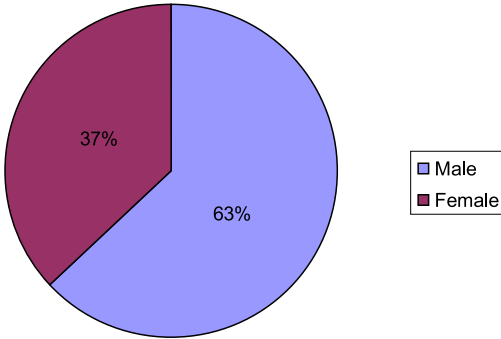
Table 11 continued

Year	North American	Latin American	West Europe	East Europe	Africa	Middle East	Asia	Oceania	Total
2000	14691 (7.10)	621 (0.30)	53739 (25.90)	1166 (0.50)	304 (0.10)	1263 (0.60)	131165 (63.20)	4716 (2.30)	207665
2001	15864 (7.70)	807 (0.40)	55948 (27.30)	1542 (0.70)	312 (0.10)	1416 (0.80)	123904 (60.50)	5069 (2.50)	204862
2002	16953 (7.80)	871 (0.40)	63400 (29.20)	2077 (0.90)	430 (0.20)	2022 (1)	125547 (57.80)	5912 (2.70)	217212
2003	15775 (7.70)	799 (0.40)	58161 (28.30)	2203 (1)	390 (0.20)	1148 (0.60)	121392 (59)	5742 (2.80)	205610
2004	19260 (7.90)	1191 (0.50)	62901 (26)	2510 (1)	395 (0.20)	1831 (0.70)	146774 (60.70)	7076 (2.90)	241938
2005	19509 (8.40)	1192 (0.51)	64531 (27.79)	3402 (1.46)	488 (0.21)	1920 (0.83)	133894 (57.66)	7282 (3.14)	232218

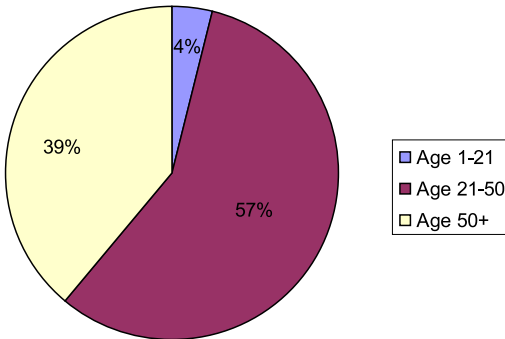
Source: Myanmar Tourism Statistics, Ministry of Hotel & Tourism.

Figure 3: Types of Tourist

Source: Myanmar Tourism Statistics, 2005.

Figure 12: Tourist Arrivals by Gender Group

Source: Myanmar Tourism Statistics, 2005.

Figure 13: Tourist Arrivals by Age Group

Source: Myanmar Tourism Statistics, 2005.

number of Japanese tourists is still standing as the highest, followed by Thailand and China. According to the Japanese government's data, it is noticed that Japanese people prefer to travel and tour abroad. Although approximately 16 million²⁰ Japanese travel overseas each year, only a small proportion of those come to visit Myanmar, (see Appendix 4).

Tourists visit other countries and areas for different purposes: pleasure, holidays and recreation; business; visiting friends and relatives; religious pilgrimages; official mission; conventions and health. In late 1993, the number of Foreign Independent Travellers (FIT) was larger than that of Package Tour and Business Travellers, which means that they just come to Myanmar only for the purpose of pleasure, holidays and recreation, (see Appendix (5)).

Because of the lack of TSA²¹ in accounting system, tourism income in Myanmar has not increased much. In that revenue, some incomes such as visa fees, entrance fees, handicrafts, and gems did not seem to be included. Tourism income in terms of foreign exchange is received mainly from the Yangon Gateways and the expenditure (especially in accommodation) spent by visitors. Therefore, the income of tourism is not complete. Foreign exchange earnings, which were only US\$ 19.86 million in 1992, increased to US\$ 49.3 million in 2002. Except for the two years 1995 and 1999, foreign exchange earned from tourism business has increased every year as compared to its previous year.

Expenditure correlates with length of stay, variety of tourism products including shopping and souvenirs and its comparative price. Adequate tourist attractions and other tourism facilities can encourage international tourists in Myanmar to stay longer. Actually, 7 days of average length of stay in Myanmar is not much less compared to 8 days of average length of stay in 2002 in Thailand, which is one of the world's most favorite tourist destinations. In addition, the amount spent on average by each tourist (\$90s) compares favorably with (\$100) for Thailand for 8 days stays²².

Table 12: Tourism Income in Myanmar

Year	Receipts from Yangon Gateway	Receipts from Expenditure by Visitors	Receipts from Border Tourism			Grand Total	
			North East Region	Eastern Region	South East Region	US\$ (million)	Growth Rate (%)
1992	6.79	12.9	0.03	0.13	0.01	19.86	-
1993	10.88	9.62	0.39	0.48	0.02	21.39	7.7
1994	26.7	6.5	0.94	0.32	0.02	34.48	61.2
1995	27.23	2.86	1.95	*	0.01	32.05	-7
1996	30.33	2.33	0.15	0.44	0.19	33.44	2.9
1997	32.77	0.22	0.1	0.39	0.45	33.93	1.5
1998	32.97	1.12	0.21	0.33	0.54	35.17	3.7
1999	26.4	5.53	0.96	0.24	0.38	33.51	-4.7
2000	20.33	20.3	1.07	0.31	0.35	42.36	26.4
2001	18.6	27.8	1	0.47	0.29	48.16	13.7
2002	22.24	25.35	0.85	0.53	0.33	49.3	2.4

Source: Myanmar Tourism Statistics, 2005.

Table 13: Tourism Income, Expenditure and Length of Stay by Year

Year	2001	2002	2003	2004	2005
Total Earnings (US\$ million)	90	99	116	136	153
Average Expenditure Per Person Per Day (US\$)	70	80	80	94	94
Average Length of Stay	6.3	6.5	6.5	7.0	7.0

Source: Myanmar Tourism Statistics, 2005.

In Myanmar, tourism contributes about 3 to 4 percent of total export earnings as compared to over 11 percent for Thailand and less than one percent of GDP as shown in table 14.

Table 14: Total Earnings of Tourism as percent of GDP and Exports in Myanmar (2001 to 2004) US million

	2001	2002	2003	2004
Total Earnings of Tourism % of GDP	1.07	0.76	0.60	0.52
Receipts % of Total Exports	3.69	3.23	4.92	4.64

Source: Ministry of Commerce, Nay Pyi Daw, Myanmar (at official rate of exchange) and *Myanmar Tourism Statistics*, 2005 and GDP data is from ASEAN Statistical Year Book, 2005.

Concerning hotel accommodation, there are 19,040 rooms in 603 hotels in Myanmar in 2005, compared with 27,000 rooms in hotels in Nepal in 1988 and in Vietnam 130,000 rooms including 18 five-star hotels and 48 four-star hotels²³ in 2005. The number of international tourists to Myanmar increased by 11 folds (from 21,000 in 1990 to 2,36,370 in 2005) compared with the number of foreign visitors to Vietnam during the same period by 13 folds (from 2,50,000 to 3.4 million²⁴). Thus, in those countries, the difference in tourism development can be seen clearly. In reality, tourism development is a result of function, which generally depends on tourism policy, tourism

infrastructure development²⁵, and Foreign Direct Investment on tourism and political situation of the country.

5. RECOMMENDATIONS

Member countries of BIMSTEC proposed to double tourism business in the region in the next five years at the July 2004 Bangkok Summit, and to reach the target, BIMSTEC should carefully formulate strategies, plans and policies that develop the tourism sector in a way that is economically viable, socially acceptable and environmentally sustainable, as experienced as GMS²⁶.

BIMSTEC as one of the tourism destinations for nature and culture tourism should be marketed in order to gain a niche in the tourism market. Besides, BIMSTEC's tourism would be popular among travelers of various countries.

Infrastructure and facilities for tourism development in BIMSTEC, especially for Myanmar, Sri Lanka, Nepal, Bangladesh, Bhutan which are still at the nascent stage, should be enhanced by promoting Japan's outward FDI.

Since human resource development is very important in tourism sector in order to enhance the quality services, it is important to upgrade the quality of services in the countries in the region. Professional training centers should be established for the region, and there should be a regional training centre, which can provide technical and advanced training for resource personnel.

In Myanmar, tourism income as percentage of GDP is very small compared to other countries in the region due to the lack of Tourism Satellite Accounts (TSA). It would be also difficult to make planning and decision for government authorities because of insufficient statistics. Therefore, the government should consider establishing TSA in the accounting system.

As nature of the tourism sector is multi sector dimension, there should be co-ordination and close cooperation not only among the

different ministries but also between the public and private organization.

Local Tourism companies do not have enough financial resources to expand marketing and promotion activities. Support for the small and medium tourism companies should be made available in the form of bank loans²⁷ with reasonable interest rates.

As a matter of fact, Myanmar still needs a lot of investment in the infrastructural development in order to enhance the present level of ecotourism and adventure tourism. Therefore, it is important to solicit FDI or any other financial assistance like ODA from Japan.

In experience of neighboring countries²⁸, as a method of tourism promotion, they introduced ‘Visit Year’ using various kinds of advertisements. “**Visit Myanmar Year**” in 1996 was an effective campaign for attracting international visitors. As tourism promotion, such kind of campaign and advertisement should be arranged in co-operation with the government and private sector.

For encouraging tourist arrivals in Myanmar, improvement in the customers’ facilities, greater dissemination of tourist information, and greater availability of sports and recreation facilities should be considered as important factors.

ICT in general and the Internet, in particular, are stimulating the emergence of e-tourism, creating a demand for customized travel based on a “do-it-yourself” approach. As Internet can give potential tourists immediate access to information on destinations worldwide and online marketing is also effective, easy utilization and accessibility to internet at reasonable price should be assured aimed at in general and tourism sector in particular.

While Myanmar is embarked on enhancing eco- tourism, it is necessary to preserve the unspoilt natural environment. In order to do so, the government should enforce the promulgated laws and regulations in order to support conservation efforts.

Easy accommodation like Hotels and residences should be considered as first priority. On the other hand, promotion of shopping facilities such as traditional handicrafts, souvenirs and antiques shops are absolutely necessary.

To increase tourist arrival in Myanmar, the government should make some amendments on visa procedure especially for visa on arrival which is not available at entry point directly and which usually takes some days ahead of entry date.

As tourism industry can make significant contribution to the socio-economic development of the country, through its role in expanding economic base, increasing foreign exchange earnings, providing employment opportunities and enhancing standards of living, the government should consider tourism sector as an important economic pillar.

Concerning transportation, airplanes in domestic routes should be extended in order to reduce travel time. Railways transport should also be upgraded so as to be more convenient. Though taxis with metre stand are available, they are in short supply in view of the increasing number of travellers.

For tourism to prosper, the facilities that tourists demand must be in place, i.e. airports, hotels, surface transport and other life-support services like water, telecommunications and power. Without satisfactory level of these tourist-related support infrastructures, the growth of tourism could not be achieved automatically.

6. CONCLUSION

As possessor of an excellent climate, natural endowments and a vibrant cultural heritage, even though Myanmar tourism is still in its infancy, there is no doubt that potentiality of tourism development is high. Geographically Myanmar is in a strategic position for travel and tourism not only among members of regional cooperation such as GMS, BIMSTEC, and ASEAN but also as bridge between most populous countries of China and India.

BIMSTEC as a whole is an emerging tourist destination in Asia with enormous potential for tourism development. However, some countries have to face with some challenges before becoming a world-class tourist destination.

BIMSTEC tourism cooperation would result in Myanmar becoming known as one of the nature and culture tourist destinations for world travelers. Besides, Myanmar would benefit from being recognized as a place of interest and attract more travelers under the synergy of BIMSTEC.

BIMSTEC-Japan cooperation in tourism development would enhance the investment in the sector of infrastructure and facilities and bilateral exchange of culture would upgrade the mutual understanding and collaboration such as human development and IT development program.

At present, it is an auspicious time for BIMSTEC member countries because BIMSTEC-Japan cooperation is accelerating its momentum to benefit both parties. The areas for win-win cooperation are many, ranging from energy security, tourism and risk management to taking advantage of the demographic complementarities between BIMSTEC and Japan. For Japan, the main benefits will be widening of its economic space, and greater leverage.

To sum up, cooperative atmosphere of each member countries of BIMSTEC and Japan would result in a booming business and greater integration.

ENDNOTES

- ¹ BIMSTEC (Bay of Bengal Initiative of Multi-Sectoral Technical and Economic Cooperation) comprising Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal and Bhutan are a sub-regional cooperation initiative formed in February 2004.
- ² BIMSTEC Second Expert Group Meeting, 4th to 5th December 2000.
- ³ <http://www.word-tourism.org/facts/highlights/HIGHLIGHTS%20INGLES%2020041.pdf>.
- ⁴ *ibid*

- ⁵ Third United Nations Conference on the Least Developed Countries Brussels, Belgium, 14-20 May 2001.
- ⁶ In 21st May 2006, South Asia Association for Regional Co-operation (SAARC) met at Cox's Bazaar and discussed plan of action to be undertaken in 2006: for 'South Asia Tourism Year'; SAARC Action Plan on Tourism-2006; Measures to facilitate intra-regional tourism; Promotion of SAARC as a common tourist destination; Consideration of possibility of direct air links among SAARC countries; Role of private sector; Mechanism for effective implementation of decisions of SAARC Working Group on Tourism and Collaboration in human resource development in tourism sector
- ⁷ The GMS comprises Cambodia, China (PRC)'s Guanxi and Yunnan Provinces, Laos PDR, Myanmar, Thailand and Vietnam.
- ⁸ Mekong Tourism Investment Summit, March 28-30 2006.
- ⁹ Mekong Tourism Forum, March 2005.
- ¹⁰ Re-published from The Library of Congress Country Studies and the CIA World Fact book.
- ¹¹ India Tourism 2004 Statistics, Facts and Figures.
- ¹² Fiscal policy research Institute. June 12, 2003.
- ¹³ The share of Travel & Tourism in the total budget is only 0.11% placing India 153 out of 160 countries. In contract, China spends 3.8%, Singapore 9.0%, Malaysia 7.2%, Thailand 6.8% and Nepal 14% of their budgets on Travel & Tourism. (WTTC)
- ¹⁴ Myat Thein, BIMSTEC-Japan Comprehensive Economic Cooperation Vision, May 27-28, 2005
- ¹⁵ The Annual Statistical Report of Sri Lanka Tourism 2002 & 2003
- ¹⁶ http://www.ypbr.com/page_loader.php?tid=v4&sid=news&pid=pressrelease&id=25.
- ¹⁷ After the Revolutionary Council took over the power of the state in 1962 the validity of entry visas was reduced to just 24 hours and the number of tourists drastically reduced. In 1964, tourist Burma was taken over by Corporation No. (20) under the Ministry of Trade in accordance with the nationalization law of the socialist regime.
- ¹⁸ "New Frontiers", Briefing on Tourism, Development and Environment Issues in the Mekong Sub Region, March- April 2006. Vol-12, no.2.
- ¹⁹ According to Business Magazine (Vol. 6, No. 10 October 2005) published by UMFCCI, the number of tourist arrivals in 2004 was given as 656,910 with border tourism constituting the bulk of it (414,972).
- ²⁰ [http://www.Outline of the Report \(main text\) by the Japan Tourism Advisory Council.htm](http://www.Outline of the Report (main text) by the Japan Tourism Advisory Council.htm)
- ²¹ Tourism Satellite Account (TSA) stands for a system, which was jointly worked out by the Statistical Department of the United Nations, Statistical

- Office of the European Commission, the Organization for Economic Co-operation and Development (OECD), World Tourism Organization (WTO), in order to get a detailed analysis of every single part of the demand for goods and services connected in any way to tourism with regard to general economic conditions.(Europe Inform(Italy)2004, p.43)
- 22 Tourism Statistic in Thailand from 1995-2004
- 23 Tourism industry gaining strength, The Nation, 30-3-06.
- 24 *ibid*
- 25 The tourism sector has attracted 190 foreign direct investment projects with a total registered capital of US\$4.64 billion in 29 provinces and cities. The Nation, 30-3-06.
- 26 (7) core strategic programmes of GMS: marketing activities, human resources development, heritage and social impact management, pro-poor tourism development, facilitation of tourist movement to and within the GMS, private sector participation, and development of tourism-related infrastructure, *new frontiers*, Briefing on Tourism, Development and Environment Issues in the Mekong Subregion, vol 12, No.2, march-April 2006.
- 27 In the 1950s, there was a shortage of hotels. Beginning in the 1960s, the government encouraged the building of hotels and other tourist facilities through loans.
- 28 According to the, “India Tourism 2004 Statistics, Facts and Figures”, they spent 650 million Rupees for the advertisement budget of the government for promotion of Tourism, and “Amazing Thailand” campaign increased number of tourists during that period in 2000.

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Appendix 1: Foreign Investment Hotel Projects with Ministry of Hotels and Tourism

No.	Project/ Hotel	No. of Rooms	Investment (US\$ in millions)	Contract signed	Date of Opening
	<u>Singapore</u>	3197	613.531		
1	Nawarat	80	10.000	30.9.93	28.5.94
2	Sedona Yangon	450	103.270	15.11.93	18.9.96
3	Summit Parkview	250	29.000	18.11.93	3.6.95
4	Mandalay Swan	112	3.200	14.12.93	4.10.95
5	Traders Hotel	496	84.000	28.3.94	14.11.96
6	Sedona Mandalay	300	45.530	15.9.95	25.1.2000
7	Equatorial	359	50.000	26.7.94	27.5.97
8	Shangri-La	700	100.000	28.3.94	*
9	Resort Bagan (Z-II)	200	20.000	28.11.95	*
10	Traders Square	Complex	128.000	10.9.96	*
11	Victoria Resort	250	40.531	3.4.98	*
	<u>Thailand</u>	1394	210.25		
1	Andaman Club	200	25.00	21.8.92	25.11.95
2	Kandawgyi Palace	208	27.50	6.4.93	18.9.96
3	Nikko Royal lake	315	38.00	16.12.94	20.3.98
4	Golden Triangle Resort	200	10.00	19.1.90	28.1.2001
5	Sofitel	270	75.00	29.11.93	*
6	Oriental (Z-I)	120	22.75	8.12.95	*
7	Allure Resort	81	12.00	9.12.99	*

Appendix 1 continued

No.	Project/ Hotel	No. of Rooms	Investment (US\$ in millions)	Contract signed	Date of Opening
	<u>Japan</u>	488	93.75		
1	Yangon International	100	10.00	17.8.94	15.5.97
2	Thiripitsayar (Ph-I)	68+	22.00	21.6.96	21.6.97
3	Yangon Commercial Tower	Office	6.75	29.9.95	20.5.98
4	Yangon Sakura Tower	Office	30.00	25.7.95	25.1.99
5	Nikko Innwa	320	25.00	15.11.96	*
	<u>Hong Kong</u>				
1	Strand Hotel	361	35.00	15.5.90	5.11.93
	Inya Lake Hotel				27.10.95
	Thamada Hotel				17.1.97
2	Emerald Rose Garden	315	42.00	5.8.93	*
	<u>Malaysia</u>	700	157.70		
1	Layharpyin Complex	450	117.40	27.7.95	*
2	Shwegondine Complex	250	40.30	27.7.95	*
	Total	6455	1152.231		

Remarks: * under construction

+ Phase II (152) rooms is under construction

Foreign Investment Hotel Projects with other Ministries

No.	Hotel	No. of Rooms	Investment (US\$ in Million)	Place
Completed				76.187
1	Central Hotel	82	2.400	Yangon
2	Savoy	30	0.625	Yangon
3	Orchid Hotel	102	3.600	Yangon
4	Yangon City Hotel	70	0.662	Yangon
5	Pansea	50	3.400	Yangon
6	Ramada	121	5.000	Yangon
7	Novotel	206	26.000	Mandalay
8	Micasa	155	15.000	Yangon
9	Meeyahta	250	16.000	Yangon
10	Road to Mandalay*	72	3.500	Mandalay
Under Construction		120	4.500	
	Floating Hotel			
1	Ayeyarwaddy	105	3.500	Yangon
2	Steamship	15	1.000	Yangon
Total		1258	80.687	

*Luxury Cruise Ship Along Ayeyarwaddy River.

Source: Ministry of Hotels and Tourism.

Appendix 2: Bilateral Tourism Cooperation

No.	Agreements/ Records of Discussion/ M.O.U	Signatories	
		Myanmar	Counterpart
1.	Myanmar-Vietnam Agreement on Tourism Cooperation (13-5-94 in Yangon)	Director General, Directorate of Hotels & Tourism	Chairman, National Tourism Administration of Vietnam
2.	Myanmar-Lao PDR Agreement on Tourism Cooperation (11-6-94 in Vientiane)	Minister, Ministry of National Planning and Economic Development	Minister, Ministry of Foreign Affairs, Lao PDR
3.	Myanmar – Singapore Agreement on Bilateral Economic Cooperation (8-6-95 in Singapore)	Minister, Ministry of National Planning and Economic Development	Deputy Prime Minister, Republic of Singapore
4.	Myanmar-Cambodia Record of Discussion on Implementation of the Cooperation in Tourism (12-10-96 in Phnom Penh)	Deputy Minister, Ministry of Hotel & Tourism	Secretary of State, Ministry of Tourism, Cambodia
5.	Myanmar-Lao PDR Action Plan on Tourism Cooperation for Financial Year 1997-1998 (19-5-97 in Yangon)	Deputy Director General, Directorate of Hotels & Tourism	Deputy Director General, National Tourism Administration of Lao PDR
6.	Myanmar- Thailand Agreement on Tourism Cooperation (24-7-98 in Yangon)	Minister, Ministry of Hotels and Tourism	Minister, Prime Minister's Office and Chairman of Tourism Authority of Thailand
7.	Myanmar-Thailand Minutes of the Meeting on The Implementation Plan for Tourism Cooperation. (2-9-2000 in Yangon)	Minister, Ministry of Hotels and Tourism	Minister, Prime Minister's Office and Chairman of Tourism Authority of Thailand
8.	Myanmar-China Agreement on Tourism Cooperation (16-7-2000 in Yangon)	Deputy Minister, Ministry of Hotels and Tourism	Deputy Minister, Ministry of Foreign Affairs, People's Republic of China
9.	Myanmar-China Memorandum of Understanding on Implementation Plan for Outbound Travel by Chinese Citizens to Myanmar (2-12-2000 in Yangon)	Deputy Minister, Ministry of Hotels and Tourism	Vice-Chairman, National Tourism Administration of China

Source: Ministry of Hotel and Tourism.

Appendix 3: Tourists by Entry Points

Sr. No	Year	Yangon Gateway		Mandalay Gateway		Border Tourism		Grand Total	
		Total	Ratio (%)	Total	Ratio (%)	Total	Ratio (%)	Total	Growth Rate (%)
1	1992	26607	15.8	-	-	141982	84.2	168589	-
2	1993	62547	40	-	-	93647	60	156194	-7.30%
3	1994	91859	48.7	-	-	96832	51.3	188691	20.80%
4	1995	136883	65.7	-	-	71345	34.3	208228	10.40%
5	1996	177995	33.1	1599	0.3	358423	66.6	538017	158.40%
6	1997	188587	38.4	105	0.1	302336	61.5	491028	-8.70%
7	1998	200352	41.9	-	-	277747	58.1	478099	-2.60%
8	1999	199154	45.8	223	0.1	235550	54.1	434927	-9.00%
9	2000	206778	49.7	887	0.2	208679	50.1	416344	-4.30%
10	2001	203200	42.8	1662	0.3	270244	56.9	475106	14.10%
11	2002	212468	43.6	4744	1	270278	55.4	487490	2.60%
12	2003	198435	33.2	7175	1.2	391405	65.6	597015	22.50%
13	2004	236370	36	5568	0.8	414972	63.2	656910	10.00%
14	2005	227300		4918		427988		660206	

Source: Myanmar Tourism Statistics, Ministry of Hotels & Tourism.

Appendix 4: Visitors Arrival by Nationalities (1999-2005)

Sr. No	Country	1999	%	2000	%	2001	%	2002	%	2003	%	2004	%	2005	%
1	Thailand	18441	9.25	19070	9.18	17123	8.36	16936	7.8	22214	10.8	32735	13.53	27199	11.7
2	China	13418	6.73	14336	6.9	16788	8.19	17732	8.16	15564	7.56	17890	7.39	19596	8.44
3	Japan	24366	12.22	21930	10.56	20118	9.82	20744	9.55	18799	9.14	20296	8.39	19584	8.43
4	Taiwan	32671	16.39	32098	15.46	26020	12.7	22849	10.52	19645	9.55	20424	8.44	17600	7.58
5	America	10503	5.27	12669	6.1	13524	6.23	14477	6.66	13256	6.45	16432	6.79	16598	7.15
6	France	13733	6.89	13313	6.41	12461	6.08	14108	6.5	13125	6.38	13372	5.53	15295	6.59
7	Germany	9373	4.7	9920	4.78	11450	5.59	12952	5.96	13341	6.49	14112	5.83	13689	5.89
8	Korea	6450	3.24	7423	3.57	7581	3.7	7890	3.63	8399	4.08	10405	4.3	10934	4.71
9	Malaysia	7941	3.98	9938	4.79	11296	5.51	12532	5.77	10003	4.86	12478	5.16	9858	4.24
10	Singapore	11476	5.76	11645	5.61	9939	4.85	11310	5.21	10373	5.04	11292	4.67	9674	4.17
11	Others	51005	25.58	55322	26.64	58562	28.59	65682	30.24	60891	29.61	72502	29.97	72191	31.1
12	Total	199377	100	207665	100	204862	100	217212	100	205610	100	241938	100	232218	100

Source: Myanmar Tourism Statistics, 2005.

Appendix 5: Yearly Tourist Arrivals by Entry Points

Sr.No	Visitor Arrivals	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
A	Yangon Gateway													
1	Package	7967	11145	16502	27082	38439	33865	73161	73463	77646	72503	78723	55469	48191
2	F.I.T	4255	20702	34569	59375	76376	87763	48540	44586	46690	48740	55017	66772	109934
3	Business Travellers	12519	18175	25112	38629	42651	41943	34562	36546	37032	36608	37084	44151	40521
4	Entry Visa (Friends and relatives)	1866	12525	15676	11797	20529	25016	44089	44559	8043	7756	9505	13140	16505
5	Others	-	-	-	-	-	-	-	-	37367	37593	32139	18903	21219
B	Mandalay & Bagan Gateway	-	-	-	-	1599	105	-	223	887	1662	4744	7175	5568
	Total	26607	62547	91859	136883	179594	188692	200325	199377	207665	204862	217212	205610	241938
C	Border Tourism (including day return across the Border Visits)													
1	North Eastern Region	133638	62034	48811	67327	66542	55882	43430	52963	37284	38337	38156	45054	52487
2	Eastern Region	7464	26217	41208	*	40281	26807	33120	21166	24619	60595	89494	154428	151276
3	South Eastern Region	880	5396	6813	4018	251600	219647	201197	161421	146776	171312	142628	191923	211209
	Total	141982	93647	96832	71345	358423	302336	277747	235550	208679	270244	270278	391405	414972
	Grand Total	168589	156194	188691	208228	538017	491028	478099	434927	416344	475106	487490	597015	656910

Source: Myanmar Tourism Statistics, Various issues.

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