REPUBLIC OF THE UNION OF MYANMAR

NATIONAL EXPORT STRATEGY

TOURISM

SECTOR STRATEGY 2015-2019

Myanmar Ministry of Commerce

International Trade Centre

The National Export Strategy (NES) of Myanmar is an official document of the Government of the Republic of the Union of Myanmar.

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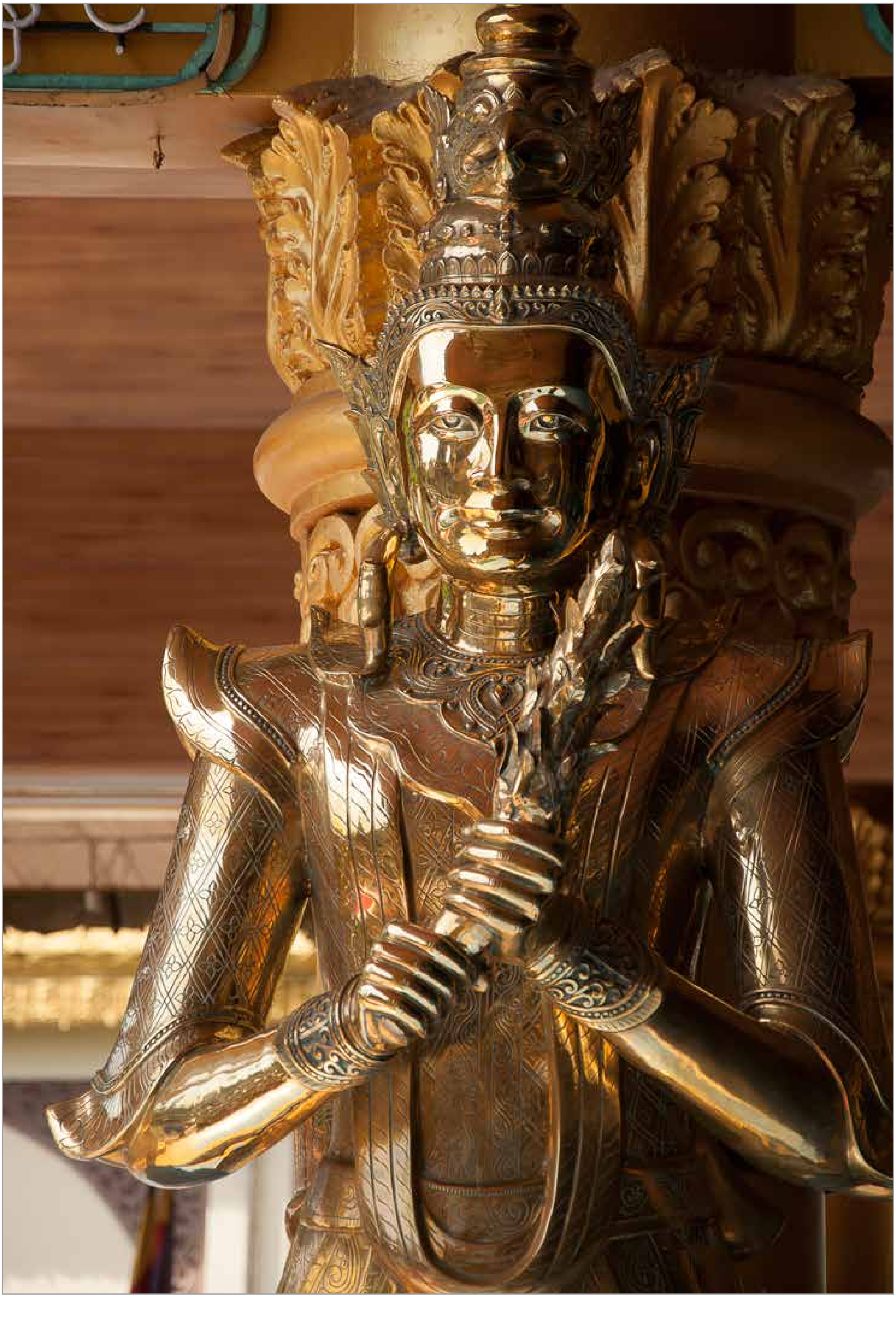

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ACRONYMS

ASEAN	Association of South-East Asian Nations
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
ICT	Information and Communications Technology
ITC	International Trade Centre
MTDC	Myanmar Trade Development Committee
MICE	Meetings, Incentives, Conferences, and Exhibitions
MOAI	Ministry of Agriculture and Irrigation
MOBA	Ministry of Border Affairs
MOC	Ministry of Commerce
MOCIT	Ministry of Communications and Information Technology
MOCON	Ministry of Construction
MOCOP	Ministry of Cooperatives
MOCUL	Ministry of Culture
MOE	Ministry of Education
MOECF	Ministry of Environmental Conservation and Forestry
MOEP	Ministry of Electric Power
MOFA	Ministry of Foreign Affairs
MOFR	Ministry of Finance and Revenue
MOH	Ministry of Health
MOHA	Ministry of Home Affairs
MOHT	Ministry of Hotels and Tourism
MOIN	Ministry of Information
MOIP	Ministry of Immigration and Population
MOLESS	Ministry of Labour, Employment and Social Security
MOLF	Ministry of Livestock, Fisheries and Rural Development
MONPED	Ministry of National Planning and Economic Development
MORA	Ministry of Religious Affairs
MORT	Ministry of Rail Transport
MOST	Ministry of Science and Technology
MOSWR	Ministry of Social Welfare, Relief and Resettlement
MOT	Ministry of Transport
MTDC	Myanmar Trade Development Committee
MTF	Myanmar Tourism Federation
NES	National Export Strategy
PoA	Plan of Action
TRADEMAP	Travel and Accessibility Development Master Plan
TSI	Trade Support Institution
TVET	Technical and Vocational Education and Training
UAGO	Union Attorney General's Office
UNESCO	United Nations Organization for Education, Science and Culture
UNWTO	United Nations World Tourism Organization
VFR	Visiting Friends and Relatives (Tourism)

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EXECUTIVE SUMMARY

Myanmar's tourism sector is an important area of economic activity from the perspective of employment generation and contribution to gross domestic product (GDP). As Myanmar's sixth largest exporting sector, and the only service sector to boast a trade surplus, tourism currently accounts for 1.02% of GDP and 2.8% of total employment (direct and indirect). Myanmar's diverse landscape, rich cultural heritage and strategic position in the heart of developing Asia result in a comparative advantage that presents significant potential for growth and export development.

CURRENT CONTEXT

Myanmar's tourism sector relies on a network of facilities and service providers that leverages the country's rich natural and cultural resources to offer visitors a variety of cultural and leisure activities. Tourism is currently concentrated in the central area of the country. Six destinations receive the majority of international visitors: Yangon and the Shwedagon Pagoda, Bagan, Inle Lake, Kyaikhto, Mandalay, and Ngapali Beach.

While 787 hotels, motels and guesthouses are available to accommodate visitors, 1,026 licensed tour companies and 3,353 licensed tour guides offer tour services in a variety of languages. Transportation to and from Myanmar is facilitated by three international airports that will have an estimated capacity of 20 million passengers per year by 2017, as well as limited cruise liner service. Domestic transportation between tourist sites is catered to by the national rail network, 5,000 kilometres of inland waterways, domestic flights, and 130,000 kilometres of roadways. It should, however, be noted that an inadequate road network and poor rail service make domestic transport difficult, and many sites remain inaccessible for at least parts of the year.

In 2012, Myanmar welcomed a record 1,058,995 international tourists and estimates indicate that roughly 2 million visitors arrived in 2013. Whereas the majority of visitors who arrived by land originated in Thailand and stayed for less than one day, 593,381 arrived by air. Of these, the top sending markets were Thailand (16%), China (12%), Japan (8%), the United States of America (6.3%) and the Republic of Korea (6%). France, Malaysia, Singapore, Germany and the United Kingdom of Great Britain and Northern Ireland were responsible for roughly 4% to 5% of air arrivals each. The average daily expenditure per tourist, excluding accommodation, was roughly US$100. Of this, tours and activities accounted for 43%, shopping for 23%, and meals for 7%.

EXPORT PERFORMANCE

The global market for the sector is valued at US$1,035 billion, having grown by 4% in 2012. The largest destination markets as measured by the number of international arrivals were France (83 million tourists), the United States (67 million), China (57.7 million), Spain (57.7 million), Italy (46.4 million), Turkey (35.7 million), Germany (30.4 million), the United Kingdom (29.3 million), the Russian Federation (25.7 million), and Malaysia (25 million).[1] The United States, meanwhile, received the greatest amount of tourist revenues (US$126.2 billion), followed by Spain (US$55.9 billion), France (US$53.7 billion), China (US$50 billion), Macao (US$43.7 billion), Italy (US$41.2 billion), Germany (US$38.1 billion), the United Kingdom (US$36.4 billion), Hong Kong (China) (US$32.1 billion) and Australia (US$31.5 billion). In 2012 China became the world's largest outbound source of international tourists. As such, Chinese tourists spent US$102 billion. They were followed by Germany (US$83.8 billion), the United States (US$83.5 billion), the United Kingdom (US$52.3 billion), the Russian Federation (US$42.8 billion), France (US$37.2 billion), Canada (US$35.1 billion), Japan (US$27.9 billion), Australia (US$27.6 billion) and Italy (US$26.4 billion).

1. United Nations World Tourism Organization (UNWTO) (2013). *Tourism Highlights, 2013 Edition*.

Myanmar's 29.7% increase in arrivals, the highest in the ASEAN region, was driven by high demand from visitors in the wake of Myanmar's political reforms and increased awareness of Myanmar as a destination. As a result, tourism-related income grew by 67% to an estimated US$534 million in 2012. Asia was the largest source market in 2012, accounting for roughly 64.1% of total international arrivals by air. Other important markets include Western Europe (22.0%), North America (7.4%) and Oceania (3.5%). Eastern Europe, the Middle East, Other Americas and Africa accounted for 1.5%, 0.6%, 0.6%, and 0.3% of arrivals respectively.

Although tourism contributes less to both GDP and employment in Myanmar when compared with both world and regional averages, Myanmar's tourism sector is only just beginning to capitalize upon significant growth potential. While Myanmar's most important source markets – including China, Thailand and Japan – have continued to be important sources of growth, the sector has experienced a significant influx of visitors from Western Europe and North America. While Myanmar must continue to reinforce its expansion efforts through increased penetration and product diversification in more traditional markets, relatively untapped Western nations present attractive opportunities for growth and diversification. Enhanced competitiveness in both new and traditional markets will require enhanced value addition as well as coordinated branding and promotional efforts.

KEY COMPETITIVENESS ISSUES AFFECTING THE SECTOR'S VALUE CHAIN

The following challenges have been identified for the tourism sector's value chains:

Supply-side challenges:

- Limited access to financial instruments;
- Inadequate rules and regulations;
- Limited product offerings;
- Insufficient human resources.

Business environment challenges:

- Cumbersome visa procedures;
- Lack of e-commerce capacities;
- Foreign exchange restrictions;
- Double taxation;
- Limited tourism information dissemination at the domestic level;
- Lack of awareness by public institutions about the nature and importance of tourism;
- Inadequate ICT infrastructure;
- Limited accessibility to tourist destinations.

Market entry challenges:

- Inadequate international marketing capacities;
- Limited market penetration;
- Negative image presented in foreign media;
- Lack of national branding efforts;
- Difficult foreign direct investment (FDI) environment.

Development-based challenges:

- Limited access to key services;
- Risks to cultural and natural heritage sites;
- Lack of environmental protection;
- Unreliable electricity supply;
- Inadequate educational opportunities;
- Potential for exploitation of women.

OPTIONS FOR FUTURE DEVELOPMENT

The following vision has been developed to guide the sector and export development efforts of the tourism sector by complementing the overall vision of the Tourism Master Plan.

> "Charming Myanmar"

To achieve this vision, the strategy will reduce binding constraints on competitiveness and capitalize upon strategic options identified for the sector. The strategic orientations for the next five years aim at developing key markets in the short and medium terms for Myanmar's enterprises, and facilitating structural changes in the value chain to increase its efficiency and value generation for Myanmar.

The sector strategy vision will be achieved through the implementation of the Plan of Action (PoA) for the sector. This PoA revolves around the following three strategic objectives, each spelling out specific sets of activities intended to address both challenges and opportunities facing the tourism sector in Myanmar:

1. Strengthen the capacity of the tourism sector to understand source markets and adapt and promote the sector's product offer accordingly.
2. Improve the level and quality of service for visitors.
3. Make it easier for the tourism sector to operate.

ROADMAP FOR SECTOR EXPORT DEVELOPMENT

The short-term market development of the tourism sector will focus on enhancing market penetration of established products such as Meetings, Incentives, Conferences, and Exhibitions (MICE), culture, nature and Visiting Friends and Relatives (VFR) tourism to well-known markets through enhanced value addition and promotional activities. These markets include Thailand, Japan, China, the United States, Canada, the Republic of Korea, France, the United Kingdom, Germany, Singapore, Chinese Taipei, India, Australia and New Zealand. In addition, opportunities exist to introduce new products to these markets, including eco, adventure, cruise, and leisure and wellness tourism through product development. In the medium to long term, efforts will be made to penetrate new markets with both existing and new products. These markets will include the Russian Federation as well as untapped Western and Eastern European countries such as Spain, Italy, Switzerland, Austria, the Netherlands, Belgium, Poland, Romania and Hungary.

To achieve efficiency gains in the tourism sector, key structural changes to the value chain will include the following:

- Implement an e-visa system;
- Establish e-commerce capabilities;
- Relax foreign exchange restrictions;
- Introduce new tourism products;
- Introduce new subsector products;
- Increase synergies with other sectors;
- Improve information dissemination;
- Introduce comprehensive promotional activities;
- Leverage synergies with the United Nations Organization for Education, Science and Culture (UNESCO) Safeguarding Natural Heritage in Myanmar within the World Heritage Framework Project.

IMPLEMENTATION MANAGEMENT

The achievement of these ambitious targets will require continuous and coordinated efforts from all relevant private and public stakeholders as well as support from key financial and technical partners, donors and investors alike. Several institutions are designated to play a leading role in the implementation of the sector PoA and bear the overall responsibility for successful execution of the strategy. They will be assisted by a range of support institutions which are active in the tourism sector. Each institution mandated to support the export development of the sector is clearly identified in the strategy PoA. Moreover, the proposed Myanmar Trade Development Committee (MTDC) and its Executive Secretariat will play a coordinating and monitoring role in the implementation of the strategy in the overall framework of the NES. In particular, the MTDC will be tasked with coordinating the implementation of activities in order to optimize the allocation of both resources and efforts across the wide spectrum of stakeholders.

INTRODUCTION

The tourism sector export strategy presented in this document forms an integral part of the National Export Strategy (NES) of Myanmar. Moreover, it has been designed to complement the government's recently approved Tourism Master Plan. As such, it will support the realization of the Master Plan's objectives through the enhancement of sector competitiveness and export market orientation.

The tourism sector is currently Myanmar's sixth largest exporting sector and the only service sector to boast a trade surplus. Such results, despite the relatively low level of development in the sector, are evidence that tourism could become a cornerstone of the national economy. Decades of isolation and contentious politics have left the sector constrained by an immature and inefficient value chain. However, a diverse landscape, rich cultural heritage and strategic position in the heart of developing Asia result in a comparative advantage that can facilitate the realization of the sector's full potential.

This document presents the expectations of the private and public sectors for the enhancement of the tourism sector in Myanmar. Without concerted efforts to address critical issues and identified market development opportunities, it will be difficult for the sector to leverage its assets and achieve its full potential. The five-year PoA of the export strategy proposes realistic and achievable interventions aimed at overcoming weaknesses in the value chain and at taking advantage of opportunities that exist in target markets. With due diligence and concerted effort the strategy will contribute to repositioning Myanmar as a leading destination that can meet the growing demand of world markets.

HISTORICAL OVERVIEW

With a rich history dating back millennia, Myanmar's numerous civilizations have left traces of their presence through sites of archaeological, anthropological, religious, and secular importance. Together with a diverse and pristine natural landscape, the cultural heritage of the country has long offered unique experiences to a wide range of pilgrims and travellers.

The governmental changes of 1962, however, ushered in a period of economic and political isolation whose effects were felt throughout all sectors of the economy. The growth of tourism in Myanmar during the last few decades has been tepid, while regional neighbours enjoyed strong sectoral advancements aided by increased economic integration, an expanding base of middle class consumers in Asia and growing Western interest in regional tourism.

Nonetheless, tourism began to assume a more important role in Myanmar's economy in the 1990s, as economic transformation was accompanied by numerous legal reforms.[2] Of particular importance was the 1993 Myanmar Hotel and Tourism Law, the objectives of which were to:

1. Develop the hotel and tourism industry;
2. Facilitate tourism to cultural heritage and scenic locations;
3. Prevent destruction of said locations;
4. Contribute to international cooperation in the hotel and tourism sectors;
5. Enhance sector-related technical knowledge and increase employment opportunities; and
6. Guarantee tourist safety and satisfaction.

Although these reforms paved the way for private participation following over 25 years of state monopoly, the sector continued to struggle compared with other countries in the Association of South-East Asian Nations (ASEAN). Until recently, Myanmar shared little in the extraordinary growth that saw ASEAN tourism welcome 89.5 million international arrivals in 2012, an average annual increase of 7.3% with respect to the 21.8 million arrivals recorded in 1992. Continued political and economic instability, lack of economic integration, the dominance of state-owned enterprises and infrequent investment continued to weigh on sectoral development during this period.[3]

2. Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013–2020, Final Draft Report.*

3. Asian Development Bank (2012). *Myanmar in Transition: Opportunities and Challenges.*

The new government has forged ahead on a path of sectoral reform, undertaking a number of new policy initiatives. In an effort to leverage regional integration and bolster tourism, Myanmar re-joined the United Nations World Tourism Organization (UNWTO) in 2012; established a national chapter of the Pacific Asia Travel Association in 2011; and increased its participation in tourism initiatives of ASEAN and other groups.[4]

Such efforts are aided by new legal initiatives such as the review of licensing procedures for tourism operators in 2011 and the recent approval of the Labour Organization, Settlement of Labour Dispute, and draft Minimum Wage laws which will protect the rights of tourism workers. The 2012 Foreign Investment Law is helping to facilitate foreign participation in the fledgling sector, while the government's 2012 Responsible Tourism Policy lays the groundwork for extensive and comprehensive sectoral reform.

The latest data from the ASEAN Secretariat confirm that these efforts are paying dividends, and the most recent developments are cause for optimism. While the legacy of low growth resulted in Myanmar receiving only 1.2% of total ASEAN tourists in 2012, its annual growth of 29.7% in 2012 was the highest in the region and for the first time more than 1 million tourists arrived from abroad.[5]

The significant growth of visitors in 2012 was accompanied by an equally impressive increase in tourism-related earnings, which grew 67% from US$319 million in 2011 to US$534 million in 2012. Moreover, recently released figures indicate that Myanmar welcomed roughly 2 million visitors in 2013 and the sector expects a further 40% growth between 2014 and 2015.[6] This impressive growth trajectory has been attributed to the government's wholesale political and economic reforms and greater connectivity, along with increased interest in Myanmar as a destination.[7] Although more work remains to be done, the government has reaffirmed its commitment to the sector through its Tourism Master Plan for the years 2013 through 2020.

4. Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013-2020, Final Draft Report,* p. 4. (Data sourced from ASEAN Secretariat.)

5. *Ibid.*

6. Rahul Khanna (2014). Myanmar exceeds arrivals target. *TTG Asia*, February 14. Available from http://ttgasia.com/article.php?article_id=22562.

7. Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013–2020, Final Draft Report.*

Table 1: *ASEAN international visitor arrivals (2009-2012)*

Country	2009	2010	2011	2012	Share (%)	Growth (%) 2011–2012
Brunei Darussalam*	157 474	214 290	242 061	300 139	0.3%	24.0%
Cambodia	2 161 577	2 508 289	2 881 862	3 560 000	4.0%	23.5%
Indonesia	6 323 730	7 002 944	7 649 731	8 147 000	9.1%	6.5%
Lao People's Democratic Republic	2 008 363	2 513 028	2 723 564	3 050 400	3.4%	12.0%
Malaysia	23 646 191	24 577 196	24 714 324	25 950 000	29.0%	5.0%
Myanmar	762 547	791 505	816 369	1 058 995	1.2%	29.7%
Philippines	3 017 099	3 508 818	3 917 454	4 259 600	4.8%	8.7%
Singapore	9 681 259	11 638 663	13 171 303	14 356 500	16.0%	9.0%
Thailand	14 149 841	15 936 400	19 230 470	22 303 065	24.9%	16.0%
Viet Nam	3 772 559	5 049 855	5 988 425	6 585 853	7.4%	10.0%
Total	65 680 640	73 740 988	81 335 563	89 571 552	100.0%	10.1%

Source: Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013-2020, Final Draft Report.* (Data sourced from ASEAN Secretariat).

* Figures for Brunei Darussalam refer to international arrivals by air only.

WHERE WE ARE NOW

CURRENT CONTEXT

As the second largest ASEAN nation, Myanmar is endowed with 676,577 km2 of diverse geography stretching from the Greater Himalayas to the Indian Ocean.[8] It boasts 2,832 km of pristine coastline, vast forestry reserves and snow-capped mountains, and roughly 5.6% of the country is contained in 36 protected areas that are home to an array of flora, fauna and scenic landscapes. Myanmar's natural beauty is rivalled only by its cultural heritage. The land is marked with the legacies of kingdoms and colonial rule, and over 100 ethnic groups continue to propagate the rich traditions of the country's past.

Tourism is currently concentrated in the central area of the country and six destinations receive the majority of international visitors. These are Yangon and the Shwedagon Pagoda, Bagan, Inle Lake, Kyaikhto, Mandalay and Ngapali Beach. It should be noted that the Chaungtha and Ngwesaung beach areas are popular among domestic tourists despite the difficult journey required to reach them. Other sites, such as Putao, the Myeik Archipelago, Nagaland, Hakha, Nat Ma Taung, and Loikaw are emerging as more popular destinations. The following Table outlines the number of visits to the main destinations in 2012.

8. *Ibid.*

Table 2: *Domestic and international visitors at selected destinations (2012)*

Destination	Domestic	International	Total
Bagan	49 627	162 984	212 611
Chaungtha	114 432	12 956	127 388
Inle	77 315	90 937	168 252
Kyaikhto	1 000 000	65 788	1 065 788
Mandalay	138 858	160 975	299 833
Ngapali	unavailable	25 614	25 614
Ngwesaung	19 298	45 044	64 342
Yangon	unavailable	559 610	559 610

Source: Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). Myanmar: Tourism Master Plan 2013-2020, Final Draft Report.

Box 1: Flagship tourist destinations[9,10]

Bagan: 'One of the most remarkable archaeological sites in Asia, if not the world, the magic of Bagan has inspired visitors to Myanmar for nearly 1,000 years. Once the centre of a glorious kingdom, ancient temples dot the landscape as far as the eye can see.' (Myanmar Tourism Promotion Board Marketing Committee)

Chaungtha: 'An attractive wide beach with a muddy delta look. Not only coconut palms but also casuarina trees can be found at the back of the beach. Two small islands can be seen offshore.' (Myanmar Travel Information)

Inle: 'Just a short plane flight away from Yangon in the cool green highlands of Shan State, and yet seemingly worlds apart from the rest of Myanmar, lies Inle Lake in an area of outstanding natural beauty. The lake itself sits at a pleasant 2,900 feet above sea level and is famous for its leg rowers, floating markets and prolific birdlife. In this unique wetland environment, whole villages sit on floating islands on the lake.' (Myanmar Tourism Promotion Board Marketing Committee)

Kyaikhto: 'Kyaikhto is a town in Mon State. Kyaikhto is a small town and popular for its wishful Golden Rock Pagoda, about 160 km from Yangon. This mystical Pagoda is about 18ft tall and is built on a huge boulder about 50ft in girth.' (Myanmar Travel Information)

Mandalay: 'The principal cultural and economic city of upper Myanmar, and former royal capital, Mandalay still evokes images of a romantic bygone era. The royal palace and its impressive surrounding moat sits at the foot of the imposing Mandalay Hill. Positioned on the banks of the mighty Ayeyarwady River, Mandalay lies within easy striking distance of former colonial hill stations, ancient cities and other cultural attractions.' (Myanmar Tourism Promotion Board Marketing Committee)

Ngapali: 'Miles of empty white sand beaches, brilliant turquoise seas, all backed by towering coconut palms, Ngapali is Myanmar's premier beach destination.' (Myanmar Tourism Promotion Board Marketing Committee)

Ngwesaung: 'Ngwesaung Beach Resort, opened in the year 2000, is one of the loveliest and most pleasant beach resorts in Myanmar. Located in the Ayeyarwady Division, some 48 kilometres from the town of Pathein, Ngwesaung, with a beach frontage on the Bay of Bengal with its clear blue waters, its white crested waves, sandy beaches and unspoiled and pollution-free natural surroundings, is indeed one of the best places to select for a holiday interlude of rest and relaxation.' (Myanmar Travel Information)

Yangon: 'Yangon, the cosmopolitan capital city of Myanmar, still maintains its colonial charm with wide tree lined avenues, tranquil lakes, and gracious turn of the century architecture. The magnificent Shwedagon Pagoda dominates the city skyline, while at street level Yangon is a paradise for hunting out a variety of exotic arts and crafts.' (Myanmar Tourism Promotion Board Marketing Committee)

9. Myanmar Tourism Promotion Board (n.d.). Website. Available from http://www.myanmar-tourism.com.
10. Myanmar Travel Information (2012). Website. Available from http://myanmartravelinformation.com.

The tourism sector is comprised of a network of facilities and service providers that leverage the country's rich natural and cultural resources in order to offer visitors a variety of cultural and leisure activities. The Ministry of Hotels and Tourism (MOHT) is the government agency in charge of guiding sector development, and it is comprised of the Directorate of Hotels and Tourism and Myanmar Hotels and Tourism Services. While the former concentrates on policy, planning, project management and regulation, the latter is involved in business-related activities. All told, more than 25 ministries have at least some role in the sector. It should be noted that the nation's tourism businesses and associations formed the Myanmar Tourism Federation in 2012 in order to promote the country as a tourist destination, promote sustainable tourism development, welcome and assist tourists, and develop sector-related human resources.

Table 3: *Accommodation establishments by location, 2012 and 2013* [11]

Location	Number (2012)	Rooms (2012)	Share (%)
Bagan	75	2 196	6.7%
Chaungtha	18	642	2.0%
Kalaw	24	475	1.5%
Kyaington	13	418	1.4%
Kyaikhto	11	390	1.2%
Mandalay	79	3 374	10.3%
Ngapali	17	619	2.0%
Nay Pyi Taw	33	2 111	15.1%
Ngwesaung	21	1 026	3.2%
Nyaun Shwe (Inle)	42	1 134	5.6%
Pyin Oo Lwin	35	706	2.2%
Yangon	204	8 915	29.2%
Other	215	6 285	19.6%
Total	787	28 291	100.0%

Source: Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013).
Myanmar: Tourism Master Plan 2013-2020, Final Draft Report. (Data sourced from MOHT, 2012).

11. Total share includes those in development.

There are currently 787 hotels, motels, and guesthouses offering 28,291 rooms.[12] These structures range in both type and quality and they include 18 four-star and five five-star rated accommodations. Although these hotels are spread across 48 locations, the majority are concentrated in Yangon, Nay Pyi Taw and Mandalay. Fifty-six new hotels, mostly in Nay Pyi Taw, are expected to open in 2013 and there are currently 36 foreign investments in hotels and commercial structures. Valued at US$1.41 billion, these FDI initiatives will help increase room availability upon completion while facilitating the diffusion of international best practices and technical know-how.[13]

The larger four- and five-star establishments are comparable in quality to their regional counterparts and they reported an occupancy rate of roughly 80% in 2012. The other structures, however, suffer from both lower occupancy as well as poorer quality when compared with regional alternatives. It should be noted that despite the general tendency to operate under capacity, the large influx of visitors associated with seasonal tourism can overwhelm supply in peak season (November to January), thereby pushing up prices and reducing visitor satisfaction.

Approximately 1,026 licensed tour companies and 3,353 licensed tour guides conduct classic tours, but most are unable to offer customized excursions. Roughly 61% of licensed tour guides speak English, while many are able to communicate in Japanese, Thai, Chinese, French and German. As with accommodation, the surge in peak season visitors often limits the availability of both trained guides and tourist vehicles.

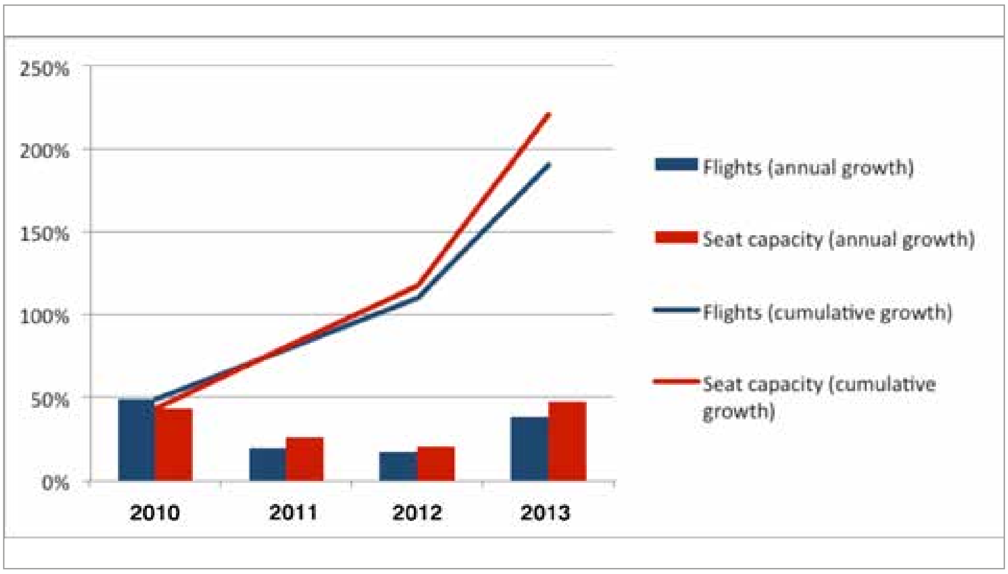
Of Myanmar's 41 airports,[14] three international airports are able to accommodate 747-class aircraft. Seven national airlines operate 32,106 scheduled domestic departures annually, although it should be noted that internal flights are often overcrowded. In addition to national operators, 23 foreign carriers are responsible for roughly 80% of international capacity, with Yangon International Airport receiving 94% of international traffic. Average occupancy rose in 2012 to 73.1% from 62.7% in 2011, and eight foreign airlines entered the market in 2012–2013. Various efforts are being made to reduce congestion in Yangon by spreading traffic to Nay Pyi Taw and Mandalay.

12. Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013–2020, Final Draft Report,* p. 15.

13. *Ibid*., p. 17.

14. Forty-one airfields with International Civil Aviation Organization / International Air Transport Association codes, but more than 70 in total. Only 30 regularly receive commercial flights.

Figure 1: *Growth in scheduled international inbound flights 2010-2013*



Source: Data calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). Myanmar: Tourism Master Plan 2013–2020, Final Draft Report.

A number of airport expansions are planned, including the upgrading of Yangon International Airport's operating capacity from 3 million to 5.4 million passengers and the construction of a fourth international airport in Hanthawaddy, which is scheduled to open in 2016 and serve roughly 10 million passengers per year. Consequently, international airports are expected to have a capacity of over 20 million passengers per year by 2017, more than enough to meet forecast demand.

Myanmar received roughly 3,000 passengers on nine cruise liners in 2012. Expansion of this mode of transport is limited, however, by a lack of appropriate seaports, insufficient infrastructure, and restrictive laws and fees.

Transport to and from various tourist destinations is hampered by an undeveloped transportation infrastructure. There are currently 130,000 km of roads in Myanmar and road density is roughly five times less than that of other ASEAN nations. While roads are the main means of transportation for visitors within the country, the lack of road quality and density restricts tourist movement and cuts off some areas from tourist activity.

Tourists can also travel using the national rail network, which connects primary, secondary, and emerging tourist sites through 3,500 km of track. Although affordable, the frequent delays and long travel times have thus far discouraged most tourists from adopting train travel in Myanmar. Another means of transportation is the 5,000 km of inland waterways. Myanmar Inland Water Transport operates 225 powered vessels that carry 28 million passengers per year. Upgrading of the network is needed, however, as most ships are outdated and ports tend to be little more than beaches with gangplanks.

PRODUCTION

The number of tourists has increased an average of 6.6% annually from 2003 to 2012, and in 2012 Myanmar received a record 1,058,995 international tourists.[15] This 29.7% increase from 2011, the strongest growth in the ASEAN region, was driven by high demand from visitors in the wake of Myanmar's political reforms. The government estimates sector revenues to be US$534 million in 2012, or 1.02% of GDP.[16] Not only does this figure represent a 223% increase from 2008, but the World Travel and Tourism Committee estimates the contribution to be even higher, at roughly US$714 million.[17]

15. Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013–2020, Final Draft Report.*

16. Estimate based on disparate GDP data; to be revised and confirmed.

17. World Travel and Tourism Council (2013). *Travel & Tourism Economic Impact 2013: Myanmar*.

Box 2: Preliminary data for 2013

Recently released data from the MOHT indicate that visitor arrivals grew by nearly 100% in 2013, reaching 2 million visitors. Of these, 885,476 arrived by air, 6,086 by water, and 1.2 million by land. Thailand remained the largest source market for international arrivals by air, accounting for 116,126 arrivals, followed by Japan (66,772), the Republic of Korea (54,599) and China (54,325). The top European markets meanwhile were France (33,250), the United Kingdom (21,172) and Germany (25,565). Yangon continued to welcome the majority of air arrivals (803,014, a 44% increase from 2012). Over half of these arrived from Asia, while 157,840 arrived from Europe. Visitors participating in group tours grew by 8.3%, reaching 114,456 tourists. Business arrivals also expanded substantially, growing 32.3% and reaching 151,320 visitors. Sector professionals expect 40% growth from 2014 to 2015 and MOHT has set a 2014 target of 3 million visitors.

Source: Rahul Khanna (2014). Myanmar exceeds arrivals target. TTG Asia, February 14. Available from http://ttgasia.com/article.php?article_id=22562.

Despite these impressive trends, Myanmar's tourism potential remains largely untapped. Illustrating this point, the Lao People's Democratic Republic received roughly three times as many tourists as Myanmar in 2012, despite being a much smaller country.[18,19] Myanmar's tourism is seasonal in nature and peak months include the cooler and drier period of November through January. April through September is the low season, while October through March is the high season. MOHT, the Myanmar Tourism Federation and other NES stakeholders have identified seven types of tourism products in Myanmar. While some of these products are currently being offered, others have yet to be introduced or fully exploited.

18. Asian Development Bank (2012). *Myanmar in Transition: Opportunities and Challenges.*

19. Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013–2020, Final Draft Report.*

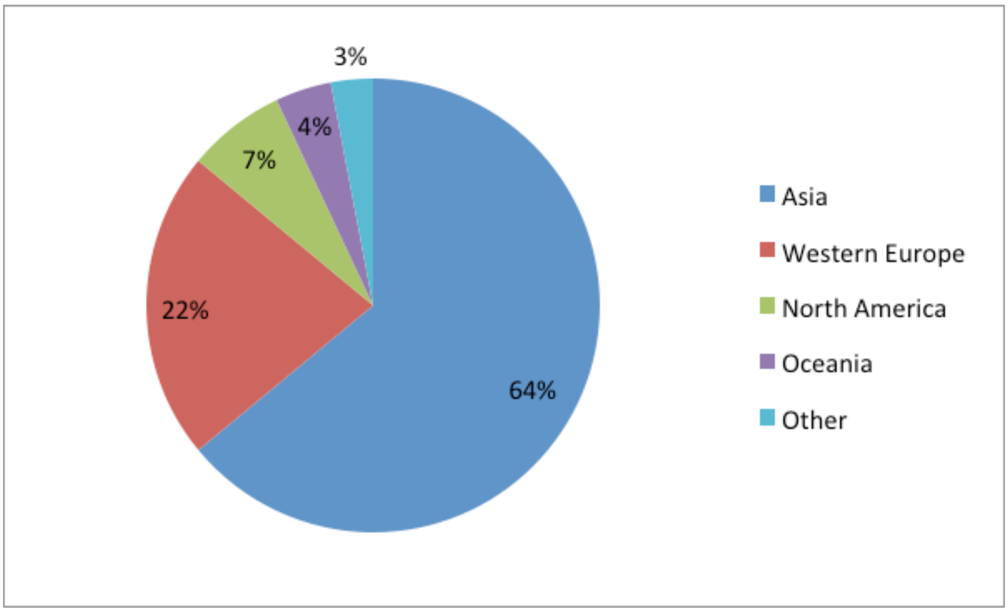
Table 4: *Tourism products and destination*[20]

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

Source: Tourism Master Plan 2013–2020, Final Draft Report, Figure 10, p. 24

20. Ministry of Hotels and Tourism (The Republic of the Union of Myanmar). Myanmar: Tourism Master Plan 2013-2020. Final Draft Report. June, 2013.

Figure 2: *Source markets for arrivals by air*



Source: Data calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). Myanmar: Tourism Master Plan 2013–2020, Final Draft Report.

According to government surveys, the typical visitor is over 35 years old (70%), has a university education (78%) and travels independently (67%), alone or in a small group. Of all visitors, 98% responded that they wanted to learn about Myanmar's cultural and historical heritage, 90% were interested in tasting local foods and 83% wanted to visit protected areas. The largest source of information for tourists prior to their visits was the Internet (27%), while 20% used guidebooks and 13% trusted word of mouth.

Whereas the majority of visitors who arrived by land originated in Thailand and stayed for less than one day, 593,381 of the more than 1 million tourists in 2012 arrived by air. Of these, the top sending markets were Thailand (16%), China (12%), Japan (8%), the United States (6.3%) and the Republic of Korea (6%). Meanwhile France, Malaysia, Singapore, the United Kingdom and Germany were responsible for roughly 4% to 5% of air arrivals each. As evidenced by Figure 2, Asian nations account for over 64% of international arrivals by air.

Average daily expenditure per tourist, excluding accommodation, was roughly US$ 100. Of this, tours and activities accounted for 43%, shopping for 23% and meals for 7%. The average expenditure for accommodation was US$ 129 per night, although many tourists spend significantly more per night in Yangon.

The average length of stay was estimated to be seven days in 2012. Surveys indicate that European tourists, in contrast to their Asian counterparts, tend to stay for longer periods (15.1 nights and 6.3 nights respectively, based on survey data).

Strategically located near Bangladesh, China, India, the Lao People's Democratic Republic and Thailand, Myanmar has access to some of the world's most densely populated and fastest growing regions. It is estimated that half of the world's consuming class will live within a five hour flight of Myanmar by 2025 and that Asian tourists may make up to 525 million trips within the region by 2030, presenting incalculable opportunities for future growth.[21]

SOCIAL IMPACT

The tourism sector has long been recognized as an important driver of employment, especially for low-skilled and unskilled workers. As of 2012, Myanmar's tourism industry directly employed 293,700 people, accounting for roughly 1.1% of total employment. When considering both direct and indirect employment, however, the sector sustained 735,000 jobs, or 2.8% of total employment.[22] Moreover, roughly half of tourism-related employment is estimated to benefit women, indicating that sectoral growth would have strong implications for gender

21. McKinsey Global Institute (2013). *Myanmar's Moment: Unique Opportunities, Major Challenges*.

22. Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013–2020, Final Draft Report,* p. 6.

issues.[23] While conservative forecasts imply that direct employment could reach 424,450 and 536,056 in 2015 and 2020 respectively, optimistic scenarios suggest that employment could reach 1.49 million in 2020.[24]

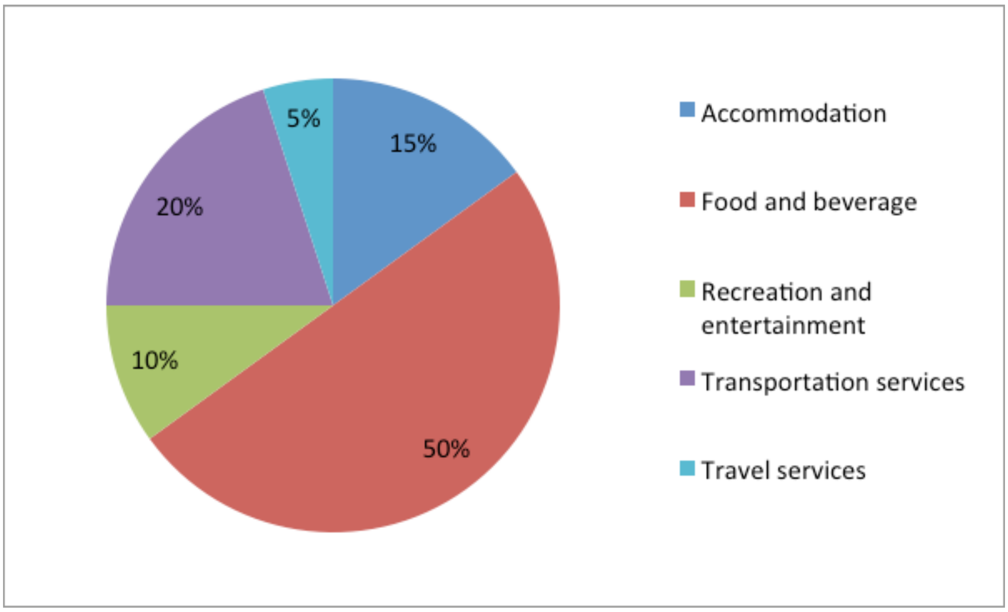
As illustrated in Figure 3, the majority of direct employment is accounted for by the food and beverage subsector (50%), which is followed by transportation services (20%), accommodation (15%), recreation and entertainment (10%) and travel services (5%).

Certain barriers do exist, however, to improving access to tourism technical and vocational education and training (TVET) that would allow a larger portion of the population to benefit from sectoral expansion. These include high costs, lack of facilities and inadequate primary education. Language and cultural factors play a further role for poorer segments of society.

The Myanmar Responsible Tourism Policy has, however, recognized the importance of engaging local communities through skills training, planning and management. MOHT and the Ministry of Education have introduced a new four year degree programme in tourism and helped expand other educational opportunities for people seeking employment in the sector. In an attempt to further open the doors to larger segments of the community, MOHT established a training centre that offers courses for guides (three months), tourism management (two months, basic knowledge), and language (ad hoc). Moreover, the government's 30 year Educational Development Plan (2001–2030) establishes guidelines on improving the quality of and access to education that is aligned with societal needs and economic priorities.

23. *Ibid*., p. 6.
24. *Ibid*., p. 18.

Figure 3: *Direct employment by subsector*



Source: Data calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). Myanmar: Tourism Master Plan 2013–2020, Final Draft Report.

Box 3: Hospitality training in Myanmar

The Star Resources Tourism and Hospitality Management Academy is one of three hospitality vocational training schools recognized by MOHT. Established in 2005, its 20 full- and part-time trainers educate roughly 800 students per year. The fee for the nine month diploma programme is US$500, although three month programmes are also offered. The curriculum is based on a United States standard and material is taught with a British teaching style. In addition, the academy operates an exchange programme with the London School of Hospitality and organizes study tours to Thailand. As part of the programme students visit remote areas of the country in order to develop business ideas for tourism activities. According to the academy, key aspects of sectoral development must include raising awareness of the value of remote cultural offerings and infrastructure creation.

Another vocational school is the Kandawgyi Palace Hotel and Tourism Training Centre, which was established in 1992 by the United Nations Development Programme and the International Labour Organization. Funded by the United States and the United Nations Development Programme, it provides basic hospitality training in front office management, housekeeping, food and beverages, service training and travel consultancy. Although the Centre is private, it is not profitable. The school is changing its curriculum in line with the ASEAN Mutual Recognition Arrangement for Tourism. Tourist guide training is still controlled by the government, and an eight week course costs US$150. Teachers are comprised mainly of former MOHT staff but the supply of qualified instructors is inadequate. In addition, the Centre does not offer any exchange programmes and both the building and equipment are old and require upgrading.

Lastly, a new US$4 million project is being implemented by Swisscontact. The project will work on developing vocational skills and providing hospitality training in Mon State, Kayin state and Nay Pyi Taw. It will also work to integrate local artisans into the tourism value chain, while at the same time enhancing skills at hotels, restaurants and other service providers. Moreover, the project is lending support to the Centre for Vocational Training, the Kandawgyi Palace Hotel School and the Star Academy in their efforts to introduce ASEAN hospitality training standards. Project partners include the Hotel School of Luzern and the German agency INBAS.

Source: Frauenrath, M.C. & Knapp, M. (2014). ITC Mission to Myanmar. February 10-17.

VALUE CHAIN OPERATIONS

A variety of domestic and foreign enterprises participate in the tourism value chain in order to produce and distribute goods and services to a wide range of tourist consumers. These stakeholders are then aided by both private and public sector support institutions. While the value chain seeks to illustrate the role of each of these participants in producing and bringing tourism services to the market, the analysis is further detailed in the Trade Support Institution analysis and four gears section of this document.

TARGET MARKETS AND DISTRIBUTION

The value chain begins with tourists who organize and book their travel according to their desired itinerary and place of origin. Visitors from Thailand, who account for 15.9% of international arrivals by air, engage in MICE, culture and adventure tourism. MICE tourists organize their travel, activities and accommodation either through Thai travel agencies or Myanmar travel agencies, or with the help of Myanmar event organizers, business partners and trade associations. Adventure tourists, meanwhile, often book through Thai travel agencies, while culture tourists leverage both travel agencies and online booking platforms. Due to economic sanctions on Myanmar, international dollar transactions have so far been blocked, preventing booking directly on Myanmar online platforms. Hence, Thai platforms have served as a relay for booking trips and hotels in Myanmar. With the lifting of sanctions and relaxation of money transfer restrictions, direct bookings are likely to develop rapidly.

Visitors from Western Europe (21.9% of arrivals) are interested in culture and nature tourism. These tourists book their activities through both local travel agents and online booking platforms. Japanese tourists, who account for 8.0% of arrivals to Myanmar, participate in culture and ecotourism. These activities are booked through Japanese travel agents as well as online booking platforms. Another segment of Japanese visitors participates

in MICE tourism. These visitors organize their activities mainly through local travel agents.

As with European arrivals, the 7.4% of tourists arriving from the United States and Canada are interested in culture and nature tourism and they book their activities through both local travel agents and online booking platforms. The 11.9% of tourists arriving from China participate in MICE, VFR, and culture tourism. MICE tourists will book through Chinese travel agents, national travel agents and national event organizers, as well as business partners and trade associations. VFR tourists tend to book through local travel agents, while culture tourists prefer online booking platforms.

The value chain then continues through tour operators and international air carriers, which facilitate the transport of visitors into Myanmar. It should be noted that some tourists from neighbouring countries, especially from Thailand, may choose to arrive by car or, less frequently, by boat.

NATIONAL COMPONENT

Formal entrance into Myanmar must proceed through immigration and customs clearance at the point of arrival. These procedures are overseen by the Ministry of Immigration and Population and the Myanmar Customs Office respectively. Upon arrival, visitors may also visit counters that provide tourist information. Especially in the case of MICE tourism, local travel agents, event organizers, business partners and trade associations are also available to facilitate this initial interaction with the authorities and information providers.

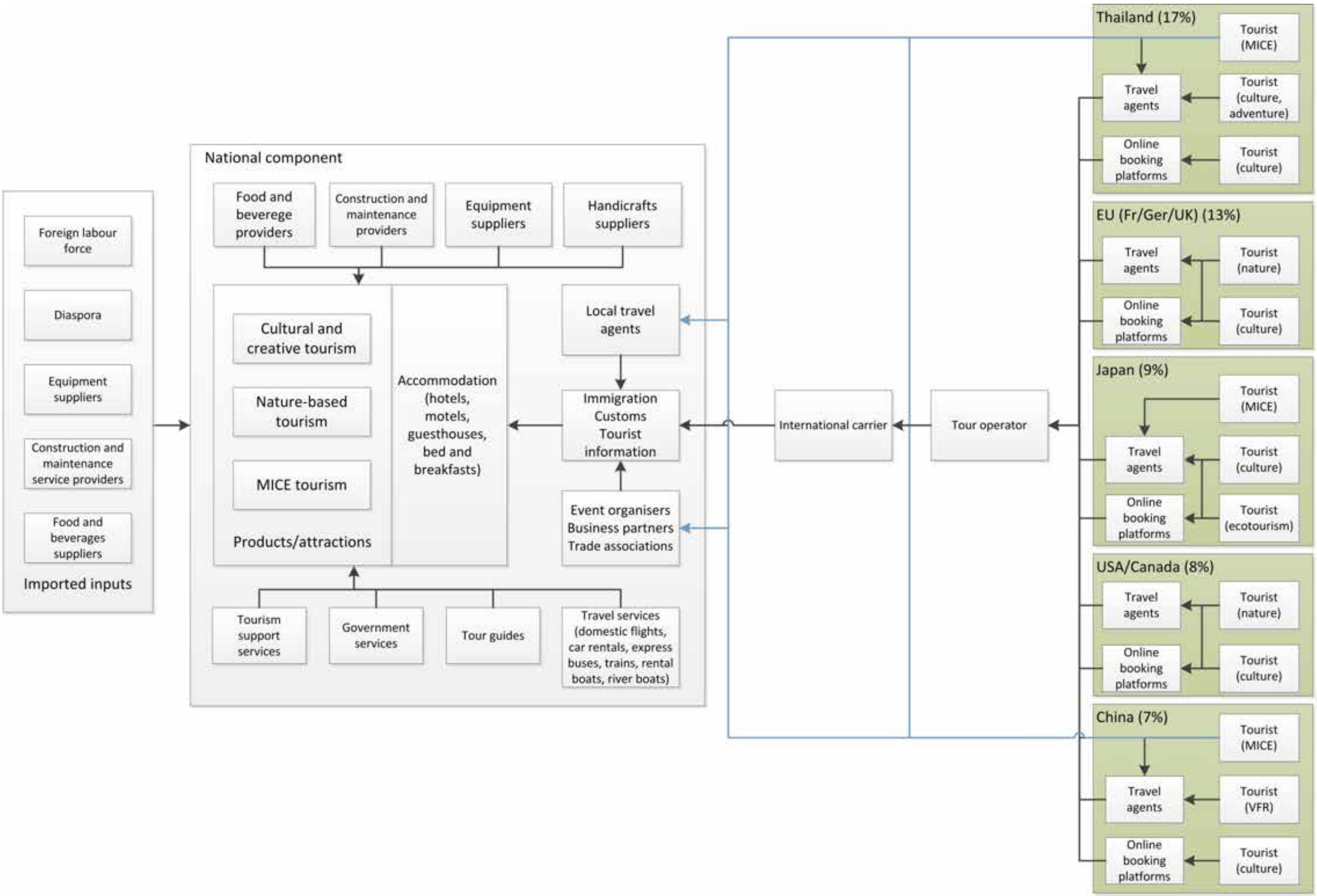
The core attractions in Myanmar are cultural and natural heritage sites. Archaeological locations, places of natural beauty and experiential activities form the backbone of the sector, to which the rest of the value chain caters. Playing a key support role are the 787 hotels, motels, guesthouses and bed & breakfasts which provide accommodation to travellers.[25] While food and beverage suppliers provide inputs to hotels and restaurants, both the suppliers and the restaurants provide tourists with necessary sustenance as well as an opportunity to experience local culture and cuisine. Another key function is met by handicrafts suppliers who fill the market with consumable goods and help connect remote and vulnerable communities to the value chain. The value chain is further enhanced by travel services that offer domestic flights, car rentals, express buses, trains, rental boats and river boats in order to facilitate transport between points of interest. Tourism support services and tour guides are also available to leverage their local knowledge, organize trips, arrange guided visits, and help visitors overcome language barriers.

National construction and maintenance providers engage in the creation, maintenance and upgrading of the private and public sector infrastructure that supports the tourism sector. Equipment suppliers, meanwhile, provide all other value chain participants with the tools required to fulfil their roles.

Lastly, the government carries out a number of functions whose effects are felt by all members of the value chain. MOHT is tasked with developing the sector, facilitating tourism to heritage sites, preserving heritage sites, contributing to international cooperation in the sector, enhancing sector capacities and assuring tourist safety. Moreover, the government as a whole is responsible for enforcing laws and regulations that determine the overall business environment. Among other things, the government is therefore responsible for entry procedures, transport infrastructure, food safety, building permits, environmental regulations, import / export regulations, and other public services such as waste management. Furthermore, it has taken a leading role in marketing Myanmar as an international tourist destination.

25. 2012

Figure 4: *Current value chain*



GLOBAL AND REGIONAL PERSPECTIVE

The global tourism market continues to thrive despite the lukewarm global economic climate. According to the UNWTO, international tourist arrivals grew by 4% in 2012, reaching a record 1.035 billion tourists and generating US$ 1.3 trillion in export earnings. The largest destination markets as measured by the number of international arrivals were:

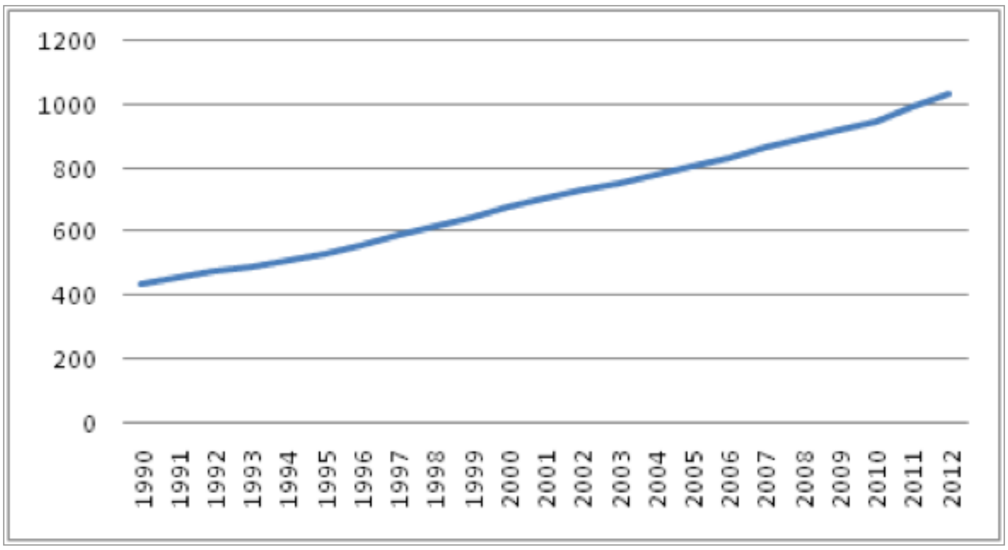
- France (83 million tourists)
- The United States (67 million)
- China (57.7 million)
- Spain (57.7 million)
- Italy (46.4 million)
- Turkey (35.7 million)
- Germany (30.4 million)
- The United Kingdom (29.3 million)
- The Russian Federation (25.7 million)
- Malaysia (25 million).[26]

The United States, meanwhile, received the greatest amount of tourist revenues (US$ 126.2 billion), followed by Spain (US$ 55.9 billion), France (US$ 53.7 billion), China (US$ 50 billion), Macao (US$ 43.7 billion), Italy (US$ 41.2 billion), Germany (US$ 38.1 billion), the United Kingdom (US$ 36.4 billion), Hong Kong (China) (US$ 32.1 billion) and Australia (US$ 31.5 billion).

26. United Nations World Tourism Organization (UNWTO) (2013). *Tourism Highlights, 2013 Edition*.

In 2012 China became the world's largest outbound source of international tourists. As highlighted in Table 5, Chinese tourists accounted for over US$ 100 billion of tourism expenditures.

Figure 5: *Worldwide international tourist arrivals (millions) 1990-2012*



Source: United Nations World Tourism Organization (UNWTO) (2013). Tourism Highlights, 2013 Edition.

Table 5: *Largest tourism source markets in 2012*

Top source markets	International tourism expenditure 2012 (US$ billions)	Market share	Expenditure per capita (US$)
China	102	9.50%	75
Germany	83.8	7.80%	1 023
United States	83.5	7.80%	266
United Kingdom	52.3	4.90%	828
Russian Federation	42.8	4.00%	302
France	37.2	3.50%	586
Canada	35.1	3.30%	1 007
Japan	27.9	2.60%	218
Australia	27.6	2.60%	1 210
Italy	26.4	2.50%	433

Source: United Nations World Tourism Organization (UNWTO) (2013). Tourism Highlights, 2013 Edition.

Table 6: *International tourist arrivals by region of origin (millions)*

	International Tourist Arrivals by region of origin (million)							
	1990	1995	2000	2005	2009	2010	2011	2012*
World	**436**	**529**	**677**	**807**	**892**	**949**	**995**	**1,035**
From:								
Europe	251.9	303.4	388.8	449.7	477.6	497.1	520.5	539.8
Asia and the Pacific	58.7	86.4	114.2	153.2	181.0	206.4	222.5	236.4
Americas	99.3	108.5	130.8	136.5	147.3	156.3	164.2	171.5
Middle East	8.2	9.3	14.1	22.9	32.2	34.5	33.8	31.7
Africa	9.8	11.5	14.9	19.3	25.6	28.1	29.8	30.8
Origin not specified[1]	7.9	10.3	14.0	25.4	28.2	26.5	24.1	25.0
Same region	350.3	423.4	532.4	630.7	688.0	728.3	769.3	799.8
Other regions	77.6	95.7	130.3	151.0	175.6	194.2	201.6	210.4

Source: United Nations World Tourism Organization (UNWTO) (2013). Tourism Highlights, 2013 Edition.

As highlighted in Table 6, Europe, continues to be the largest source region of tourists, accounting for over half of all international visitors. They are followed by Asia and the Pacific (23%), the Americas (17%), the Middle East (3%) and Africa (3%).

The World Travel and Tourism Committee estimates that the sector contributed over US$2 trillion to world GDP directly and US$6.6 trillion indirectly, while accounting for over 260 million jobs. All told, roughly 9.3% of the world's GDP and 8.7% of total employment relies upon the tourism industry. The sector is expected to continuing growing at an average annualized rate of 4.4% through 2013, once again confirming its importance for future economic development.

Table 7: *Global performance of the tourism sector*

World	2012 USDbn[1]	2012 % of total	2013 Growth[2]	USDbn[1]	2023 % of total	Growth[3]
Direct contribution to GDP	2,056.6	2.9	3.1	3,249.2	3.1	4.4
Total contribution to GDP	6,630.4	9.3	3.2	10,507.1	10.0	4.4
Direct contribution to employment[4]	101,118	3.4	1.2	125,228	3.7	2.0
Total contribution to employment[4]	261,394	8.7	1.7	337,819	9.9	2.4
Visitors exports	1,243.0	5.4	3.1	1,934.8	4.8	4.2
Domestic spending	2,996.3	4.2	3.2	4,831.2	3.5	4.6
Leisure spending	3,222.1	2.2	3.2	5,196.0	2.3	4.6
Business spending	1,017.4	0.7	3.1	1,572.8	0.7	4.1
Capital investment	764.7	4.7	4.2	1,341.4	4.9	5.3

[1]**2012** constant prices & exchange rates; [2]2013 real growth adjusted for inflation (%); [3]2013-2023 annualised real growth for inflation (%); [4]'000 jobs
Source: World Travel and Tourism Council (2013). Travel & Tourism Economic Impact 2013: World.

Table 8: *Performance of the tourism sector in South-East Asia*

South East Asia	2012 USDbn[1]	2012 % of total	2013 Growth[2]	USDbn[1]	2023 % of total	Growth[3]
Direct contribution to GDP	102.6	4.4	6.9	193.9	4.6	5.9
Total contribution to GDP	255.9	11.1	6.8	479.7	11.6	5.8
Direct contribution to employment[4]	9,714	3.4	5.9	13,824	4.0	3.0
Total contribution to employment[4]	25,495	8.8	5.5	34,655	9.9	2.6
Visitors exports	95.5	6.3	7.0	191.6	6.0	6.5
Domestic spending	88.8	3.8	6.6	156.6	3.0	5.2
Leisure spending	135.2	3.2	6.5	246.6	3.2	5.5
Business spending	46.1	1.2	7.8	101.6	1.4	6.7
Capital investment	47.7	7.3	6.9	101.0	8.1	7.1

[1]**2012** constant prices & exchange rates; [2]2013 real growth adjusted for inflation (%); [3]2013-2023 annualised real growth for inflation (%); [4]'000 jobs
Source: World Travel and Tourism Council (2013). Travel & Tourism Economic Impact 2013: South East Asia.

Worldwide, Asia and the Pacific was the fastest growing region for tourism exports in 2012 (6.8%), while South-East Asia posted the highest growth (9%) among Asian subregions. This impressive growth, which was characterized by increased arrivals in Myanmar and Thailand, is attributed to improved political stability and the absence of natural disasters in Thailand, growing intraregional demand and Myanmar's political and economic reforms. As illustrated in Table 8, direct and indirect contributions to regional GDP (4.4% and 11.1% respectively) are proportionally greater for South-East Asia than for the world at large, as is the total contribution to employment (8.8% of regional employment). Forecast growth, estimated to be an annual 5.9% through 2023, is also above average (4.4% worldwide).

In comparison with the whole of South-East Asia, ASEAN nations achieved an even more impressive growth of 10.1% in 2012. The ASEAN tourism sector is led by Malaysia and Thailand, who receive roughly 29% and 25% of arrivals respectively.

Table 9: *ASEAN international arrivals 2009-2012*

Country	2009	2010	2011	2012	Share (%)	Growth (%) 2011–2012
Brunei Darussalam*	157 474	214 290	242 061	300 139	0.3%	24.0%
Cambodia	2 161 577	2 508 289	2 881 862	3 560 000	4.0%	23.5%
Indonesia	6 323 730	7 002 944	7 649 731	8 147 000	9.1%	6.5%
Lao People's Democratic Republic	2 008 363	2 513 028	2 723 564	3 050 400	3.4%	12.0%
Malaysia	23 646 191	24 577 196	24 714 324	25 950 000	29.0%	5.0%
Myanmar	762 547	791 505	816 369	1 058 995	1.2%	29.7%
Philippines	3 017 099	3 508 818	3 917 454	4 259 600	4.8%	8.7%
Singapore	9 681 259	11 638 663	13 171 303	14 356 500	16.0%	9.0%
Thailand	14 149 841	15 936 400	19 230 470	22 303 065	24.9%	16.0%
Viet Nam	3 772 559	5 049 855	5 988 425	6 585 853	7.4%	10.0%
Total	**65 680 640**	**73 740 988**	**81 335 563**	**89 571 552**	**100.0%**	**10.1%**

Source: Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013).
Myanmar: Tourism Master Plan 2013-2020, Final Draft Report. (Data sourced from ASEAN Secretariat.)

* Figures for Brunei Darussalam refer to international arrivals by air only.

Table 10: *International arrivals in ASEAN by select countries 2007-2011*

in thousand arrivals

Country of origin/ partner country	Number of tourist arrivals					Share to total					Year-on-year change
			thousands					percent			percent
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2011-2012
Intra-ASEAN	30,276.4	31,693.8	34,820.0	37,732.9	39,845.5	46.1	48.3	47.2	46.5	44.7	5.6
Japan	3,623.8	3,214.0	3,350.9	3,664.4	4,275.3	5.5	4.9	4.5	4.5	4.8	16.7
China	4,471.5	4,201.7	5,415.9	7,315.6	9,283.2	6.8	6.4	7.3	9.0	10.4	26.9
Republic of Korea	2,657.1	2,448.7	3,286.1	3,862.0	4,011.4	4.1	3.7	4.5	4.8	4.5	3.9
Australia	2,904.5	3,028.6	3,464.9	3,926.3	4,059.6	4.4	4.6	4.7	4.8	4.5	3.4
New Zealand	319.7	272.3	292.0	390.3	358.0	0.5	0.4	0.4	0.5	0.4	-8.3
European Union 28	6,990.0	6,989.1	7,000.9	7,355.4	8,079.1	10.7	10.6	9.5	9.1	9.1	9.8
USA	2,653.3	2,553.4	2,680.5	2,838.0	2,984.2	4.0	3.9	3.6	3.5	3.3	5.1
Canada	508.9	455.9	498.5	594.2	709.0	0.8	0.7	0.7	0.7	0.8	19.3
India	1,984.7	2,103.6	2,478.0	2,711.3	2,839.6	3.0	3.2	3.4	3.3	3.2	4.7
Russian Federation	505.1	518.6	867.6	1,299.1	1,834.6	0.8	0.8	1.2	1.6	2.1	41.2
Pakistan	150.5	159.1	92.3	105.8	175.8	0.2	0.2	0.1	0.1	0.2	66.2
Total selected partner countries/regions	57,045.5	57,638.8	64,247.6	71,795.3	78,455.2	87.0	87.8	87.1	88.4	87.9	9.3
Rest of the w orld	8,560.0	8,041.6	9,505.1	9,433.7	10,770.0	13.0	12.2	12.9	11.6	12.1	14.2
Total tourist arrivals in ASEAN	**65,605.5**	**65,680.3**	**73,752.6**	**81,229.0**	**89,225.2**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**9.8**

Source: ASEAN Secretariat. Tourism Statistics. Accessed 01/11/2013. http://www.asean.org/news/item/tourism-statistics.

Tourism in the region is dominated by intra-ASEAN travel, which accounted for 46.5% of total tourism activity in 2011. China, the Republic of Korea and Australia, meanwhile, had the most important growth in 2011. In that year, visitors from these three countries accounted for 18.6% of total tourist arrivals.

Despite a difficult global economic climate, the tourism sector has proven itself to be a resilient source of economic activity with regards to both employment and income generation. While this holds true for the world at large, higher-than-average socioeconomic contribution and growth rates evidence both the importance and potential of the sector for South-East Asia in general, and in particular for ASEAN nations.

CURRENT EXPORT PERFORMANCE

According to national data, Myanmar's tourism sector accounts for a bit over 1% of national GDP. The World Travel and Tourism Committee meanwhile, estimates direct contribution to be 1.3% and total contributions to be roughly 3%. Despite the slight disparity between the two calculations, it is clear that tourism contributes significantly less to economic output when compared with both the region (4.4% direct, 11.1% total) and the world (2.9% direct, 9.3% total). The same trend emerges with regards to total contribution to employment, which stands at 2.8% (according to government figures) compared with 8.8% regionally and 8.7% globally. Moreover, Myanmar's 1.058 million visitors in 2012 accounted for only 1.2% of arrivals in the ASEAN region.

Nevertheless, the opening up of Myanmar's economy that has followed the recent political and economic reforms has been accompanied by a dramatic growth in tourism. The 2012 increase in arrivals of 29.7% was the highest in the region, and tourism-related income expanded by 67%, reaching US$534 million according to the Government of Myanmar. International arrivals by air grew by an incredible 51.7%.

Table 11: *Performance of the tourism sector in Myanmar 2012-2013*

Myanmar	2012 MMKbn[1]	2012 % of total	2013 Growth[2]	MMKbn[1]	2023 % of total	Growth[3]
Direct contribution to GDP	636.5	1.3	7.6	1,117.5	1.3	5.0
Total contribution to GDP	1,481.3	3.0	7.4	2,621.1	3.0	5.1
Direct contribution to employment[4]	294	1.1	3.5	362	1.1	1.8
Total contribution to employment[4]	711	2.6	3.3	882	2.7	1.8
Visitors exports	120.9	1.6	10.9	263.7	1.7	7.0
Domestic spending	989.9	2.0	7.2	1,693.8	2.0	4.8
Leisure spending	619.5	0.7	7.7	1,092.5	0.7	5.1
Business spending	491.3	0.6	7.3	865.0	0.6	5.1
Capital investment	95.2	0.9	6.1	195.0	1.1	6.8

[1]**2012** constant prices & exchange rates; [2]2013 real growth adjusted for inflation (%); [3]2013-2023 annualised real growth for inflation (%); [4]'000 jobs
Source: World Travel and Tourism Council (2013). Travel & Tourism Economic Impact 2013: Myanmar.

Table 12: *International arrivals by air to Myanmar*

Visitor origin	Percentage of arrivals 2012	Growth 2012	Growth 2011	Growth 2010	Growth 2009
Asia	64%	46.5%	22.2%	31.9%	25.6%
Western Europe	22%	61.1%	35.2%	23.3%	30.6%
North America	7%	73.8%	34.1%	8.4%	14.5%
Oceania	3%	77.7%	33.7%	8.6%	31.7%
East Europe	2%	19.1%	24.6%	32.3%	24.0%
Middle East	1%	43.7%	18.1%	41.2%	13.4%
Other Americas	1%	48.5%	42.6%	36.6%	31.5%
Africa	0%	60.9%	21.7%	6.8%	41.7%
Total	100%	51.7%	25.9%	27.7%	25.8%

Source: Calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2012). Myanmar Tourism Statistics, 2008-2012.

Table 13: *International arrivals by air to Myanmar 2008-2012*

International Arrivals by Air

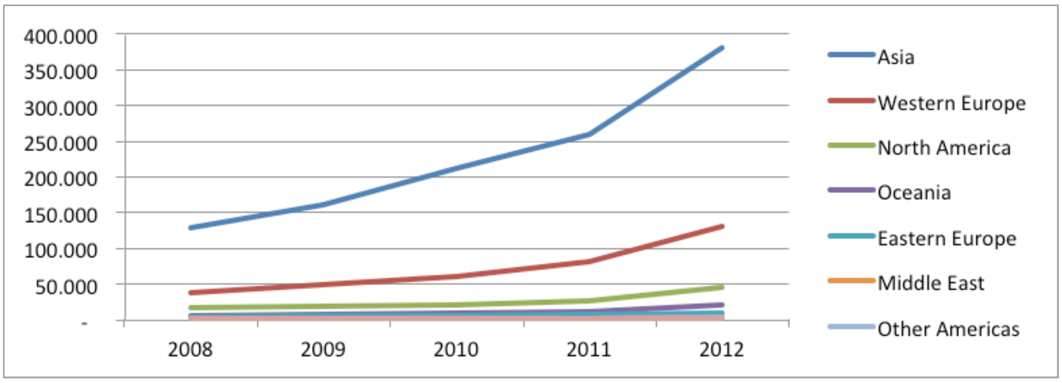
Visitor Origin	2012	2011	2010	2009	2008
Asia	**380,404**	**259,692**	**212,454**	**161,133**	**128,279**
Thailand	94,342	61,696	59,692	43,254	27,311
China	70,805	62,018	46,141	36,341	30,792
Japan	47,690	21,321	16,186	13,809	10,881
Korea	34,805	22,524	18,930	12,508	12,369
Malaysia	30,499	23,287	16,186	9,668	8,268
Singapore	26,296	15,391	12,114	10,712	8,599
Taiwan	22,060	15,542	14,170	12,276	11,472
India	16,868	12,318	9,849	8,609	7,173
Hong Kong	4,826	3,820	3,081	2,747	2,410
Bangladesh	1,737	1,988	1,441	1,212	1,001
Others	30,476	19,787	14,664	9,997	8,003
West Europe	**130,296**	**80,895**	**59,817**	**48,527**	**37,156**
France	30,064	19,414	13,143	10,458	8,217
UK	24,296	11,056	7,340	6,171	5,397
Germany	23,063	14,006	11,082	9,608	8,947
Italy	10,830	9,710	7,169	5,975	3,030
Switzerland	8,034	5,545	4,168	3,229	2,482
Spain	6,688	6,659	5,812	4,481	2,588
Belgium	4,627	3,376	2,411	1,848	1,386
Austria	3,489	1,964	1,896	1,447	1,212
Others	19,205	9,165	6,796	5,310	3,897
North America	**44,074**	**25,365**	**18,911**	**17,440**	**15,229**
America	37,589	21,680	16,504	15,053	13,195
Canada	6,485	3,685	2,407	2,387	2,034
Oceana	**20,650**	**11,622**	**8,695**	**8,005**	**6,079**
Australia	18,261	10,415	7,693	7,163	5,374
New Zealand	2,342	1,188	993	830	691
Others	47	19	9	12	14
East Europe	**9,077**	**7,622**	**6,118**	**4,623**	**3,729**
Russia	3,749	3,496	2,757	2,070	1,726
Others	5,328	4,126	3,361	2,553	2,003
Middle East	**3,747**	**2,607**	**2,208**	**1,564**	**1,379**
Other Americas	**3,535**	**2,380**	**1,669**	**1,222**	**929**
Africa	**1,598**	**993**	**816**	**764**	**539**
Total	**593,381**	**391,176**	**310,688**	**243,278**	**193,319**

Percentage of Total International Arrivals

Visitor Origin	2012	2011	2010	2009	2008
Asia	**64.1%**	**66.4%**	**68.4%**	**66.2%**	**66.4%**
Thailand	15.9%	15.8%	19.2%	17.8%	14.1%
China	11.9%	15.9%	14.9%	14.9%	15.9%
Japan	8.0%	5.5%	5.2%	5.7%	5.6%
Korea	5.9%	5.8%	6.1%	5.1%	6.4%
Malaysia	5.1%	6.0%	5.2%	4.0%	4.3%
Singapore	4.4%	3.9%	3.9%	4.4%	4.4%
Taiwan	3.7%	4.0%	4.6%	5.0%	5.9%
India	2.8%	3.1%	3.2%	3.5%	3.7%
Hong Kong	0.8%	1.0%	1.0%	1.1%	1.2%
Bangladesh	0.3%	0.5%	0.5%	0.5%	0.5%
Others	5.1%	5.1%	4.7%	4.1%	4.1%
West Europe	**22.0%**	**20.7%**	**19.3%**	**19.9%**	**19.2%**
France	5.1%	5.0%	4.2%	4.3%	4.3%
UK	4.1%	2.8%	2.4%	2.5%	2.8%
Germany	3.9%	3.6%	3.6%	3.9%	4.6%
Italy	1.8%	2.5%	2.3%	2.5%	1.6%
Switzerland	1.4%	1.4%	1.3%	1.3%	1.3%
Spain	1.1%	1.7%	1.9%	1.8%	1.3%
Belgium	0.8%	0.9%	0.8%	0.8%	0.7%
Austria	0.6%	0.5%	0.6%	0.6%	0.6%
Others	3.2%	2.3%	2.2%	2.2%	2.0%
North America	**7.4%**	**6.5%**	**6.1%**	**7.2%**	**7.9%**
America	6.3%	5.5%	5.3%	6.2%	6.8%
Canada	1.1%	0.9%	0.8%	1.0%	1.1%
Oceana	**3.5%**	**3.0%**	**2.8%**	**3.3%**	**3.1%**
Australia	3.1%	2.7%	2.5%	2.9%	2.8%
New Zealand	0.4%	0.3%	0.3%	0.3%	0.4%
Others	0.0%	0.0%	0.0%	0.0%	0.0%
East Europe	**1.5%**	**1.9%**	**2.0%**	**1.9%**	**1.9%**
Russia	0.6%	0.9%	0.9%	0.9%	0.9%
Others	0.9%	1.1%	1.1%	1.0%	1.0%
Middle East	**0.6%**	**0.7%**	**0.7%**	**0.6%**	**0.7%**
Other Americas	**0.6%**	**0.6%**	**0.5%**	**0.5%**	**0.5%**
Africa	**0.3%**	**0.3%**	**0.3%**	**0.3%**	**0.3%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2012). Myanmar Tourism Statistics, 2008-2012.

Figure 6: *International arrivals by air to Myanmar 2008-2012*

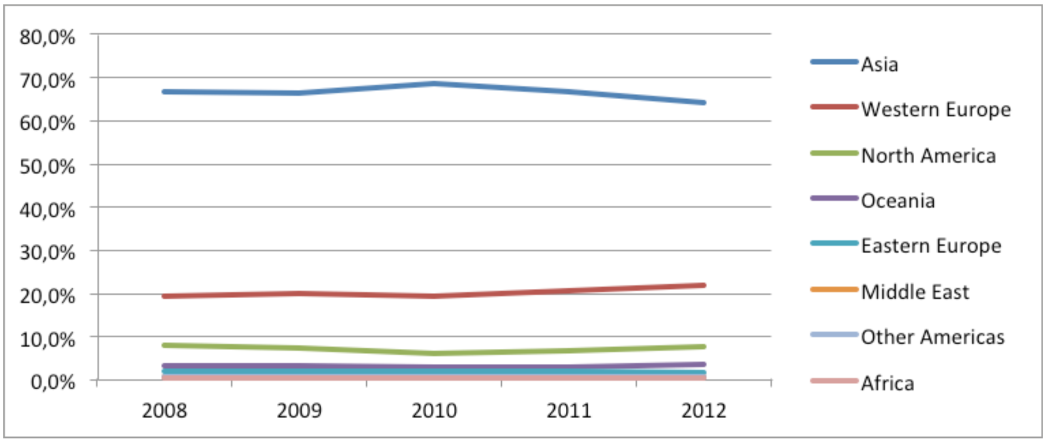


Source: Calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2012). Myanmar Tourism Statistics, 2008-2012.

Asia was the largest source market in 2012, accounting for roughly 64.1% of total international arrivals by air. Other important markets include Western Europe (22.0%), North America (7.4%) and Oceania (3.5%). Eastern Europe, the Middle East, Other Americas and Africa accounted for 1.5%, 0.6%, 0.6%, and 0.3% of arrivals respectively.

Although Asia continues to send the most tourists to Myanmar in absolute terms, the share of Asian tourists has been declining slightly. The share of tourists from Western Europe, meanwhile, has been increasing.

Figure 7: *Percentage of total arrivals by air to Myanmar 2008-2012*



Source: Calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2012). Myanmar Tourism Statistics, 2008-2012.

Table 14: *Year-on-year growth of arrivals by air to Myanmar (by nationality) 2009-2012*

Percentage YoY Growth

Visitor Origin	2012	2011	2010	2009	2008
Asia	**46.5%**	**22.2%**	**31.9%**	**25.6%**	**-**
Thailand	52.9%	3.4%	38.0%	58.4%	-
China	14.2%	34.4%	27.0%	18.0%	-
Japan	123.7%	31.7%	17.2%	26.9%	-
Korea	54.5%	19.0%	51.3%	1.1%	-
Malaysia	31.0%	43.9%	67.4%	16.9%	-
Singapore	70.9%	27.1%	13.1%	24.6%	-
Taiwan	41.9%	9.7%	15.4%	7.0%	-
India	36.9%	25.1%	14.4%	20.0%	-
Hong Kong	26.3%	24.0%	12.2%	14.0%	-
Bangladesh	-12.6%	38.0%	18.9%	21.1%	-
Others	54.0%	34.9%	46.7%	24.9%	-
West Europe	**61.1%**	**35.2%**	**23.3%**	**30.6%**	**-**
France	54.9%	47.7%	25.7%	27.3%	-
UK	119.8%	50.6%	18.9%	14.3%	-
Germany	64.7%	26.4%	15.3%	7.4%	-
Italy	11.5%	35.4%	20.0%	97.2%	-
Switzerland	44.9%	33.0%	29.1%	30.1%	-
Spain	0.4%	14.6%	29.7%	73.1%	-
Belgium	37.1%	40.0%	30.5%	33.3%	-
Austria	77.6%	3.6%	31.0%	19.4%	-
Others	109.5%	34.9%	28.0%	36.3%	-
North America	**73.8%**	**34.1%**	**8.4%**	**14.5%**	**-**
America	73.4%	31.4%	9.6%	14.1%	-
Canada	76.0%	53.1%	0.8%	17.4%	-
Oceana	**77.7%**	**33.7%**	**8.6%**	**31.7%**	**-**
Australia	75.3%	35.4%	7.4%	33.3%	-
New Zealand	97.1%	19.6%	19.6%	20.1%	-
Others	147.4%	111.1%	-25.0%	-14.3%	-
East Europe	**19.1%**	**24.6%**	**32.3%**	**24.0%**	**-**
Russia	7.2%	26.8%	33.2%	19.9%	-
Others	29.1%	22.8%	31.6%	27.5%	-
Middle East	**43.7%**	**18.1%**	**41.2%**	**13.4%**	**-**
Other Americas	**48.5%**	**42.6%**	**36.6%**	**31.5%**	**-**
Africa	**60.9%**	**21.7%**	**6.8%**	**41.7%**	**-**
Total	**51.7%**	**25.9%**	**27.7%**	**25.8%**	**-**

YoY Change in International Arrivals by Air

Visitor Origin	2012	2011	2010	2009	2008
Asia	**120,712**	**47,238**	**51,321**	**32,854**	**-**
Thailand	32,646	2,004	16,438	15,943	-
China	8,787	15,877	9,800	5,549	-
Japan	26,369	5,135	2,377	2,928	-
Korea	12,281	3,594	6,422	139	-
Malaysia	7,212	7,101	6,518	1,400	-
Singapore	10,905	3,277	1,402	2,113	-
Taiwan	6,518	1,372	1,894	804	-
India	4,550	2,469	1,240	1,436	-
Hong Kong	1,006	739	334	337	-
Bangladesh	- 251	547	229	211	-
Others	10,689	5,123	4,667	1,994	-
West Europe	**49,401**	**21,078**	**11,290**	**11,371**	**-**
France	10,650	6,271	2,685	2,241	-
UK	13,240	3,716	1,169	774	-
Germany	9,057	2,924	1,474	661	-
Italy	1,120	2,541	1,194	2,945	-
Switzerland	2,489	1,377	939	747	-
Spain	29	847	1,331	1,893	-
Belgium	1,251	965	563	462	-
Austria	1,525	68	449	235	-
Others	10,040	2,369	1,486	1,413	-
North America	**18,709**	**6,454**	**1,471**	**2,211**	**-**
America	15,909	5,176	1,451	1,858	-
Canada	2,800	1,278	20	353	-
Oceana	**9,028**	**2,927**	**690**	**1,926**	**-**
Australia	7,846	2,722	530	1,789	-
New Zealand	1,154	195	163	139	-
Others	28	10 -	3 -	2	-
East Europe	**1,455**	**1,504**	**1,495**	**894**	**-**
Russia	253	739	687	344	-
Others	1,202	765	808	550	-
Middle East	**1,140**	**399**	**644**	**185**	**-**
Other Americas	**1,155**	**711**	**447**	**293**	**-**
Africa	**605**	**177**	**52**	**225**	**-**
Total	**202,205**	**80,488**	**67,410**	**49,959**	**-**

Source: Calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2012). Myanmar Tourism Statistics, 2008-2012.

Comparing different regions, the greatest relative growth in 2012 has come from Oceania (77.7%), North America (73.8%) and Western Europe (61.1%). While the strongest absolute growth was from Thailand (+32,646 visitors) and Japan (+26,369), the most impressive relative growth originated in Japan (+123.7%) and the United Kingdom (+119.8%), indicating significant growth potential in less penetrated markets.

Visitors from Thailand were the largest contributors to sector expansion in 2012. Although the relative growth of Thai arrivals was in line with the national average, the country contributed the most to total growth due to its large share of total arrivals. Meanwhile Japan, whose 5.5% market share is in line with that of other developing nations, accounts for 13% of total sector growth in 2012 due to the incredible 123.7% increase in Japanese arrivals. It is interesting to note that China's growth, despite its relatively large market share, was one of the weakest, and that it therefore contributed minimally to 2012's total.

Table 15: *International arrivals by air to Myanmar (by nationalility) 2012*[27]

Visitor nationality	Contribution to total growth	Percentage of total of growth	Absolute growth	Weight 2011	Weight 2012
Thailand	8.3%	16.1%	52.9%	15.8%	15.9%
Japan	6.7%	13.0%	123.7%	5.5%	8.0%
America	4.1%	7.9%	73.4%	5.5%	6.3%
United Kingdom	3.4%	6.5%	119.8%	2.8%	4.1%
Republic of Korea	3.1%	6.1%	54.5%	5.8%	5.9%
Singapore	2.8%	5.4%	70.9%	3.9%	4.4%
Other Asia	2.7%	5.3%	54.0%	5.1%	5.1%
France	2.7%	5.3%	54.9%	5.0%	5.1%
Other Western Europe	2.6%	5.0%	109.5%	2.3%	3.2%
Germany	2.3%	4.5%	64.7%	3.6%	3.9%
China	2.2%	4.3%	14.2%	15.9%	11.9%
Australia	2.0%	3.9%	75.3%	2.7%	3.1%
Malaysia	1.8%	3.6%	31.0%	6.0%	5.1%
Chinese Taipei	1.7%	3.2%	41.9%	4.0%	3.7%
India	1.2%	2.3%	36.9%	3.1%	2.8%
Canada	0.7%	1.4%	76.0%	0.9%	1.1%
Switzerland	0.6%	1.2%	44.9%	1.4%	1.4%
Austria	0.4%	0.8%	77.6%	0.5%	0.6%
Belgium	0.3%	0.6%	37.1%	0.9%	0.8%
Other Eastern Europe	0.3%	0.6%	29.1%	1.1%	0.9%
Other Americas	0.3%	0.6%	48.5%	0.6%	0.6%
New Zealand	0.3%	0.6%	97.1%	0.3%	0.4%
Middle East	0.3%	0.6%	43.7%	0.7%	0.6%
Italy	0.3%	0.6%	11.5%	2.5%	1.8%
Hong Kong (China)	0.3%	0.5%	26.3%	1.0%	0.8%
Africa	0.2%	0.3%	60.9%	0.3%	0.3%
Russian Federation	0.1%	0.1%	7.2%	0.9%	0.6%
Spain	0.0%	0.0%	0.4%	1.7%	1.1%
Other Oceania	0.0%	0.0%	147.4%	0.0%	0.0%
Bangladesh	-0.1%	-0.1%	-12.6%	0.5%	0.3%
Total	**51.7%**	**100.0%**	**51.7%**	**100.0%**	**100.0%**

Source: Calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2012). Myanmar Tourism Statistics, 2008-2012.

27. Contribution to total growth = Weight 2011 * Absolute growth 2012; Percentage of total growth = Contribution to total growth / Nationwide growth.

Of particular interest is the healthy contribution of Western economies to the growth in 2012. Arrivals from Asia have continued to expand in line with a rising middle class and increased interest in Myanmar, and the region was the most important contributor to growth in 2012. Nevertheless, percentage growth spurred by Myanmar's political reforms was especially strong for Western markets. The result is that Western nations have provided a contribution to growth that proportionally exceeds their share of tourists.

Moreover, as of 2012 emerging economies have been replaced by OECD nations as the main contributors to year-on-year growth in international arrivals. In 2012, 51% of sector growth can be attributed to increased tourism from OECD markets. This trend is evidence of Myanmar's growing appeal as a destination to Western tourists. As such, these markets represent potential targets for increased market penetration and diversification efforts.

Although tourism contributes less to both GDP and employment in Myanmar when compared with both world and regional averages, the disparity also indicates that there is significant room for enhanced socioeconomic contribution. This conclusion is further bolstered by the recent trends in sector activity, which indicate that Myanmar's tourism sector is only just beginning to capitalize upon significant growth potential. Although Myanmar's most important source markets – including China, Thailand and Japan – have continued to be important sources of growth, the sector has experienced a significant influx of visitors from Western Europe and North America. While Myanmar must continue to reinforce its expansion efforts through increased penetration and product diversification in more traditional markets, relatively untapped Western nations present attractive opportunities for growth and diversification.

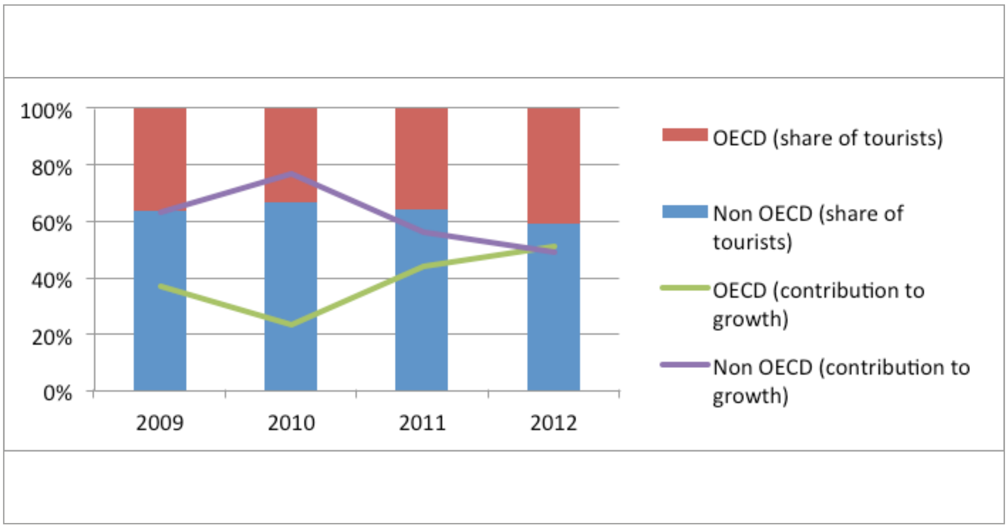
THE INSTITUTIONAL PERSPECTIVE

Trade support institutions (TSIs) are institutions that have an interest in, and bearing on, the sector's export development. Broadly, the TSIs providing important services to Myanmar's tourism sector can be categorized in the following support areas:

- Policy support network
- Trade services network
- Civil society network.

Tables 16 to 18 identify the main TSIs whose service delivery affects the tourism sector in Myanmar. An assessment of the TSIs along four key dimensions – coordination, human capital, financial sustainability, and advocacy – is provided. The ranking (high / medium / low) for each TSI was determined by sector stakeholders in the context of service delivery of the TSI to the tourism sector. In other words, the assessment was conducted based on the evaluation of stakeholders of TSIs from the perspective of how well they serve the tourism sector.

Figure 8: *Share of year-on-year growth attributed to OECD versus non-OECD markets, 2009-2012*[28]



Source: Calculated from Republic of the Union of Myanmar Ministry of Hotels and Tourism (2012). Myanmar Tourism Statistics, 2008-2012.

28. Some of the raw data used for this analysis was already aggregated. As such, OECD and non-OECD contributions should be considered as estimates that reflect overarching trends.

POLICY SUPPORT NETWORK

These institutions represent ministries and competent authorities responsible for influencing and/or implementing policies at the national level.

Table 16: *Myanmar tourism sector policy support network*

Name of institution	Description of TSI in line with sector	Coordination	Human capital	Financial sustainability	Advocacy
Ministry of Hotels and Tourism (MOHT)	Tasked with: • Implementing systematic development of sector; • Encouraging investment; • Developing opportunities for private entrepreneurs; • Promoting Myanmar as a destination; • Determining hotel and tourism zones; • Defining supervisory bodies and roles; • Upgrading quality, standards and skills in the sector; • Creating jobs and raising standards of living through tourism; • Cooperating with other countries in tourism. It is the lead agency for the majority of sector-related priorities and activities.	M	L	L	M
Ministry of Foreign Affairs	Manages Myanmar's foreign policy. Its missions provide visa services and disseminate both cultural and practical information about Myanmar to foreigners and prospective tourists.	L	L	M	L
Ministry of Home Affairs	Tasked with guaranteeing state security and maintaining law and order. It oversees the police force, the Prisons Department and the Bureau of Special Investigations.	M	M	M	L
Ministry of Immigration and Population	Responsible for visa issuance and immigration procedures.	M	M	M	M
Ministry of Culture	Tasked with preserving and propagating Myanmar's cultural heritage	M	L	L	M
Ministry of Religious Affairs	Objectives are to facilitate freedom of faith, support and promote Theravada Buddhist Sasana, participate in international religious affairs, and preserve and promote traditional Myanmar customs and culture.	M	L	L	M
Ministry of Environmental Conservation and Forestry	Tasked with overseeing the sustainable management and preservation of forests and natural resources as well as the conservation of wildlife.	L	L	M	M
Ministry of Health	Ministry charged with ensuring the health of the population through the provision of comprehensive health services including preventive, curative, and rehabilitative measures.	L	L	L	L
Ministry of Transport	Tasked with developing and maintaining transport capacities and infrastructure in order to ensure smooth and secure domestic and international transport systems and promote the development of border areas and tourism.	M	M	M	M

Name of institution	Description of TSI in line with sector	Coordination	Human capital	Financial sustainability	Advocacy
Ministry of Rail Transport	Includes: • Transport Planning Department: issues commercial vehicle licenses; focal point for implementing ASEAN and Greater Mekong Subregion transport initiatives; governs road and inland water transport law; coordinates cargo transport; oversees Ministry of Rail Transport affairs; • Road Transport Administration Department: tasked with road safety, vehicle inspection, licensing, traffic regulations, and levying taxes and revenues; • Myanmar Railways: state-owned agency that runs the rail network; • Road Transport: ensures free competition and safety, provides transport services for state purposes, develops border areas, participates in domestic production of vehicles, parts and repairs; and • Central Institute of Transport and Communications: trains officials and staff of Ministry of Rail Transport departments with the objective of upgrading skills and management capabilities.	M	L	L	L

Figure 9 outlines the roles for the various government agencies according to priority actions as foreseen in the Myanmar Responsible Tourism Policy.

Figure 9: *Roles of government agencies and the Myanmar Tourism Federation in select priority actions of the Myanmar Responsible Tourism Policy*

Lead Role ● | Advisory Role ♦ | Liaison Role ▪

Priority Actions	MOHT	MONPED	MOCUL	MOECF	MOAI	MOC	MOFR	MOIP	MOCON	MOFA	MOE	MOIN	MORA	MOT	MOCIT	MOHA	MOEP	MOCOP	MOBA	MOH	MOLESS	MOSWR	MOLF	MORT	MOST	UAGO	MTF
Ensure integrated tourism planning.	●	♦	●	●	▪	▪	▪	▪	▪				▪	♦	▪	▪	♦		♦	▪		▪	●	▪	▪	▪	♦
Promote tourism investment processes that embrace responsible tourism development guidelines.	♦	●	▪	▪		▪	♦	▪		▪	▪	▪		▪	▪				♦		▪	▪	▪			▪	♦
Establish more tourism and hospitality training facilities and programs with standardized courses.	●	♦	▪	▪		▪	♦		♦		●										▪	▪				●	♦
Establish tourist information centers and promote visitor safety.	●		▪	▪			▪		▪			▪	▪						▪								●
Integrate domestic tourism as an important component of the tourism economy.	●	▪				▪	▪						▪	▪	▪	▪	▪	▪	▪		▪	▪		▪	▪		♦
Collect and monitor consistent and robust tourism data and statistics.	●	▪	♦	▪	▪	▪	●	▪	▪	♦	▪	♦	▪	▪	▪	▪	▪	▪	▪	▪	▪	▪	▪	▪	▪		♦
Train local guides in responsible tourism and natural and cultural heritage interpretation.	●		♦	♦			▪				♦	▪	♦														●
Ensure contract compliance and fair pricing for tourism services.	●					▪	▪					▪					▪	▪			▪					♦	●
Establish a comprehensive national accommodation rating system consistent with ASEAN standards.	●								▪								▪									▪	●
Enable and support community based tourism activities that benefit local communities.	●			♦	♦	▪	▪	▪				▪	▪	▪		▪	▪	▪		▪	▪	▪	▪				●
Provide tourism awareness training to local communities and increase local participation in tourism supply chains.	●	▪	▪	▪	▪	▪	●			▪	▪	♦	▪	▪	▪		▪	▪		▪	▪	▪	▪				♦
Develop a code of conduct & do's and don'ts guidelines for international visitors.	●		♦	▪				▪	▪				▪									▪					♦
Raise awareness and prevent all forms of abuse and exploitation of children, women and men.	●	▪										♦				♦				▪	▪	▪				▪	♦
Ensure the tourism sector manages the use of energy and water more efficiently.	▪	▪		♦			▪		●			▪					●								♦		♦

Source: Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). Myanmar: Tourism Master Plan 2013-2020, Final Draft Report.

TRADE SERVICES NETWORK

These institutions or agencies provide a wide range of trade-related services to both government and enterprises. These institutions support and promote sectors and are concerned with the delivery of trade and export solutions within a developing country.

Table 17: *Myanmar tourism sector trade services network*

Name of institution	Description of TSI in line with sector	Coordination	Human capital	Financial sustainability	Advocacy
Myanmar Investment and Commercial Bank / Myanmar Foreign Trade Bank	Facilitate monetary transactions and foreign exchange.	L	L	H	L
Myanmar Insurance Service	Provides insurance policies for sector professionals and visitors.	M	L	M	L
Myanmar Tourism Federation	Group of 11 sector-related business associations tasked with developing and promoting the tourism sector.	M	L	L	M
Food and Drug Administration	Responsible for food safety and quality standards.	L	L	L	L
Myanmar Tourism Human Resources Development Association	Trains, assesses and certifies professionals in the tourism sector.	L	L	L	M

Table 18: *Myanmar tourism sector civil society network*

Name of institution	Description of TSI in line with sector	Coordination	Human capital	Financial sustainability	Advocacy
Myanmar Times English Version	Resource providing both national and international news in English. Topics such as business, news, politics, etc. allow foreigners to stay up to date on current affairs affecting safety, while dining and travel sections provide resources for travel planning.	H	H	H	H
Today Media	Sells advertising, publishing, printing and media services and operates a chain of bookstores. Its travel and hospitality division arranges inbound tours and holidays with an emphasis on quality.	M	M	M	M
Myanmar International	State-owned television channel whose programming includes topics such as current affairs, culture, cuisine and tourism.	H	H	H	H
National Management College	Public university in Yangon that offers a four year bachelor degree programme in tourism.	L	L	L	L

CIVIL SOCIETY NETWORK

ANALYSIS OF THE TRADE SUPPORT NETWORK

These institutions are not explicitly engaged in the sector's trade-related activities. However, they are opinion leaders representing specific interests that have a bearing on the sector's export potential and socioeconomic development.

The successful development of the tourism sector requires the participation and support of a wide-ranging TSI network. Although many of these institutions are adequately prepared to contribute to sectoral development, the TSI analysis brings to light numerous weaknesses that must be addressed. Foremost among these is the lack of coordination among a number of organizations. Effective communication and coordination will be a key factor in building capacity to address the diverse issues affecting to the sector in an efficient and coherent manner.

Another issue is the lack of human resource capacities at the majority of relevant organizations. In the course of sector development these institutions should become focal points for the industry that will disseminate information and provide important services. Their ability to do this will depend upon their access to adequately qualified and motivated staff.

Financial capacities are also lacking at a number of institutions, including MOHT. This is especially worrisome as MOHT will be tasked with coordinating, implementing and monitoring the tourism sector strategy. The success of the strategy will therefore hinge upon MOHT's ability to operate efficiently. Moreover, the sustainability of the results will depend on the anchoring of sector knowledge in TSIs over time. These key functions can only be performed with adequate and stable financial resources. Lastly, advocacy on behalf of stakeholders could be further pursued. It is important that enterprises can rely upon key coordinating institutions to advocate policy on their behalf in response to a changing global trade environment.

DEVELOPMENT INITIATIVES

Having recognized the potential socioeconomic impact of the tourism sector, the Government of Myanmar has begun to pursue a vigorous policy of reform. The 1993 Myanmar Hotel and Tourism Law remains as the definitive piece of legislation governing the sector. Licensing practices for hotels, tour operations, guides and tourist transport were reviewed in 2011 and other reviews are under consideration. The Labour Organization, Settlement of Labour Dispute, and draft Minimum Wage laws will protect tourism workers, thereby ensuring that they benefit from inclusive sectoral development. The 2012 Foreign Investment Law, meanwhile, will promote investment in the tourism sector.

In 2012 the government presented its Myanmar Responsible Tourism Policy, which outlines both aims and action points that were to become the foundations of the Master Plan. Moreover, the government is currently structuring policy guidelines that will serve to engage local communities in the sector.

The most ambitious activity currently being pursued is that of the Tourism Master Plan. The Government of Norway and the Asian Development Bank are collaborating with MOHT, along with other stakeholders, to develop a roadmap and long-term development framework that will shape the tourism sector for the years 2013 through 2020. The Master Plan proposes six strategic programmes:

1. Strengthen the institutional environment;
2. Build human resource capacity and promote service quality;
3. Strengthen safeguards and procedures for destination planning and management;
4. Develop quality products and services;
5. Improve connectivity and tourism-related infrastructure; and
6. Build the image, notion and brand of tourism Myanmar. The plan envisions 38 projects with a cost of roughly US$486.6 million.

Together, the objectives outlined in the Tourism Master Plan seek to enhance employment and business opportunities, contribute to natural and cultural conservation and share Myanmar's culture. The guiding principles of the plan are to:

1. Develop tourism as a national priority sector;
2. Maintain cultural diversity and authenticity;
3. Enable the sector to compete on product richness, diversity and quality;
4. Strengthen the country's institutional system to plan and manage tourism;
5. Minimize unethical practices;
6. Promote broad-based local socioeconomic development;
7. Conserve and enhance Myanmar's protected areas and natural environment;
8. Ensure the health, safety and security of visitors; and
9. Promote a well-trained and rewarded workforce.

In addition to the comprehensive Master Plan, a number of donors are addressing specific problems through a variety of assistance programmes.[29]Flora and Fauna International, for example, is promoting the development of eco-friendly tourism activities such as kayaking, hiking and biking in remote areas through an Indawgyi community-based ecotourism group, training local guides and marketing rural regions. It is also developing an ecotourism recreational area for domestic tourists at the Meinmahla Kyun Wildlife Sanctuary near Yangon. The Hanns Seidel Foundation is providing support through the development of the Communities in Tourism Policy and the Responsible Tourism Policy, and by training at the national and state levels. It is also funding the 'Do's and Don'ts' guide and facilitating the development of a tour guide training curriculum in Bagan and Inle Lake. The Institute for International Development and the International Centre for Integrated Mountain Development provide research and development assistance aimed at enhancing the environmental protection of Inle Lake.

The German Agency for International Development is facilitating sector development by linking tourism with TVET and private sector development programmes, while a Swisscontact programme aims to enhance four areas of sectoral importance: vocational education and training, small and medium enterprise promotion, resource efficiency and financial services. Lux-Development is currently planning a five year, US$5 million project for Myanmar expected to begin in 2014. The project will focus on enhancing governance, educational programmes, and private sector and industry, and it will include tourism as a priority sector. MOHT will be an implementation partner.

Both the International Labour Organization and UNESCO are also providing assistance to the tourism sector. The International Labour Organization's five staff members in Yangon oversee two current projects. One project, funded by the Swiss State Secretariat for Economic Affairs, seeks to enhance value chain development. The other, funded by Norway, is focused instead on enterprise development. UNESCO meanwhile is coordinating technical vocational training strategy development with MOHT.

Italian Development Cooperation is providing technical assistance to MOHT. The assistance will facilitate updating the tourism law as part of the Master Plan and will also provide for direct coaching for Master Plan implementation.

The Asian Development Bank is organizing the Greater Mekong Tourism Working Group. The group will serve as a hub for regional knowledge sharing and coordination, and this year's Mekong Tourism Forum will be held in Myanmar. In addition, the Asian Development Bank has been tasked with providing capacity development technical assistance in helping the Government of Myanmar draft a comprehensive education sector review.[30] With a focus on post-primary education, the assistance will seek to build analysis and planning capacities at the Ministry of Education and other relevant ministries. The overall objective of the reform is to enhance the institutional capacity to develop meaningful post-primary education programmes

29. Frauenrath, M.C. & Knapp, M. (2014). ITC Mission to Myanmar. February 10–17.

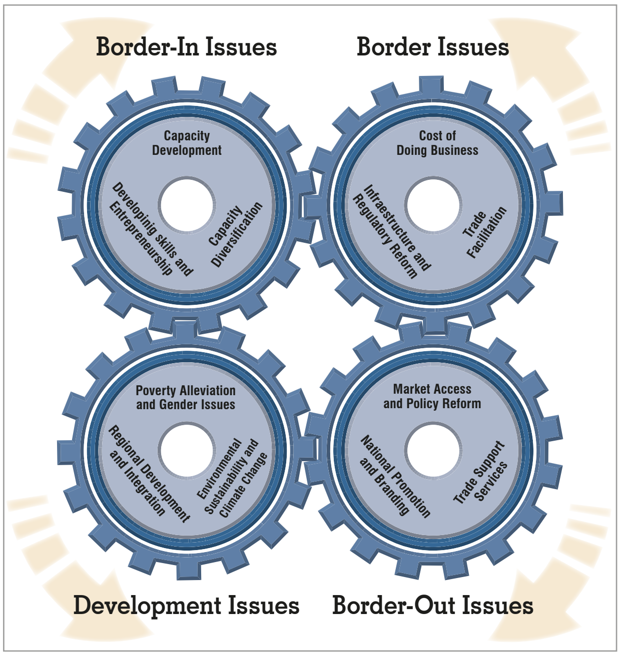
30. Asian Development Bank (2012). *Technical Assistance Report. Republic of the Union of Myanmar: Support for Education Sector Planning.*

that are aligned with the skill sets demanded by priority sectors of economic development.

EXPORT COMPETITIVENESS ISSUES

The export competitiveness analysis uses the four gears framework presented in Figure 10 to determine the major constraints to export development in Myanmar's tourism sector. This framework allows for a comprehensive study of competitiveness in light of the interaction between supply-side, business environment, market entry and socio-economic concerns.

Figure 10: *Four gears framework*



- **Supply-side issues** affect production capacity and include challenges in areas such as availability of appropriate skills and competencies, diversification capacity, technology, and low value addition in the sector's products.
- **The quality of the business environment issue**s are constraints that influence transaction costs, such as regulatory environment, administrative procedures and documentation, infrastructure bottlenecks, certification costs, Internet access and cost of support services.
- **Market entry issues** are essentially external to the country (but may also be manifested internally), such as market access, market development, market diversification and export promotion.
- **Social and economic concerns** include poverty reduction, gender equity, youth development, environmental sustainability and regional integration.

THE BORDER-IN GEAR (SUPPLY SIDE)

Box 4: Overview of supply-side issues in Myanmar's tourism sector

- Limited access to financial mechanisms and instruments hinders investment and sector development.
- Inadequate rules and regulations hinder the promotion and development of the sector.
- Limited product offerings and low value addition diminish attractiveness as a destination.
- Lack of sufficient qualified human resources constrains sector competitiveness.

LIMITED ACCESS TO FINANCIAL MECHANISMS AND INSTRUMENTS HINDERS INVESTMENT AND SECTOR DEVELOPMENT.

The underdevelopment of the financial sector makes it difficult for enterprises to raise funds for investment and expansion. For a variety of reasons, project and investment loans are not available from banks. The limited track record and availability of historic accounting records limits the ability to perform due diligence, while the lack of guarantee schemes for loans further increases risk. Moreover, the policy of the central bank limits acceptable collateral to houses and factories. The inability of enterprises to use moveable assets and equipment as collateral severely impedes their capacity to seek external funding. Risk is further heightened by the underdeveloped financial regulatory system, and as a result domestic banks use deposits to finance their own investments. Further complicating the matter is the absence of foreign banks in Myanmar. Lastly, the lack of adequate accounting records, together with the limited availability and use of valuation advisory services, makes it difficult for enterprises to arrive at valuations that are coherent with international practice in order to self-finance.

INADEQUATE RULES AND REGULATIONS HINDER THE PROMOTION AND DEVELOPMENT OF THE SECTOR.

Current regulations do not facilitate the smooth functioning of the sector. Of particular importance is the discord between state government policies that are not in line with Union policy with regards to regulated activities such as accommodation. Moreover, Union policies are often unclear and restrictive. The end result is increased uncertainty, restricted growth and a regulatory framework that inadequately safeguards tourist activity.

LIMITED PRODUCT OFFERINGS AND LOW VALUE ADDITION DIMINISH ATTRACTIVENESS AS A DESTINATION.

The sector faces a lack of capacities and challenges to harnessing the creativity needed to diversify product offerings. These difficulties are further complicated by the often inaccessible nature of new and developing tourist sites, particularly due to underdeveloped transportation infrastructure. As a result, the sector remains heavily reliant upon cultural tourism. Foreign travel agents' lack of understanding of local offerings and conditions, such as seasonality, further hinders Myanmar's ability to expand its product base.

The failure to add value through complementary products, services and experiences is also a persistent issue. In conjunction with a lack of modern technology that has limited the sector's capacity to improve local products, equipment and furniture, the absence of quality entertainment and nightlife diminishes Myanmar's overall attractiveness as a destination.

LACK OF SUFFICIENT QUALIFIED HUMAN RESOURCES CONSTRAINS SECTOR COMPETITIVENESS.

The dearth of sufficiently qualified human resources restricts the sector's ability to cater to a diverse range of tourist expectations. There are no national standards for curricula or the assessment of qualifications, and the vocational training that is available is insufficient. There are no basic or mid-level technical training schools for tourism and hospitality and the training centres that do operate cannot absorb the demand for personnel required by the sector. The situation is further complicated by a high level of brain drain for single people, amplified by low salaries which decrease the attractiveness of entering or pursuing careers in the sector.

There is also a lack of professionalization and specialization in the industry. From an educational perspective, professional training does not include practical experience. Moreover, the instability of the sector leads to a lack of career planning and development in companies and a concurrent lack of commitment from staff. The detrimental results are evidenced by the high staff turnover rate and the fact that 80% of tourism professionals have multiple occupations. Many sector-qualified graduates do not continue to work in the field.

It should be noted, however, that MOHT and the Ministry of Education have attempted to improve human resource qualifications through the introduction of a four year degree programme in tourism. Moreover, MOHT has established a training centre that offers courses for guides, tourism management and languages. While the government's 30-year Educational Development Plan (2001–2030) seeks to address the gap between human resource qualifications and priority sector needs, capacities remain underdeveloped.

THE BORDER GEAR (BUSINESS ENVIRONMENT)

Box 5: Overview of business environment issues in Myanmar's tourism sector

- Cumbersome visa procedures diminish the ease with which visitors may enter the country.
- Lack of e-commerce capacities restricts payment, discourages spending and increases costs and risks.
- Foreign exchange restrictions hinder payment, spending and operational efficiency.
- Double taxation hampers the ability of sector enterprises to operate and grow competitively.
- Limited dissemination of tourism information at the domestic level hinders tourists' experiences, knowledge and planning capacities.
- Public institutions' lack of awareness about the nature and importance of tourism limits the development of public services and coherent policy.
- Inadequate information and communications technology (ICT) infrastructure limits connectivity.
- Limited accessibility to tourist destinations hinders the movement of visitors.

CUMBERSOME VISA PROCEDURES DIMINISH THE EASE WITH WHICH VISITORS MAY ENTER THE COUNTRY.

As an online credit card payment system in US$ is not operational and international payments with credit cards are unavailable due to sanctions, an e-visa system is currently unavailable. Due to the absence of modern ICT systems, visa procedures are mostly based on paperwork and facilitated by embassies that have insufficient manpower. Moreover, visas on arrival are not available unless pre-arranged by travel agents at least two weeks in advance. Complicating the matter are unpredictable visa rules and regulations that are subject to change without prior notice. The inefficiency of these procedures may lead to the loss of potential tourists, who are either unable or unwilling to deal with such hurdles.

LACK OF E-COMMERCE CAPACITIES RESTRICTS PAYMENT, DISCOURAGES SPENDING AND INCREASES COSTS AND RISKS.

International payments with credit cards are unavailable due to sanctions. As no credit card payment systems are in place, spending is limited to the amount of cash on a tourist's person. Not only does this inhibit spending, but the fact that visitors are required to carry cash also decreases safety. Moreover, the lack of credit card capacities inhibits the development of national booking platforms. The sector must therefore rely on outdated methods and foreign platforms that increase both the risk and cost of doing business.

FOREIGN EXCHANGE RESTRICTIONS HINDER PAYMENT, SPENDING AND OPERATIONAL EFFICIENCY.

Old, worn out and torn US$ bills are not accepted by banks and retailers. While the central bank used to reject them, updated information about central bank policy is not well disseminated among the retail banks. As a result, tourists may find themselves with currency that they are unable to use. Not only does this decrease tourist satisfaction but it also deprives the country of potential sales. A further hindrance is the low degree of credit card acceptance and ATM availability and reliability, which is subject to slow network connections and electricity cutoffs. It should also be noted that businesses wishing to hold foreign currency (US$) must hold a licence and be subject to cumbersome and costly formalities. It is therefore difficult for enterprises that require foreign currency holdings to achieve operational efficiency.

DOUBLE TAXATION HAMPERS THE ABILITY OF SECTOR ENTERPRISES TO OPERATE AND GROW COMPETITIVELY.

Myanmar's enterprises are subject to double taxation, thereby inhibiting competitiveness when compared with foreign competitors. Of particular note is the absence of both a Value Added Tax system and a deduction system. In such an environment, where necessary business and investment expenses cannot be deducted from tax payments, businesses have less cash with which to grow and diversify their operations. Additionally, as the lack of deductions penalizes enterprises for spending, the system diminishes the incentive to invest and hire, thereby limiting socioeconomic spillover effects.

LIMITED DISSEMINATION OF TOURISM INFORMATION AT THE DOMESTIC LEVEL HINDERS TOURISTS' EXPERIENCES, KNOWLEDGE AND PLANNING CAPACITIES.

The information available at information counters is inadequate and incomplete. This issue remains unresolved as a result of the limited budget of MOHT as well as the lack of public–private dialogue and cooperation. Insufficient access to information means that tourists are less likely to optimize their time, leading to missed purchasing opportunities, greater frustration and ultimately less satisfaction.

PUBLIC INSTITUTIONS' LACK OF AWARENESS ABOUT THE NATURE AND IMPORTANCE OF TOURISM LIMITS THE DEVELOPMENT OF PUBLIC SERVICES AND COHERENT POLICY.

This lack of awareness is a result of the insufficient capacity of Myanmar's tourist policy. Although a manual is currently under development, there are no clear guidelines on how to deal with visitors. Moreover, there are only 600 tourist police in five destinations to ensure compliance with policy.

INADEQUATE ICT INFRASTRUCTURE LIMITS CONNECTIVITY.

Mobile connectivity and international roaming is limited to visitors from select ASEAN countries. With regards to transportation hubs, while the airports are modern their ICT capacities are limited, despite the projected increase in arrivals. Small or remote locations, meanwhile, are lacking in ICT infrastructure. Among other things, this lack of connectivity restricts tourists from information gathering that could enrich their experience and planning; remaining in touch with work or familial obligations; and accessing emergency services.

LIMITED ACCESSIBILITY TO TOURIST DESTINATIONS HINDERS THE MOVEMENT OF VISITORS.

A key issue is the poor and insufficient road and rail transport infrastructure. Road density is low and those that do exist are in poor condition. Moreover, only a small proportion of roadways are paved to all-weather standards, thereby subjecting certain sites to seasonal conditions. Finally, some sites are all but inaccessible due to the inadequate road network. Although the rail network does affordably connect primary, secondary and emerging tourist sites, visitors are discouraged from using it due to frequent delays and slow travel times. All of these issues result in increased frustration for visitors; the inability of tourists to optimize their time; and tourist destinations that are either underserved or completely cut off from the tourist circuit.

THE BORDER OUT GEAR (MARKET ENTRY)

Box 6: Overview of market entry issues in Myanmar's tourism sector

- Inadequate international marketing of Myanmar as a destination limits sector growth.
- Limited market penetration hinders development and expansion.
- Negative image presented in foreign media discourages interest in Myanmar as a tourist destination.
- Lack of national branding leads to poor understanding of attractions and inability to redefine image.
- Difficult FDI environment hinders investment, modernization and expansion.

INADEQUATE INTERNATIONAL MARKETING OF MYANMAR AS A DESTINATION LIMITS SECTOR GROWTH.

Myanmar currently lacks both public and private funds for marketing and promotion. Complicating this issue is a lack of expertise in market research about global tourism trends and opportunities, in conjunction with a limited capacity to use data and information for market research, marketing and promotion. Combined with a lack of data management systems and regular surveys studying tourist arrivals and profiles, Myanmar is ill-equipped to promote itself internationally as a tourist destination.

LIMITED MARKET PENETRATION HINDERS DEVELOPMENT AND EXPANSION.

The roots of the weak market penetration that currently characterizes the sector are twofold. Firstly, source markets lack knowledge about Myanmar. There are no tourism offices or country representations in source markets and informational resources and promotional materials for tourists in these markets are lacking. There is also a lack of targeted and specific information for foreign tourists. The second issue is the lack of knowledge about demand in source markets. This stems from an absence of market research about said markets; insufficient awareness about data and information sources; and a limited capacity to use data and information for market research, marketing and promotion.

NEGATIVE IMAGE PRESENTED IN FOREIGN MEDIA DISCOURAGES INTEREST IN MYANMAR AS A TOURIST DESTINATION.

Foreign opinion is often governed by perceptions of instability and insecurity in certain regions of Myanmar. This fact is complicated by the government's low capacity to react quickly and communicate effectively in response to events. Moreover, Myanmar has no promotional presence in foreign media with which to counteract negative perceptions due to a lack of funding for this purpose. The absence of international events, exhibitions and tournaments also means that there have been few avenues by which Myanmar can attract foreign attention in a positive light.

LACK OF NATIONAL BRANDING LEADS TO POOR UNDERSTANDING OF ATTRACTIONS AND INABILITY TO REDEFINE IMAGE.

The insufficient promotion and preservation of national heritage sites results in a lack of public awareness about Myanmar's unique ethnic and cultural identity and diversity. Similarly, there is no national strategy for branding food, sport or entertainment products, all of which could contribute to defining Myanmar as a multifaceted destination. Lastly, there has been until recently no unified national slogan that could be used to promote tourism in a coherent manner across marketing channels. However, in June 2013 MOHT launched a comprehensive tourism promotion campaign under the motto 'Let the journey begin'. The first of its kind for Myanmar, it is an important step towards the creation of additional promotional efforts coordinated among all stakeholders.

DIFFICULT FDI ENVIRONMENT HINDERS INVESTMENT, MODERNIZATION AND EXPANSION.

An expansion in FDI is hindered by a number of factors, including high land prices and a changing and unpredictable policy and regulatory framework. Moreover, volatility in the sector increases risk, while the infrastructure capacity is insufficient to accommodate investment inflows. It should also be noted that in an attempt to attract investment, the regulatory regime is biased towards foreign companies in the form of long tax holidays that thereby diminish the ability of local firms to compete. It is important for Myanmar to foster a more hospitable investment environment by addressing structural issues without jeopardizing the competitiveness of domestic enterprises.

THE DEVELOPMENT GEAR

Box 7: Overview of development issues related to Myanmar's tourism sector

- Limited access to key services results in difficult socioeconomic development of the sector's rural stakeholders.
- Insufficient policies and monitoring mechanisms increase the risks to cultural and natural heritage sites.
- Lack of environmental protection and management is leading to the degradation of tourist sites, destinations, natural resources and landscapes.
- Power supply shortages result in the widespread use of small and costly fuel power generators.
- Misalignment between educational opportunities and sector needs threatens youth employment and development opportunities.
- Stakeholders must support opportunities for women in order to ensure equitable access to sector opportunities and protect them from exploitation.

LIMITED ACCESS TO KEY SERVICES RESULTS IN DIFFICULT SOCIOECONOMIC DEVELOPMENT OF THE SECTOR'S RURAL STAKEHOLDERS.

The quality and availability of key services such as electricity, telecommunications, transport and finance is limited outside of main urban and industrialized areas. Moreover, GDP per capita varies greatly by region and wealth in some rural districts is less than half that of urban centres.[31] As the tourism sector relies heavily upon the labour of rural populations, it is imperative that these stakeholders are able to access adequate levels of service. In addition to ensuring such services, strategic development must enhance transport connections in order to provide accessibility to remote sites. Enhanced accessibility will not only help connect remote populations to the national economic infrastructure, but it will ensure that they are able to leverage local heritage attractions and participate in socioeconomic development.

31. IDE-JETRO (2012). Myanmar economy viewed at night. *Policy Review Series on Myanmar Economy*, No.05, August.

INSUFFICIENT POLICIES AND MONITORING MECHANISMS INCREASE THE RISKS TO CULTURAL AND NATURAL HERITAGE SITES.

Myanmar's tourism sector relies upon the country's rich cultural and natural heritage. It is therefore crucial that adequate policies are in place to safeguard such sites. In addition to detracting from the global good, damage to historic sites and environmental degradation would diminish Myanmar's attractiveness as a destination. Although Myanmar signed the World Heritage Convention in 1994, it has yet to establish any protected sites.[32] Nonetheless, progress is being made as it has identified a number of priority sites including wildlife sanctuaries, river corridors and national parks. In addition, the Ministry of Environmental Conservation and Forestry, UNESCO, the International Union for Conservation of Nature and the Norwegian Environmental Agency have recently launched the United Nations' Safeguarding Natural Heritage in Myanmar within the World Heritage Framework project, which aims to introduce the World Heritage framework to Myanmar and enhance the country's capacity to protect heritage sites.

The tourism sector should work closely with the UNESCO project to ensure that the government is adequately able to protect important sites. Monitoring mechanisms and enforcement power must also be enhanced so that site protection is assured.

LACK OF ENVIRONMENTAL PROTECTION AND MANAGEMENT IS LEADING TO THE DEGRADATION OF TOURIST SITES, DESTINATIONS, NATURAL RESOURCES AND LANDSCAPES.

Despite the important role that tourist sites, which include Myanmar's natural landscape, play in the national economy, Myanmar has been slow to develop effective means for protecting and managing these resources. Thus far, environmental pressures have been caused by the demands of a growing and developing population, together with those of both domestic and foreign businesses.[33] While overpopulation and severe poverty in rural areas has led to overexploitation of natural resources including agricultural land, forests and water, increased FDI and climate change are expected to complicate the situation even more. In this context, a number of activities are quickly leading to the degradation of tourism sites and the contamination of natural resources.

32. Forest Carbon Asia (2013). Myanmar moves to protect nature, December 3. Available from http://www.forestcarbonasia.org/in-the-media/myanmar-yangon-moves-protect-nature/.

33. Organization for Economic Co-operation and Development (2013). *Multi-dimensional Review of Myanmar, Volume 1: Initial Assessment.*

Of specific concern is the extensive use of chemicals such as pesticides. Subsistence agriculture is widespread in a number of regions, including the area surrounding Inle Lake. The use of such chemicals by farmers is a major source of lake water pollution and has resulted in severe degradation of the lake's ecosystems. Not only does such degradation threaten conservation efforts, it diminishes the region's attractiveness as a cultural, ecotourism, adventure and experiential destination. Another concern is the practice of dynamite fishing in the southern and coastal regions of Mon and Tanintharyi States. Dynamite fishing has resulted in significant damage to the coral reef, which has historically been a major attraction for divers. As a consequence, divers are no longer attracted to the area.

At the moment, environmental policies have a strong sectoral focus.[34] Various government ministries develop policies that are relevant to their area of expertise. For example, the Ministry of Agriculture and Irrigation develops environmental policies that relate to agriculture. The lack of a single ministry dedicated to developing nationwide policies has thus far hindered the ability of Myanmar to effectively govern environmental issues. Although the National Commission on Environmental Affairs is charged with coordinating economy-wide environmental policies, its ability to fulfil its role is hampered by its perceived low status, inability to intervene in policy formulation at other ministries and limited human resource capacities. The Organization for Economic Co-operation and Development notes that environmentally sustainable development will depend to a large extent upon the ability of Myanmar to create an effective institutional framework for conservation and sustainable exploitation. Effective environmental management will not only sustain conservation efforts but will also help maintain the attractiveness of vulnerable tourist sites in order to guarantee their continued contribution to sectoral expansion.

34. *Ibid*., p. 98.

POWER SUPPLY SHORTAGES RESULT IN THE WIDESPREAD USE OF SMALL AND COSTLY FUEL POWER GENERATORS.

Myanmar's energy provision capacities are severely underdeveloped. As a result, rural areas of the country are often subject to electricity shortages and blackouts. As the tourism sector relies heavily upon sites located in the countryside, the lack of stable energy supply has had a particularly damaging effect on tourism stakeholder operations.

Stakeholders in local communities, including hotels and other tourism operators, have responded to the frequent power outages by installing small, fuel-powered generators. As these systems are relatively inefficient, the fuelling and maintenance of the generators often account for between 40% and 50% of operational costs, resulting in severely diminished profit margins.

Efforts must be made to enhance the quality of energy provision in order to reduce stakeholder reliance upon these generators. A greater reliance on public utilities would lead to increased profits, while at the same time reducing pollution caused by the fuel generators.

MISALIGNMENT BETWEEN EDUCATIONAL OPPORTUNITIES AND SECTOR NEEDS THREATENS YOUTH EMPLOYMENT AND DEVELOPMENT OPPORTUNITIES.

Youth in Myanmar are often referred to as 'a lost generation.' The main difficulties lie in a lack of quality control in the rural education system and a perceived lack of ambition on the part of youth. The inadequate education system leaves young people without the critical skills needed to fill the niche of skilled technical labour, with most youth bottlenecked at the base of the pyramid, competing for low skill jobs. One of the growing areas which has attracted young people is 'certificate courses' that take place in big cities to provide youth with training in English language and other areas. More vocational training programmes in this regard are needed, especially those that cater to youth populations in rural areas where tourism activity is concentrated. The situation for young women, who are often encumbered by household chores and traditional gender roles, is even more precarious, and concerted efforts must be made to expand their educational opportunities.

Although increases in FDI and the expansion of the tourism industry have acted as catalysts for employment generation, sustainable development is threatened by a dearth of qualified human resources.[35] In particular, businesses claim that it is difficult to find qualified personnel. As a result, enterprises often offer low salaries to less-than-qualified workers, thereby diminishing incentives for potential candidates. With regards to in-house training, the instability and often seasonal nature of the sector leads to a lack of career planning and development in companies, as well as a lack of interest and commitment from staff. As a result, the sector has a high staff turnover rate and the vast majority of sector graduates have multiple occupations or do not continue to work in the sector.

Myanmar's youth would benefit from TVET opportunities that are better aligned to tourism sector demands, as well as increased efforts by employers to promote career development. In addition, an Agency for Technical Cooperation and Development survey found that counselling support for young job-seekers would be a welcome service.

Taken together, the lack of support and appropriate education for young workers looking to embark upon a career can lead to diminished earning power over their lifetime as well as job insecurity. While the government has taken positives steps in establishing a number of new TVET programmes, it must work harder to support the professional development of young persons in order to guarantee that the benefits of economic expansion are shared by vulnerable portions of the population.

35. Agency for Technical Cooperation and Development (2013). *Aligning Vocational Training with Myanmar Job Market Needs*.

STAKEHOLDERS MUST SUPPORT OPPORTUNITIES FOR WOMEN IN ORDER TO ENSURE EQUITABLE ACCESS TO SECTOR OPPORTUNITIES AND PROTECT THEM FROM EXPLOITATION.

Roughly half of the workers employed in the tourism and hospitably sector are estimated to be women.[36] As such, sector expansion is expected to have a large impact on women's income. In addition to spurring employment opportunities directly related to the sector, the growth of tourism will promote demand for associated handicrafts, which have traditionally been an important source of supplementary income for women. As these goods can be produced from home, it mitigates issues associated with limited mobility. In addition, it allows women to maintain a relative high level of control over their operations and income, thereby promoting economic independence.

Nevertheless, certain types of activities, such as 'home stay' tourism, may present development challenges. While the expansion of home stay tourism will increase economic opportunity, it often does so at the expense of increased workloads, as women are usually charged with taking care of guests. In addition, women are rarely in control of the revenues generated from these activities. In this context, the government must make concerted efforts to enhance women's economic empowerment in order to minimize the risk of their exploitation in the home. The Tourism Master Plan includes gender equality as a cross-cutting theme and seeks to ensure that women have equal access to 'economic opportunities, skills training, employment, resources and decision making.'[37] Women and minorities will be included in community consultations and strategic planning efforts, and mobile units will bring training opportunities to remote areas in order to reach women with limited mobility.

Another concern is the expansion of sex tourism and human trafficking that often accompanies tourism sector development. Women from Myanmar have already been trafficked to Thailand and the government has recognized the potential for increased activity domestically. As such, the Tourism Master Plan hopes to safeguard against this exploitation by building upon the National Plan of Action on the Protection of Children and the Anti-Trafficking in Persons Law (2006–2015). In this context, money has been budgeted for awareness-raising campaigns and police training related to sex trafficking.

36. Agency for Technical Cooperation and Development (2013). *Constraints to Women's Economic Empowerment in Myanmar (Draft)*.

37. Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013–2020, Final Draft Report.*


INLE ZONE
INLE ZUNE
01

WHERE WE WANT TO GO

VISION

Myanmar's Tourism Master Plan has adopted the vision that was laid out in the government's Responsible Tourism Policy. This vision, which expresses the goals associated with developing a sustainable tourism sector, was approved by the government in 2012:

> We intend to use tourism to make Myanmar a better place to live in – to provide more employment and greater business opportunities for all our people, to contribute to the conservation of our natural and cultural heritage and to share with us our rich cultural diversity. We warmly welcome those who appreciate and enjoy our heritage, our way of life, and who travel with respect.

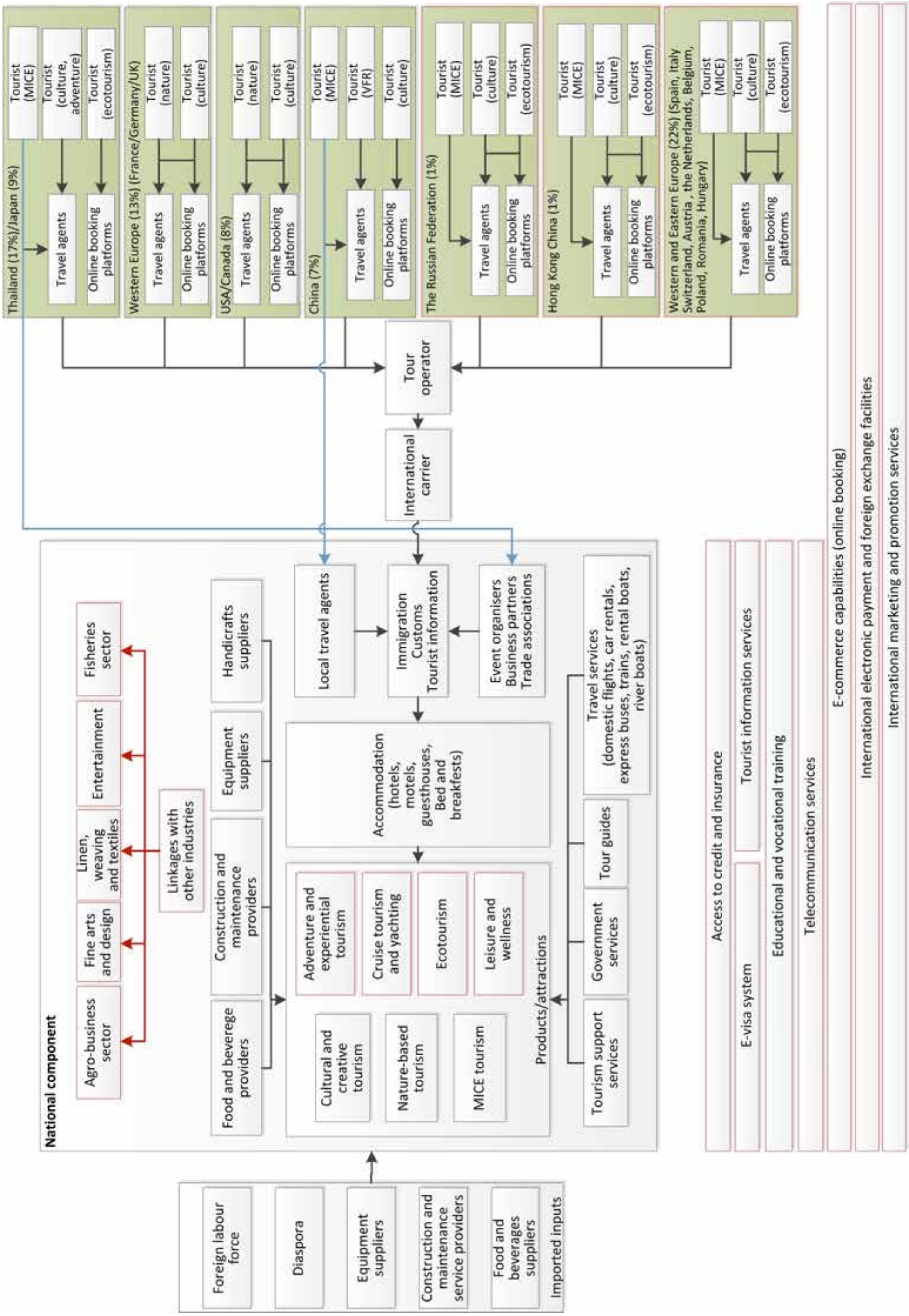
As the tourism sector export strategy seeks to aid in implementing and supporting the goals of the Master Plan, sector stakeholders have decided to create a complementary vision. The following export strategy vision was therefore designed to be a crisp and simple expression of sectoral development goals, which hinge upon increasing the competitiveness of Myanmar's tourism sector.

"Charming Myanmar"

Myanmar has only just begun to leverage the vast potential that its unique natural and cultural assets have to offer. Although the tourism sector has experienced immense growth in the past two years, there is much work to be done before it can fully benefit from its inherent strengths. Significant constraints such as inadequate transportation infrastructure, a lack of qualified human resources, inadequate promotion and a low level of product diversification threaten to hamper the sector's continued expansion. Nevertheless, the promising prospects of the tourism industry, together with clear interest in Myanmar as a destination, make a strong case for strengthening the value chain.

The scope for improvement is immense and extends across the value chain. In some cases the scope involves strengthening existing linkages, while in other areas there is a need for structural reforms. Both of these dimensions of improvements must lead to *market penetration* (increasing exports in existing markets), *product development* (increasing exports of new products in existing markets), *market development* (increasing exports of existing products in new markets) or *full diversification* (increasing exports of new products in new markets).

Figure 11: *Future value chain*



PRODUCT DEVELOPMENT

The sustainable development of tourism in Myanmar will to a large extent rely upon the sector's ability to build upon its existing product base through the introduction of new offerings. During the course of NES consultations, stakeholders identified five promising products that will be leveraged for future growth. While some of these efforts will focus on introducing new tourism sites and opportunities to existing product offerings, others will involve introducing new types of tourism activities. Emerging products and destinations are highlighted in red in Table 4.

Table 19: *Tourism products and destinations for development*[38]

Products / attractions	Types of activities	Destinations
Cultural and creative tourism	Sightseeing, cultural tours, festivals, heritage tours, pilgrimages, culinary tours, handicrafts, meditation courses and religious tours	• Kyaington • Mrauk U • Nat Ma Taung • Mandalay • Inle Lake • Pyin Oo Lwin • Hpa-an • Loikaw • Monywa • Kayah State • Hsipaw • Hakha • Bagan • Yangon
Nature-based activities	Visits to protected areas, sites of natural beauty, and beach tourism	• Inle • Ngwesaung • Kawthaung • Bagan • Chaungtha • Myeik Archipelago • Ngapali • Kyaington
Ecotourism	Conservation, rare species, flora and fauna, bird-watching	• Moe Yun Gyi Wetland Sanctuary • Alaungdaw Kathapa National Park • Nat Ma Taung National Park • Kyauk Pan Taung Wildlife Sanctuary (Rakhine State) • Meinmahla Kyun Wildlife Sanctuary (crocodiles) • Bago Yoma Mountain Range • Inle Lake • Khakaborazi National Park • Shwesettaw Wildlife Sanctuary (deer) • Lanpi Island Marine National Park • Popa Mountain National Park
Adventure and experiential tourism	Ballooning, cycling, motorbike tours, kayaking and rafting, caravans, walking and trekking, volunteer tourism, community-based tourism and professional development initiatives	• Inle • Pyin Oo Lwin • Putao • Bagan • Hakha • Loikaw • Kyaington • Nat Ma Taung • Myeik Archipelago
Cruises and yachting	River and ocean cruises	Yangon Bagan Mandalay Ayeyarwady Kawthaung
MICE tourism	Meetings, incentives, conferences and exhibitions	Nay Pyi Taw Yangon Mandalay Ngapali
Leisure and wellness	Spas and wellness centres, fitness centres, golf courses, VFR	Yangon Mandalay Bagan

Source: Tourism Master Plan 2013–2020; Myanmar, Tourism Federation, Union of Myanmar Travel Association, NES consultation

38. Based on: Republic of the Union of Myanmar Ministry of Hotels and Tourism (2013). *Myanmar: Tourism Master Plan 2013-2020, Final Draft Report*, Figure 10, p. 24.

With regards to the former, stakeholders will promote a number of new destinations to cultural and creative tourists. These will include Bagan, Mandalay, Monywa, Yangon, Inle Lake and Kayah State. In addition, cruise tourism and yachting, which are in their infancy in Myanmar, will be expanded through the introduction of increased river and ocean cruise offerings.

New types of activities will include ecotourism, adventure and experiential tourism, and leisure and wellness tourism. With regards to ecotourism, stakeholders will develop ways to leverage Myanmar's generous endowment of lakes, mountain ranges, wildlife sanctuaries, national parks and wetlands in order to offer tourists the opportunity to experience conservation efforts and view

rare species. Key locations for ecotourism activities will include the Moe Yun Gyi Wetland Sanctuary, Inle Lake, Pago Yoma Mountain Range, Khakaborazi National Park, Alaungdaw Kathapa National Park, Shwesettaw National Park, Nat Ma Taung National Park, Lanpi Island Marine National Park, Kyauk Pan Taung Wildlife Sanctuary (Chin State), Popa Mountain National Park, and Meinmahla Kyun Wildlife Sanctuary.

Adventure and experiential tourism will be developed so that tourists can participate in a variety of activities including ballooning, cycling, motorbike tours, kayaking and rafting, caravan tours, walking and trekking, volunteer tourism, community-based tourism and professional development initiatives. Such activities will be focused in Inle, Bagan, Kyaington, Pyin Oo Lwin, Hakha, Nat Ma Taung, Putao, Loikaw, and the Myeik Archipelago. Lastly, leisure and wellness tourism will focus on developing spa and wellness centres, fitness centres and golf courses in Yangon, Mandalay and Bagan.

MARKETS IDENTIFICATION

During the course of consultations, sector stakeholders identified the following countries as target markets with potential for significant development.

EXISTING MARKETS (MARKET PENETRATION & PRODUCT DEVELOPMENT)[39]

The following countries are markets that are currently responsible for the bulk of tourist arrivals. Despite Myanmar's relative success thus far in attracting visitors from these countries, an array of criteria has been used to perform an analysis on their untapped potential.

39. Numbers refer to the percentage of international arrivals by air.

Tourists from these countries currently engage largely in culture, nature, MICE and VFR tourism, and opportunities exist to attract even more of these countries' visitors to established products through enhanced market penetration. Opportunities also exist to introduce new products to these markets – including eco, adventure, cruise, and leisure and wellness tourism – through product development.

Attractive countries for market penetration and product development meet at least some of the following criteria:

1. They already engage in tourism with Myanmar;
2. Their populations, especially the middle class, have strong purchasing power;
3. Their economies, middle class, and purchasing power are growing;
4. They can access direct flights to Myanmar;
5. They are geographically close to Myanmar;
6. They are interested in experiencing Myanmar after the opening of its borders; and
7. They have business ties with Myanmar.

By analysing countries in light of these criteria, stakeholders have identified opportunities in each country for the increased penetration of currently offered products as well as the introduction of new products. The following section illustrates the characteristics that make each of these countries an attractive target for both market penetration and product development, while at the same time outlining the necessary steps that must be taken in order to capitalize on these opportunities.

THAILAND

Thailand is currently the largest source market for Myanmar tourism, sending 15.9% of visitors arriving by air. Thai visitors engage primarily in culture, adventure and MICE tourism. Its purchasing power, as well as its proximity and cultural similarities to Myanmar, make it a promising target for further market penetration. Such efforts would rely mainly upon increased promotional activities aimed at strengthening awareness of Myanmar as a destination for recreational and business tourism.

JAPAN

The 8% of visitors originating in Japan currently engage in culture and MICE tourism and ecotourism. These tourists have been targeted as candidates for future market penetration due to their purchasing power, familiarity with Myanmar, interest in experiencing Myanmar after the opening of its borders, and the availability of direct flights. As a result of national trends and market expansions, it is also a promising candidate for product diversification into adventure, leisure and wellness tourism and ecotourism. Both penetration and diversification could be achieved through increased promotion, improved service quality, the introduction of new offerings and tour packages, and the reduction of language barriers.

CHINA

Chinese tourists, who account for 11.9% of air arrivals, participate in MICE, VFR and cultural tourism. Both business ties and geographic proximity make China a candidate for increased market penetration with regards to MICE and VFR offerings. Cultural tourism, meanwhile, could be expanded thanks to the expansion of the consuming class and the accompanying heightened interest in travel. Chinese tourists have little knowledge of Myanmar's cultural offerings but are interested. Efforts in both penetration and diversification could be achieved through increased promotion, the reduction of language barriers and a more targeted strategy, including the development of country-specific product offerings.

UNITED STATES & CANADA

Tourists from the United States and Canada account for 7.4% of arrivals and have thus far been engaged mainly in culture and nature tourism. Both the interest in experiencing Myanmar after the opening of its borders, as well as their purchasing power, makes them a candidate for increased market penetration. This could be achieved through promotional activities and the enhancement of service quality. Interest in new activities, however, makes this market open to product diversification into eco, adventure and cruise tourism. Together with more effective promotion and increased service quality, diversification could be aided by the introduction of new products and tour packages.

REPUBLIC OF KOREA

As 5.9% of visitors arrive from the Republic of Korea, purchasing power, the availability of direct flights and business ties make this market an attractive target for further penetration in the culture tourism space. Myanmar could also target Korean visitors for product diversification in the nature, leisure and wellness spaces. Increased promotion, better service quality, the reduction of language barriers and the introduction of a country-specific strategy could all facilitate both penetration and diversification.

FRANCE, UNITED KINGDOM AND GERMANY

These countries, which are responsible for the bulk of tourist arrivals from Western Europe, engage primarily in culture and nature tourism. France accounts for 5.1% of international arrivals by air, the United Kingdom 4.1% and Germany 3.9%. Their interest in experiencing Myanmar after the opening of its borders, together with strong purchasing power, makes them attractive targets for continued market penetration. Moreover, travellers from these nations are interested in new experiences. With regards to product diversification, therefore, France is a good candidate for eco and adventure tourism, while the United Kingdom and Germany could be targets for eco, adventure, and leisure and wellness tourism. Emerging business opportunities place Myanmar in a position to diversify into MICE tourism for Germany and the United Kingdom as well. Capitalizing on these penetration and diversification opportunities will require increased promotion, the enhancement of service quality, new product offers and the introduction of new tour packages.

SINGAPORE

Tourists from Singapore account for 4.4% of international arrivals. Due to business ties and the availability of direct flights, it is a current market for MICE tourism. There is, however, an opportunity to diversify into culture, nature, and leisure and wellness tourism. Both further penetration of the MICE market and diversification could be achieved via increased promotion, greater quality of services, new product offerings and the introduction of tour packages.

CHINESE TAIPEI

Taiwanese visitors, who account for 3.7% of international arrivals, engage largely in MICE and VFR tourism, which is facilitated by the existence of business ties within Myanmar. Product diversification opportunities are present in the culture space, as Taiwanese visitors are interested in Myanmar despite lacking specific knowledge on its offerings. Moreover, emerging business opportunities prove that there is room to diversify MICE offerings through new products and services. Such developments could hinge on increased promotion, the reduction of language barriers and country and language-specific product offerings.

INDIA

Similarly, the 2.8% of tourists who originate in India are involved in MICE and VFR tourism. This is due not only to business ties with Myanmar and the existence of direct flights and a shared border, but also to the similarities found between the two countries. As with Taiwan, opportunities exist to diversify products in the culture and MICE spaces. In order to capitalize on this market, Myanmar could increase its promotional activities, offer new products and introduce tour packages.

AUSTRALIA & NEW ZEALAND

Australia and New Zealand account for 3.5% of international arrivals by air. Both a high level of interest in experiencing Myanmar after the opening of its borders and strong purchasing power make Australia and New Zealand an attractive market for further penetration of culture and nature tourism. Significant opportunities also exist to diversify product offerings through adventure, nature, eco and MICE tourism. This will require increased promotion, an improvement in service quality and the introduction of new product offerings and tours.

NEW MARKETS (MARKET DEVELOPMENT & FULL DIVERSIFICATION)

The following countries are those that are either wholly untapped or currently contribute insignificantly to tourist arrivals. Such countries are promising targets for the introduction of products that are currently being offered to other target markets – such as culture, nature and MICE tourism – through market development. Additionally, opportunities exist to introduce emerging products to these countries through full diversification. These products include adventure, eco, leisure and wellness, and cruise tourism.

The markets with the strongest potential as future sources of demand for Myanmar's tourism products tend to meet at least some of the following criteria:

1. They are interested in experiencing Myanmar after the opening of its borders;
2. They have strong purchasing power, especially in the middle class;
3. Their economies, middle class and purchasing power are growing;
4. They are familiar with similar destinations; and
5. They have direct flights to Myanmar.

By analysing countries in light of these criteria, stakeholders have identified opportunities in each country for the introduction of both currently offered and emerging products. The following section illustrates the characteristics that make each of these countries an attractive target for both market development and full diversification, while at the same time outlining the necessary steps that must be taken in order to capitalize on these opportunities.

THE RUSSIAN FEDERATION

Russian tourists currently account for 0.6% of international arrivals by air. Its purchasing power, growth as a market and familiarity with regional neighbours such as Thailand make it an ideal candidate as a new market for existing culture and nature tourism products as well as new MICE, adventure and ecotourism offerings. Entering this market would require promotion, an increase in the quality of services, the reduction of language barriers and the introduction of new products and tour packages.

HONG KONG (CHINA)

Tourists originating from Hong Kong (China) account for 0.8% of arrivals to Myanmar. As a market, Hong Kong (China) benefits from direct flights and relatively high purchasing power. As a result, It is thus an attractive target for the introduction of MICE, culture, and leisure and wellness tourism. Efforts to develop and diversify into this market should leverage increased promotion, the reduction of language barriers and the introduction of language and country-specific new product offerings and tour packages.

WESTERN AND EASTERN EUROPE

Lastly, a number of prominent Western and Eastern European countries are currently underserved by Myanmar's tourism sector. These include Spain (1.1% of arrivals), Italy (1.8%), Switzerland (1.4%), Austria (0.6%), the Netherlands (n.a.), Belgium (0.8%), Poland (n.a.), Romania (n.a.) and Hungary (n.a.). While they are attractive markets for the introduction of existing culture and nature tourism, they are also interesting candidates for the introduction of new products such as eco, adventure, cruise and MICE tourism. As markets, these countries enjoy strong purchasing power and a high level of interest in experiencing Myanmar after the opening of its borders. Successfully tapping them will require increased promotion and an improvement in the quality, availability and diversity of services.

STRUCTURAL IMPROVEMENTS TO THE VALUE CHAIN

Box 8: Overview of structural improvements to the tourism sector value chain

- Implement an e-visa system.
- Establish e-commerce capabilities.
- Facilitate electronic payment and foreign exchange mechanisms.
- Introduce new tourism products.
- Increase synergies with other sectors and subsectors.
- Improve the dissemination of tourist information domestically and abroad.
- Introduce comprehensive promotional activities.
- Leverage synergies with the UNESCO Safeguarding Natural Heritage in Myanmar within the World Heritage Framework project.

IMPLEMENT AN E-VISA SYSTEM.

Reducing procedural hurdles and facilitating an efficient yet secure visa system is essential for processing arrivals without imposing unnecessary burdens on prospective tourists. The government should ensure that potential tourists are met with the fewest possible roadblocks when applying for a visa. The introduction of an e-visa system will require an enhancement of ICT capacities as well as the authorization of international credit card payments. Once effective, the system would greatly enhance the efficiency of visa procedures, which must currently be completed in person at embassies. The reduced reliance on both paperwork and understaffed embassies would also decrease the likelihood of errors and enhance security.

ESTABLISH E-COMMERCE CAPABILITIES.

The absence of credit card payment mechanisms, together with underdeveloped ICT capacities, has left Myanmar unable to leverage e-commerce tools. As a result, there are no national booking platforms in place. Sectors in the tourism industry must therefore rely upon foreign partners or outdated methods when booking visitors. The establishment of a national booking platform would be a more efficient solution. By removing foreign middle men the sector would benefit from both reduced costs and increased flexibility. Moreover, such e-commerce capacities could be leveraged for enhanced promotional activities.

FACILITATE ELECTRONIC PAYMENT AND FOREIGN EXCHANGE MECHANISMS.

Both the satisfaction of tourists and the growth of sector revenues will be enhanced by improved payment options. The inability of tourists to pay by credit card, together with the sparse diffusion of ATMs, severely limits the potential spending of each visitor. The ability to pay by credit card and withdraw cash reliably would allow tourists the financial flexibility to which they have become accustomed, thereby increasing satisfaction. It would also increase their ability to spend money on potential purchases that may have otherwise been disregarded, resulting in greater sector revenues.

These reforms will have a secondary effect on visitor safety. With less cash on their person, tourists will be less attractive as criminal targets. Being able to access more money will also increase tourists' ability to confront any unforeseen losses and address unexpected emergencies.

INTRODUCE NEW TOURISM PRODUCTS.

Building upon the success of nature, culture and MICE tourism, Myanmar has the opportunity to leverage its heritage assets and introduce new products that cater to a wider demographic of travellers. These products include adventure, experiential, cruise, yachting, eco, and leisure and wellness tourism. Although these products are at best relatively underdeveloped in Myanmar, early experience has been met positively by visitors.

Myanmar will benefit in a number of ways from these new product offerings. First and foremost, the sector will be able to increase growth by attracting new visitors who are interested in a greater variety of experiences. Moreover, the diversification of the sector, with regards to both products and target markets, will increase stability and reduce the risk that is currently associated with such a heavy reliance on culture tourism. Lastly, new products will expand the benefits of the sector to new market participants across different regions and sectors. This diversification will ultimately allow a greater portion of the population to benefit from sector growth.

INCREASE SYNERGIES WITH OTHER SECTORS AND SUBSECTORS.

The tourism sector is comprised of numerous service providers and producers offering a wide array of goods and experiences to visitors. As a varied sector, it is important for the horizontal and vertical linkages across offerings to be strengthened in order to increase synergies and scale. In this way the combination of subsectors will have a stronger potential to provide tourists with a coherent experience as they explore Myanmar's tourism offerings.

By encouraging backward linkages with local artisans, tourism supports market opportunities for handicrafts and souvenirs, weaving and textiles, fine arts and design. Not only does this provide an outlet for remote and traditional communities, helping them to integrate into the value chain and benefit from sector growth, but such artistic expressions can be leveraged to offer visitors a glimpse of Myanmar's historic traditions and culture.

Focus should also be placed on strengthening the entertainment subsector. Although Myanmar has been able to leverage its main heritage assets as attractions, it has struggled to offer other types of recreation. The absence of entertainment and nightlife, for example, diminishes Myanmar's attractiveness as a destination.

Specific efforts should be made to integrate fisheries and crustaceans sector enterprises into the value chain. Linkages should be strengthened to ensure that domestic fish and crustaceans products are well-integrated into the tourism value chain. As such, restaurants and hotels should be encouraged to source their fish from local domestic enterprises where possible. Other linkages could be developed with artisanal fishers through the promotion of tourist fishing outings and agro-tourism. In addition to strengthened integration, opportunities exist for cross-branding. Since a majority of tourists to Myanmar are interested in experiencing its culture, and as fish-based cuisine is such an integral part of that culture, this cuisine and its ingredients could be promoted in the context of cultural tourism.

Lastly, tourism creates a strong demand among both tourists and sector enterprises for various support services, including telecommunications and banking services. These industries must coordinate with the sector in order to develop the infrastructure and products that will be required to sustain a competitive tourism sector.

IMPROVE THE DISSEMINATION OF TOURIST INFORMATION DOMESTICALLY AND ABROAD.

In order to capitalize on its growth potential, the tourism sector must improve data dissemination across a variety of fronts. Foremost among them is the provision of tourist information within a visitor's country of origin. The lack of tourist offices in source markets makes it difficult for prospective tourists to gather all of the information necessary to make the most of their time in Myanmar. Additionally, a dearth of market-specific and language-specific promotional materials leaves incoming visitors ill-informed with regards to possible activities and excursions. Coordination and promotion within neighbouring countries would also allow Myanmar to attract tourists seeking to undertake a circuit of South-East Asian nations.

In addition, the tourist information that visitors find once they arrive in Myanmar leaves much to be desired. Information kiosks are not available at all points of arrival and the services of those that do exist are inadequate. As with the lack of information in source markets, this creates challenges and obstacles for tourists who are ill-equipped to take advantage of Myanmar's diverse attractions. The result is missed revenue opportunities for the sector and a lower than optimal satisfaction on the part of the tourist.

INTRODUCE COMPREHENSIVE PROMOTIONAL ACTIVITIES.

The tourism sector's enterprises would greatly benefit from enhanced promotional activities. Accordingly, it is of utmost importance that Myanmar establish a national brand that can be used by various stakeholders. Sector participants should leverage both traditional and electronic tools, including social networks and industry websites. Moreover, efforts should be made to increase the presence of positive foreign media coverage by hosting international events such as conferences and exhibitions. A coherent promotion strategy under the national brand would allow Myanmar to counteract the negative image that it has suffered in the press and introduce itself as a versatile tourist destination.

LEVERAGE SYNERGIES WITH THE UNESCO SAFEGUARDING NATURAL HERITAGE IN MYANMAR WITHIN THE WORLD HERITAGE FRAMEWORK PROJECT.

The UNESCO project seeks to enhance Myanmar's ability to preserve and protect its natural heritage sites, among which are many tourist attractions. Myanmar must work together with this project in order to ensure that adequate policies and mechanisms are in place for monitoring and protecting these sites. The tourism sector can also leverage the UNESCO project for branding purposes through efforts that seek to enhance international awareness of, and interest in, Myanmar's heritage sites.

HOW TO GET THERE

The vision of the strategy "Charming Myanmar" responds to the constraints, but equally to the ambitions, identified in the sector strategy. The following section explains the framework that will guide the implementation of the strategy. A detailed action plan setting out what needs to be done, and by whom, is presented at the end of this section.

STRATEGIC OBJECTIVES

The following three strategic objectives have been identified in order to achieve the overall vision for the sector.

The first strategic objective aims to strengthen the capacity of the tourism sector to understand source markets and adapt and promote its product offerings accordingly.

This will be achieved by:

- Building the capacity of the tourism industry to collect, analyse and disseminate data and information on market demand and trends;
- Developing target market marketing strategies to diversify markets and products;
- Strengthening and diversifying tourism product offerings at the local level;
- Promoting emerging tourism product segments;
- Strengthening promotion and branding of the tourism sector;
- Strengthening backward linkages with other industries; and
- Diversifying entertainment and nightlife offerings.

The second strategic objective seeks to improve the level and quality of service for visitors.

- This will be achieved by:
- Strengthening tourism management education and training in order to build the capacity to increase service quality;
- Developing qualifications and capacities of human resources;
- Increasing the quality and level of service;
- Making it easier to obtain a visa;
- Making it easier to exchange currencies and expanding the use of electronic payment modes;
- Improving the provision of tourist information; and
- Improving tourist safety.

The third strategic objective aims to make it easier for the tourism sector to operate.

This will be achieved by:

- Improving the legal and regulatory framework for tourism;
- Raising public authorities' awareness of the economic importance of tourism;
- Increasing the accessibility of tourist sites and destinations; and
- Increasing the accessibility of Myanmar by air.

These strategic objectives are structured around a specific set of priorities that are intended to address the wide range of issues confronting the tourism sector. Addressing these independent, yet mutually supporting, priorities will help to resolve specific areas of weakness affecting the sector. The coordinated resolution of such weaknesses will also serve as the foundation for increased interactions and synergies between functional areas. This, in turn, will lead to the realization of the strategic objectives and, ultimately, the sector vision.

Each of the strategic objectives relies upon a set of operational objectives. The operational objectives are intermediate achievements that must be reached in order for the strategic objectives to be met. At the most basic level the operational objectives are realized through the implementation of various concrete activities, each of which serves to support a specific priority area within the competency of the relevant operational objective. Ideally, each activity will be translated into a project of its own. To this end, the column on existing programmes and potential support in the PoA is provided, so that donors may select activities that are in line with their own

competencies, thereby facilitating the conversion of activities into real-life initiatives.

IMPORTANCE OF COORDINATED IMPLEMENTATION

The broad range of activities, together with the complex nature of integrated intervention, requires careful implementation that efficiently directs resources and monitors results at both the micro and macro levels. To this end, a Myanmar Trade Development Committee (MTDC) was established in order to facilitate the public–private partnership in elaborating, coordinating and implementing the NES. In particular, the MTDC is tasked with coordinating the implementation of activities in order to optimize the allocation of both resources and efforts across the wide spectrum of stakeholders. Within this framework, implementation of the tourism strategy also falls within the purview of the MTDC, in close collaboration with the sector organization.

Such efforts will involve directing donor and private and public sector organizations towards the various NES priorities in order to avoid duplication and guarantee maximum impact. Responsibilities will also include monitoring the results of activities and outputs, while at the same time recommending policies that could serve to enhance realization of the strategic objectives. With a 360 degree view of progress the Committee will be best placed to manage funding and provide regular reports to donors and stakeholders. Moreover, the MTDC will play a key role in recommending revisions and updates to the strategy so that it continues to evolve in alignment with .Myanmar's evolving needs.

IMPLEMENTATION PARTNERS – LEADING AND SUPPORTING INSTITUTIONS

MOHT will take the leading role in implementing this sector strategy. As the government's designated agency tasked with guiding the development of the sector and coordinating activities among other ministries and associations. As per its mandate, the Ministry is responsible for implementing the systematic development of the tourism industry; encouraging investment in the sector; developing opportunities for entrepreneurial participation; promoting Myanmar as a tourist destination; establishing hotel and tourism zones; coordinating with other government departments and organizations; upgrading quality, standards and technical skills; cooperating with other countries; and leveraging the tourism sector for socioeconomic development. Although its activities include policymaking, planning, project management and regulation, it also engages in business-related activities such as tour operation, accommodation services and beverage production. The Ministry's deep involvement across the sector makes it uniquely qualified to direct and monitor the efforts undertaken in line with this sector strategy.

In addition to MOHT over 25 government ministries, as well as numerous private sector organizations, play at least some role in regulating and/or facilitating sector activities. As outlined in the PoA and TSI sections, these supporting institutions may perform advisory functions, while others will take leading roles in implementing specific parts of the strategy that fall within their area of competency. Each institution mandated to support the export development of the tourism sector is clearly identified in the PoA.

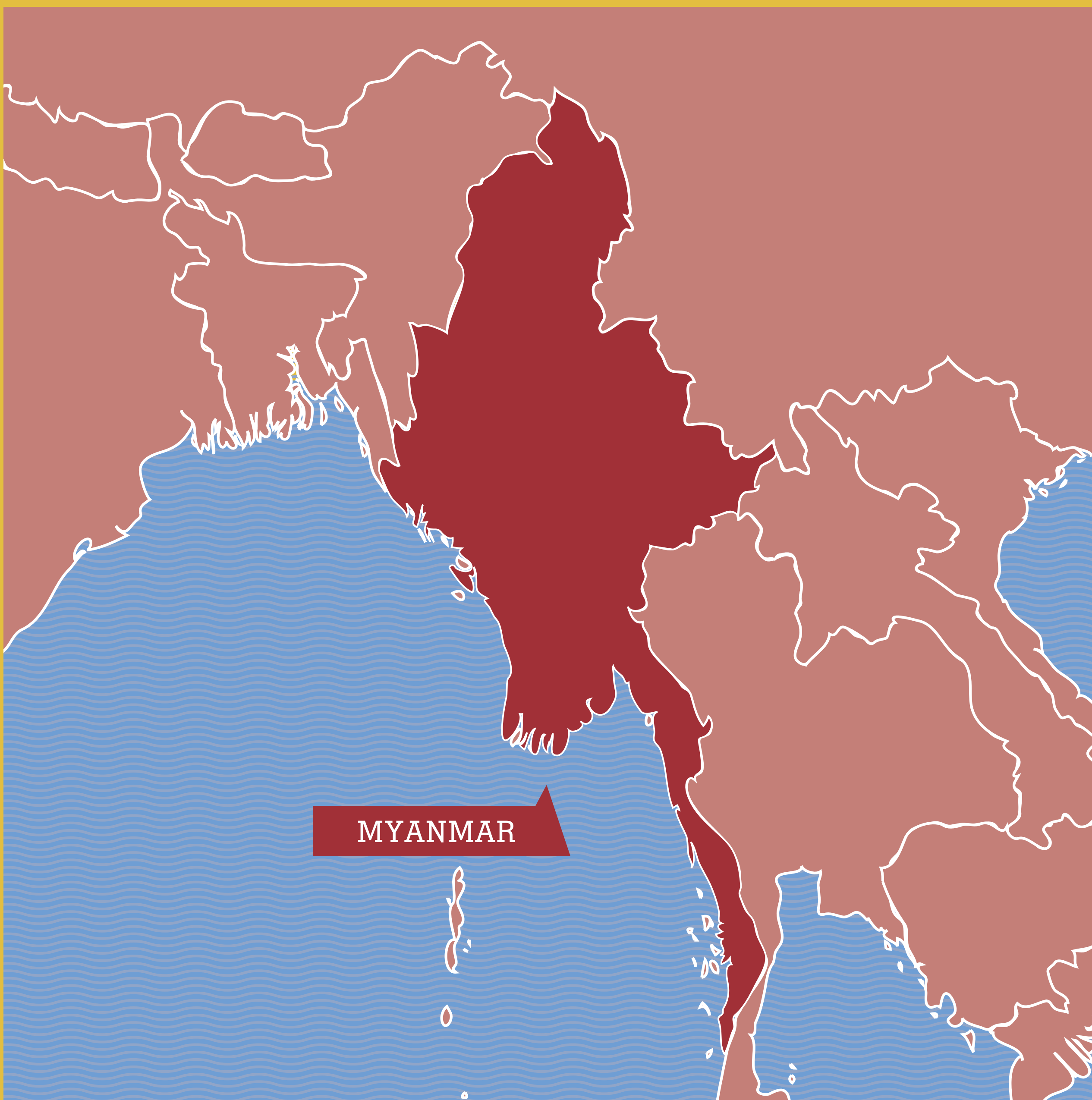
THE **REPUBLIC OF THE UNION OF MYANMAR**
NATIONAL EXPORT STRATEGY

TOURISM

SECTOR STRATEGY 2015-2019

PLAN OF ACTION

The following action plan details all the activities to be undertaken over the next five years to achieve the vision of the strategy. The action plan is organized around strategic and operational objectives that respond to the constraints and opportunities identified in the strategy. The action plan provides a clear and detailed framework for the effective implementation of the Tourism strategy.



Strategic objective 1: Strengthen the capacity of the tourism sector to understand source markets and adapt and promote its product offer accordingly.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
1.1 Build the capacity of the tourism industry to collect, analyse and disseminate data and information on market demand and trends.	1.1.1 Build the capacity of Myanmar immigration services in data collection about traveller arrivals and profiles for commercial purposes, to be used by the tourism authorities and the tourism industry for statistical, market research and promotional purposes. Capacity-building will include the following components: 1. Determine scope and data requirements for systematic traveller surveys; 2. Determine and implement the software and hardware needed to carry out the surveys and store and retrieve data for commercial purposes; and 3. Train immigration offices responsible for data collection on traveller arrivals and profiles for tourism purposes.	1	Immigration services, tourism professionals	Systematic surveys deployed Software and hardware requirements satisfied Immigration services trained	Ministry of Hotels and Tourism	Ministry of Immigration and Population, Central Bank, Ministry of Transport, Ministry of Rail Transport, Ministry of Culture, General Administration Department, Myanmar Police Force, (Ministry of Home Affairs)	United Nations World Tourism Organization Satellite Account Project	500'000
	1.1.2 Design a client satisfaction survey to be carried out on a systematic basis by hotels, tourism information counters, travel agents or tour operators, to collect information on their profiles, satisfaction and travel preferences. Assist tourism sector associations at national and regional (state) levels with questionnaire dissemination and collection as well as data treatment.	2	Tourism professionals	Survey deployed at most tourist destination by at least 50% of tourism professionals; Results used for statistical and marketing purposes after one year	Ministry of Hotels and Tourism	Myanmar Tourism Federation, Ministry of Immigration and Population	International Trade Centre Netherlands Trust Fund Phase III project at regional or state level	300'000
	1.1.3 Identify an entity (Tourism Marketing Board?) to produce and manage tourism information and train staff on how to analyse existing information about global and source market demand and trends, how to generate new information (e.g. through surveys), and how to disseminate the results to stakeholders in the tourism sector.	2	Tourism professionals	Entity identified, trained and operational, improved intelligence and marketing capacity of tourism industry in two years	Myanmar Tourism Federation	Ministry of Hotels and Tourism, Ministry of Immigration and Population, Myanmar Marketing Committee		300'000
	1.1.4 Initiate an information newsletter to be published by sector associations (or Tourism Marketing Board?) on global and source market trends and demand for tourism sector professionals in the public and private sector.	3	Tourism professionals	Newsletter disseminated on a regular basis improved intelligence and marketing capacity of tourism industry in two years	Myanmar Tourism Federation	Ministry of Hotels and Tourism, Ministry of Immigration and Population, Myanmar Marketing Committee		50'000
	1.1.5 Organize a bi-annual tourism information dissemination and exchange platform for the Myanmar tourism sector to coordinate activities related to collecting and analysing data and trends in tourism in Myanmar for the benefit of the tourism and hospitality industry and professionals.	3	Tourism professionals	Platform operational; improved intelligence and marketing capacity of tourism industry in two years	Myanmar Tourism Federation	State and regional governments		100'000

Strategic objective 1: Strengthen the capacity of the tourism sector to understand source markets and adapt and promote its product offer accordingly.								
Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
1.2 Develop target market marketing strategies to diversify markets and products.	1.2.1 Design detailed target market marketing strategies based on **existing tourism product offers** and specific intervention angles, such as enhancing promotion, improving quality of service and developing new packages, as described in this strategy for **existing markets** (Thailand, Japan, China, United States / Canada, Republic of Korea, Singapore, Taiwan, France, Germany, United Kingdom, India, Australia and New Zealand).	1	Tourism professionals; tourists	Market strategies for existing markets developed in one year	Myanmar Tourism Federation	State and regional governments		250'000
	1.2.2 Design detailed target market marketing strategies based on **new or emerging product offers** and specific intervention angles, such as enhancing promotion, improving quality of service and developing new packages, as described in this strategy for existing markets (Thailand, Japan, China, United States / Canada, Republic of Korea, Singapore, Taiwan, France, Germany, United Kingdom, India, Australia and New Zealand).	1	Tourism professionals; tourists	Market strategies for existing markets developed in one year; Market strategies applied by at least 25% of tourism professionals in two years	Myanmar Marketing Committee	Ministry of Hotels and Tourism, Myanmar Tourism Federation	International Trade Centre Netherlands Trust Fund Phase III project at state level (Kayah)	250'000
	1.2.3 Design detailed target market marketing strategies based on **existing tourism product offers** and specific intervention angles, such as enhancing promotion, improving quality of service and developing new packages, as described in this strategy for **new target markets** (the Russian Federation, Hong Kong (China), Poland, Romania, Hungary, Spain, Italy, Switzerland, Austria and the Netherlands).	1	Tourism professionals; tourists	Market strategies for existing markets developed in one year; Market strategies applied by at least 25% of tourism professionals in two years	Myanmar Marketing Committee	Ministry of Hotels and Tourism, Myanmar Tourism Federation	International Trade Centre Netherlands Trust Fund Phase III project at state level (Kayah)	250'000
	1.2.4 Design detailed target market marketing strategies based on **new or emerging product offers** and specific intervention angles, such as enhancing promotion, improving quality of service and developing new packages, as described in this strategy **new target markets** (the Russian Federation, Hong Kong (China), Poland, Romania, Hungary, Spain, Italy, Switzerland, Austria, and the Netherlands).	1	Tourism professionals; tourists	Market strategies for existing markets developed in one year; Market strategies applied by at least 25% of tourism professionals in two years	Myanmar Marketing Committee	Ministry of Hotels and Tourism, Myanmar Tourism Federation	International Trade Centre Netherlands Trust Fund Phase III project at state level (Kayah)	250'000
1.3 Strengthen and diversify tourism product offerings at the local level.	1.3.1 Based on demand surveys, identify and develop an offer of local tourism products with market potential (e.g. cultural tourism tours to communities, tours to heritage sites, adventure tours, dance & music performances, wellness, etc.) jointly with the private sector (tour operators, hotels) and local communities.	2	Tourism professionals; tourists; local communities	New offer of local tourism products developed in at least 25% of main tourist destinations in one year	Myanmar Tourism Federation, State governments	State governments, Union of Myanmar Travel Association, regional hotel associations	International Trade Centre Netherlands Trust Fund Phase III project in Kayah State	300'000

Strategic objective 1: Strengthen the capacity of the tourism sector to understand source markets and adapt and promote its product offer accordingly.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
1.3 Strengthen and diversify tourism product offerings at the local level.	1.3.2 Facilitate stakeholder working sessions to develop the product offer and decide on revenue distribution and responsibilities in managing and marketing local tourism products.	1	Tourism professionals; tourists; local communities	New offer of local tourism products developed in at least 25% of main tourist destinations in one year	Myanmar Tourism Federation, State governments	State governments, Union of Myanmar Travel Association, regional hotel associations	International Trade Centre Netherlands Trust Fund Phase III project in Kayah State	100'000
	1.3.3 Assist with the running of tours, including developing marketing instruments; training tour operators, local staff and service providers; signage; and evaluations and client satisfaction surveys.	3	Tourism professionals; tourists; local communities	Pilot assistance projects deployed in 25% of main tourist destinations; Improved capacity of tourism professionals and local communities	Myanmar Tourism Federation, State governments	State governments, Union of Myanmar Travel Association, regional hotel associations	International Trade Centre Netherlands Trust Fund III project in Kayah State	300'000
	1.3.4 Organize festivals related to major traditional crops production, such as rice, along the lines of the successful Lao Rice Festivals, or traditional leisure activities such as water cruising or ballooning, to attract tourists from strategic target markets.	3	Tourism professionals; tourists; local communities	At least one new festival organised in 25% of main tourist destinations organised in two years	Myanmar Tourism Federation, State governments	State governments, Union of Myanmar Travel Association, regional hotel associations		500'000
1.4 Promote emerging tourism product segments.	1.4.1 Develop and promote a product offer for the **'ecotourism'** product segment, including: 1. Identifying target destinations; 2. Developing product packages; 3. Associated marketing and communication strategies and material; 4. Providing training for relevant tourism professionals and staff.	2	Tourism professionals; tourists; local communities	product offer for the 'ecotourism' developed and disseminated to relevant tourist destinations	Union of Myanmar Travel Association	Myanmar Tourism Federation & member associations, Ministry of Hotels and Tourism, Ministry of Environmental Conservation & Forestry, State and regional governments		250'000
	1.4.2 Develop and promote a product offer for the **'adventure and experiential tourism'** product segment, including: 1. Identifying target destinations; 2. Developing product packages; 3. Associated marketing and communication strategies and material; 4. Providing training for relevant tourism professionals and staff.	2	Tourism professionals; tourists; local communities	product offer for the adventure and experiential tourism' developed and disseminated to relevant tourist destinations	Union of Myanmar Travel Association	Myanmar Tourism Federation & member associations, Ministry of Hotels and Tourism, Ministry of Education, State and regional governments		250'000
	1.4.3 Develop and promote a product offer for the **'cruise and yachting tourism'** product segment, including: 1. Identifying target destinations: 2. Developing product packages; 3. Associated marketing and communication strategies and material; 4. Providing training for relevant tourism professionals and staff.	2	Tourism professionals; tourists; local communities	product offer for the 'cruise and yachting tourism' developed and disseminated to relevant tourist destinations	Union of Myanmar Travel Association	Myanmar Tourism Federation & member associations, Ministry of Hotels and Tourism, Ministry of Transport, State and regional governments		250'000

Strategic objective 1: Strengthen the capacity of the tourism sector to understand source markets and adapt and promote its product offer accordingly.								
Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
1.4 Promote emerging tourism product segments.	1.4.4 Develop and promote a product offer for the **'leisure and wellness'** product segment, including: 1. Identifying target destinations; 2. Developing product packages; 3. Associated marketing and communication strategies and material; 4. Providing training for relevant tourism professionals and staff.	2	Tourism professionals; tourists; local communities	product offer for the 'leisure and wellness' developed and disseminated to relevant tourist destinations	Union of Myanmar Travel Association	Myanmar Tourism Federation & member associations, Ministry of Hotels and Tourism, State and regional governments, Ministry of Health, Ministry of Sports, State and regional municipal governments		250'000
1.5 Strengthen promotion and branding of the tourism sector.	1.5.1 Assist with the development of a branding strategy for the tourism sector based around the vision statement 'Charming Myanmar', in synergy and complementarity with the Tourism Master Plan, which would be rolled out across existing and new tourism product segments as well as existing and new target markets. Branding strategy for the tourism sector would include: 1. Developing a common tourism industry logo; 2. Developing messages, marketing material and communication channels; and 3. Training of tourism professionals about implementation of the branding strategy and benefits for the Myanmar tourism sector.	1	Tourism professionals	Branding strategy developed and deployed	Union of Myanmar Travel Association	Myanmar Post & Telecommunication, Ministry of Hotels and Tourism, Myanmar Tourism Federation, Ministry of Home Affairs, Myanmar Restaurant Association	'Let the journey begin' campaign	300'000
	1.5.2 Linked to the branding strategy, establish a Myanmar Tourism Promotion Portal based around the tourism strategy vision 'Charming Myanmar' to link all local information and promotion websites (ministries, associations, federations, travel agencies, tour operators, hotels and attractions) and to be referenced on international portals, websites and search engines (with Google ranking, etc.) and use modern ICT tools to optimize web visibility. The establishment of the portal would include identifying the right entity to house and manage the portal, as well as capacity-building measures and training for staff to manage content, maintain the portal and coordinate actions with Myanmar tourism stakeholders.	1	Tourism professionals; tourists	Promotion Portal established	Union of Myanmar Travel Association	Myanmar Post & Telecommunication, Ministry of Hotels and Tourism, Myanmar Tourism Federation, Ministry of Home Affairs, Myanmar Restaurant Association	'Let the journey begin' campaign	300'000
	1.5.3 Establish a joint tourism promotion fund, into which proceeds from tourist fees and charges will be fed, to be used for tourism sector promotion purposes. The project would include: 1. A scoping and feasibility study; 2. Piloting the fund; and 3. Establishing similar funds at the state or local level.	2	Tourism professionals	Joint tourism promotion fund established; improved promotion capacity	Myanmar Tourism Federation	Ministry of Hotels and Tourism, Ministry of Culture, State and regional governments		2'000'000
	1.5.4 Establish a joint tourism industry annual award to distinguish tourism projects which are outstanding in terms of quality, innovation or otherwise. The project would include: 1. Identifying project stakeholders and implementation partners; 2. Determining eligibility; 3. Piloting the awards ceremony; and 4. Organizing a related award promotion campaign in the Myanmar media.		Tourism professionals	Joint tourism industry annual award established and operational; improved innovation capacity	Union of Myanmar Travel Association	Ministry of Hotels and Tourism, Ministry of Culture, State and regional governments		200'000

Strategic objective 1: Strengthen the capacity of the tourism sector to understand source markets and adapt and promote its product offer accordingly.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
1.6 Strengthen backward linkages with other industries.	1.6.1 Strengthen linkages between the tourism and **agricultural and food & beverage sectors** to better promote and incentivize sourcing from domestic suppliers through the following measures: 1. Enhance supply (production capacity and quality, sourcing, packaging, and labelling); 2. Establish sustainable linkages between producers and the tourism industry by building on existing structures; and 3. Assist producers with best practices in contracting (model contracts), costing & pricing to receive fair prices for their products.	2	Tourism professionals; tourists; local communities	At least one pilot project started in year one	Myanmar Timber Merchants Association	Ministry of Environmental Conservation & Forestry, Ministry of Home Affairs, Myanmar Restaurant Association, State and regional governments		1'000'0000
	1.6.2 Strengthen linkages between the tourism and **handicrafts and souvenirs sectors** to better promote and incentivize sourcing from domestic suppliers through the following measures: 1. Enhance supply (production capacity and quality, sourcing, packaging, and labelling); 2. Establish sustainable linkages between producers and the tourism industry by building on existing structures; 3. Assist producers with best practices in contracting (model contracts), costing & pricing to receive fair prices for their products; and 4. Support the establishment and organization of regional handicrafts associations.	2	Tourism professionals; tourists; local communities	At least one pilot project started in year one	Myanmar Souvenir Shops Association	State and regional governments, Myanmar Tourism Federation, International Trade Centre Netherlands Trust Fund Phase III (in Kayah State)		1'000'0000
	1.6.3 Strengthen linkages between the tourism and linen, **weaving and textiles** sectors to better promote and incentivize sourcing from domestic suppliers through the following measures: 1. Enhance supply (production capacity and quality, sourcing, packaging, and labelling); 2. Establish sustainable linkages between producers and the tourism industry by building on existing structures; and 3. Assist producers with best practices in contracting (model contracts), costing & pricing to receive fair prices for their products.	2	Tourism professionals; tourists; local communities	At least one pilot project started in year one	Myanmar Restaurant Association	Myanmar Tourism Federation, State and regional governments, International Trade Centre Netherlands Trust Fund Phase III (in Kayah State)		1'000'0000
	1.6.4 Strengthen linkages between the tourism and **art and design** sectors to better promote and incentivize sourcing from domestic suppliers through the following measures: 1. Enhance supply (production capacity and quality, sourcing, packaging, and labelling); 2. Establish sustainable linkages between producers and the tourism industry by building on existing structures; and 3. Assist producers with best practices in contracting (model contracts), costing & pricing to receive fair prices for their products.	2	Tourism professionals; tourists; local communities	At least one pilot project started in year one	Myanmar Traditional Artists and Artisans Organization	Myanmar Tourism Federation, Ministry of Culture		1'000'0000
	1.6.5 Strengthen linkages between the tourism and **entertainment** sectors to better promote and incentivize sourcing from domestic suppliers through the following measures: 1. Enhance supply (production capacity and quality, sourcing); 2. Establish sustainable linkages between producers and the tourism industry by building on existing structures; and 3. Assist producers with best practices in contracting (model contracts), costing & pricing to receive fair prices for their products.	2	Tourism professionals; tourists; local communities	At least one pilot project started in year one	Myanmar Tourism Federation	Myanmar Tourism Federation, Ministry of Culture		1'000'0000

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
Strategic objective 1: Strengthen the capacity of the tourism sector to understand source markets and adapt and promote its product offer accordingly.								
	1.6.6 Strengthen linkages between the tourism and **furniture** sectors to better promote and incentivize sourcing from domestic suppliers through the following measures: 1. Enhance supply (production capacity and quality, sourcing, packaging, and labelling); 2. Establish sustainable linkages between producers and the tourism industry by building on existing structures; and 3. Assist producers with best practices in contracting (model contracts), costing & pricing to receive fair prices for their products.	2	Tourism professionals; tourists; local communities	At least one pilot project started in year one	Myanmar Tourism Federation	Myanmar Timber Merchants Association		1'000'0000
1.7 Diversify entertainment and nightlife offerings.	1.7.1 Develop a programme to promote cultural dance, theatre and music through festivals, fairs and events, and to promote the cultural and ethnic diversity and endowments of Myanmar.	2	Tourism professionals; tourists; local communities	A programme developed in at least 25% of major tourists destinations	Ministry of Culture	Myanmar Tourism Federation		500'000
	1.7.2 Establish a weekly magazine to advertise cultural events, entertainment, dining and outings, with both electronic (web-based) and paper formats in English language for tourists and locals (along the lines of 'Time Out') in major destinations (Yangon, Mandalay, Bagan).	1	Tourism professionals; tourists; local communities	Magazine successfully launched in at least one major destination	Myanmar Tourism Federation	Ministry of Hotels and Tourism, Ministry of Information, Ministry of Culture		500'000
	1.7.3 Create a night bazaar targeted at tourists for the purchase of handicrafts, souvenirs and art, and to taste traditional food, etc. in major tourist destinations (Yangon, Bagan, Mandalay).	1	Tourism professionals; tourists; local communities	Night bazaar created	State and regional governments (Yangon, Bagan, Mandalay)	Myanmar Tourism Federation, Union of Myanmar Travel Association, Myanmar Restaurant Association, Myanmar Souvenir Shops Association		500'000

Strategic objective 2: Improve the level and quality of service for visitors.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
2.1 Strengthen tourism management education and training to build the capacity to increase service quality.	2.1.1 Strengthen existing and develop new fully-fledged tourism management curricula in universities and higher education schools (basic, advanced and graduate), including a professional experience component (internships and on the job training) and exchange programmes with foreign tourism and hotel schools, recognized and certified by the Government of Myanmar.	1	Tourism professionals, tourism students	Tourism management curricula developed, recognised and certified by GoM	Ministry of Hotels and Tourism	Ministry of Education, Ministry of Labour, Employment and Social Security (National Skill Standard Authority), Myanmar Tourism Federation		500'000
	2.1.2 Strengthen vocational training programmes in technical schools and training centres, in partnership with the private sector, to provide internships and to facilitate access to the tourism job market and improve the skills of young graduates.	1	Tourism professionals, tourism students	Vocational training programmes developed, recognised and certified by GoM	Ministry of Labour, Employment and Social Security	Ministry of Hotels and Tourism, Myanmar Hospitality Professionals Association, Myanmar Tourism Federation		300'000
	2.1.3 Design language learning curricula in public and private schools (guide schools, tourism management, vocational schools) targeting English language and languages of strategic target markets (Chinese, Japanese, Korean, Thai, Russian, German, French) and enhance language skills in the tourism sector aligned with strategic target markets.	2	Tourism professionals, tourism students	Language learning curricula designed	Ministry of Education	University of Foreign Languages, Ministry of Hotels and Tourism, National Management College, Myanmar Tourism Federation		300'000
	2.1.4 Partner with Lux-Development to establish a public technical training school for tourism and hospitality with a basic and advanced (two year) professional programme, along the lines of the successful Lao National Institute of Tourism Hospitality (www.lanith.com).	1	Tourism professionals, tourism students	Partnership established, public technical training school for tourism and hospitality established	Ministry of Hotels and Tourism	Ministry of Education, Myanmar Tourism Federation, Ministry of Labour, Employment and Social Security (National Skill Standard Authority)		500'000
	2.1.5 Partner with foreign/western hotel schools to develop a foreign training and internship programme to place Myanmar graduate students for six months in established larger hotels to train staff and to develop hospitality training manuals and structures.	1	Tourism professionals, tourism students	Partnership established, foreign training and internship programme established	Ministry of Hotels and Tourism	Ministry of Education, Myanmar Tourism Federation, Ministry of Labour, Employment and Social Security (National Skill Standard Authority)	Swisscontact project with Lucerne Hotel School	500'000
	2.1.6 Partner with the International Labour Organization to: 1. Update hospitality training school curricula; and 2. Enhance training according to the actual needs of the sector, including on the job learning for bed & breakfast services.	1	Tourism professionals, tourism students	Partnership with ILO established and operational	Ministry of Hotels and Tourism	Ministry of Education, Myanmar Tourism Federation, Ministry of Labour, Employment and Social Security (National Skill Standard Authority)	International Labour Organization technical assistance programme	1'000'000
2.2 Develop qualifications and capacities of human resources.	2.2.1 Design and implement basic, intermediate and advanced level vocational and continuing training for existing professionals and technical staff in the tourism industry. The vocational training should be part of official technical training curricula at the national level and recognized by the government and the private sector.	2	Tourism professionals, tourism students	Vocational and continuing training designed and implemented	Myanmar Tourism Federation	Ministry of Hotels and Tourism		1'000'000

Strategic objective 2: Improve the level and quality of service for visitors.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
2.2 Develop qualifications and capacities of human resources.	2.2.2 Design and implement apprenticeships and on the job training to train youth and provide them with the skills needed to work in the tourism industry. The vocational training should be part of official technical training curricula at the national level and recognized by the government and the private sector.	2	Tourism professionals, tourism students	Apprenticeships and on the job training designed and implemented	Myanmar Tourism Federation	Ministry of Hotels and Tourism		500'000
	2.2.3 Design and implement a national tourism compulsory internship programme for university and college graduates, recognized by the government, to provide students and graduates with first hand, enterprise experience as part of official technical and vocational training. The internship programme should be part of official technical training curricula at the national level and recognized by the Government and the private sector.	2	Tourism professionals, tourism students	national tourism compulsory internship programme designed and implemented	Myanmar Tourism Federation	Ministry of Hotels and Tourism		300'000
2.3 Increase quality and level of service.	2.3.1 Establish an independent board of quality assessment to monitor service quality in the tourism industry, certify compliance with quality standards and issue the national tourism quality mark.	2	Tourism professionals, tourism students	Independent board of quality assessment established	Myanmar Tourism Federation	Ministry of Hotels and Tourism		500'000
	2.3.2 Establish a tourism sector-wide quality mark to foster quality improvement and assurance in the different branches of the tourism industry (e.g. catering, hospitality, site management, travel, etc.). The project would include: 1. Scoping and feasibility; 2. Determining certification body and procedures; and 3. Establishing and managing the mark.	2	Tourism professionals, tourists	Quality mark established; Quality improved	Myanmar Tourism Federation	Ministry of Hotels and Tourism		1'000'000
2.4 Make it easier to obtain a visa.	2.4.1 Re-establish the e-visa system.	1	Tourists and visitors	E-visa system re-established Increased number of visas issued	Ministry of Immigration and Population	Ministry of Hotels and Tourism, Ministry of Foreign Affairs, Central Bank, Ministry of Posts and Telecommunications		200'000
	2.4.2 Simplify and extend the visa on arrival procedure to include tourists with travel agent reservations (currently not allowed).	1	Tourists and visitors	Visa on arrival facilitated	Ministry of Immigration and Population	Ministry of Hotels and Tourism		300'000
	2.4.3 Simplify visa requirements and procedures in embassies to reduce waiting times and delays and accelerate issuance.	1	Tourists and visitors	Visa procedures simplified, waiting times reduced	Ministry of Foreign Affairs	Ministry of Hotels and Tourism, Ministry of Home Affairs, Ministry of Immigration and Population		200'000
	2.4.4 Waive the visa requirement for short-term stays (up to a month) for selected source countries and extend bilateral visa waiver agreements with neighbouring countries for touristic travel in the region.	1	Tourists and visitors	Visa requirement for short-term stays for ASEAN countries waived	Ministry of Foreign Affairs	Ministry of Immigration and Population, Ministry of Hotels and Tourism		50'000
	2.4.5 Establish a common single tourism visa requirement with the selected neighbouring countries to allow tourists to request one single tourism visa for all the participating countries.	1	Tourists and visitors	Single visa for ASEAN countries established	Ministry of Immigration and Population	Ministry of Hotels and Tourism, Ministry of Home Affairs, State and regional governments		500'000

Strategic objective 2: Improve the level and quality of service for visitors.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
2.5 Make it easier to exchange currencies and expand the use of electronic payment modes.	2.5.1 Establish a network of Card Acceptance Systems, ATMs and other electronic payment modes.	1	Tourists and visitors	Electronic payment modes gradually available at major tourist destinations in one year	Central Bank of Myanmar	Ministry of Posts and Telecommunications, Bank Association		2'000'000
	2.5.2 Simplify foreign exchange rules and regulations and extend foreign exchange counters, including around the clock ATMs in all tourist destinations.	1	Tourists and visitors, trade operators	Foreign exchange operations easily available in one year	Central Bank of Myanmar	Bank Association		200'000
	2.5.3 Establish secure payment gateway systems to facilitate e-commerce in the tourism industry.	2	Tourists and visitors, trade operators	Secure payment gateway systems established in major tourist destination in one year	Central Bank of Myanmar	Ministry of Posts and Telecommunications, Bank Association		1'000'000
	2.5.4 Extend working hours at foreign currency exchange counters (currently counters close at 5pm in the airport) in airports, train stations and bus terminals.	2	Tourists and visitors	Working hours at foreign currency exchange counters extended in one year	Central Bank of Myanmar	Bank Association		n/a
2.6 Improve the provision of tourist information.	2.6.1 Strengthen tourism information counters in the country by: 1. Extending the network of existing counters at major tourist destinations; 2. Expanding the tourist information offer, linking up to tourism services providers (hotels, attractions, national and local tourism associations, travel agents, tour operators and State governments); and 3. Training staff of tourism information counters.	1	Tourists and visitors, tourist information staff	25% of tourism information counters improved in one year	Ministry of Hotels and Tourism	Myanmar Tourism Federation, State and regional governments		1'000'000
	2.6.2 Build the capacity of staff at information counters and improve their service quality.	1	Tourists and visitors, tourist information staff	25% of tourism information counters improved in one year	Myanmar Tourism Federation	Ministry of Hotels and Tourism		500'000
	2.6.3 Provide informative instruments (brochures, guides, maps, computer, telephone, Internet access, etc.) at tourist information counters.	2	Tourists and visitors, tourist information staff	25% of tourism information counters improved in one year	Myanmar Tourism Federation	Ministry of Hotels and Tourism		500'000
	2.6.4 Establish a comprehensive web portal to consolidate nationwide tourist information, events, festivals and special activities.	1	Tourists and visitors	Web portal established in one year	Myanmar Tourism Federation	Ministry of Hotels and Tourism, Ministry of Posts and Telecommunications		1'000'000
	2.6.5 Establish an information corner in Myanmar embassies abroad and provide collateral.	2	Tourists and visitors	Information corner in 25% of Myanmar embassies established in year one	Myanmar Tourism Federation	Ministry of Hotels and Tourism, Ministry of Foreign Affairs		1'000'000

Strategic objective 2: Improve the level and quality of service for visitors.								
Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
2.6 Improve the provision of tourist information.	2.6.6 Establish representative offices in major source markets to disseminate information and collateral.	2	Tourists and visitors	Myanmar representative offices established in major source markets in three years	Myanmar Tourism Federation	Ministry of Hotels and Tourism, Ministry of Foreign Affairs		n/a
2.7 Improve tourist safety.	2.7.1 Improve safety levels in major destinations, attractions, hotels, public areas, etc.	1	Tourists and visitors	Improved safety statistics, Improved tourist satisfaction surveys	Ministry of Hotels and Tourism	Ministry of Home Affairs, Tourism Police		n/a
	2.7.2 Establish a manual of Standard Procedures for Safety and Emergency (disasters).	2	Tourists and visitors	Manual established, Improved safety statistics	Ministry of Hotels and Tourism	Myanmar Tourism Federation, Tourism Police		100'000
	2.7.3 Design and conduct a first aid training programme for personnel in the tourism industry at major destinations.	2	Tourists and visitors	First aid training programme established and operational	Red Cross	Ministry of Hotels and Tourism, Myanmar Tourism Federation		500'000
	2.7.4 Improve the standard of food safety in food outlets.	2	Tourists and visitors	Food safety standards enforced, food poisoning cases reduced	Myanmar Restaurant Association	Ministry of Hotels and Tourism, Myanmar Tourism Federation		n/a

Strategic objective 3: Make it easier for the tourism sector to operate.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
3.1 Improve the legal and regulatory framework for tourism.	3.1.1 Develop and agree on a commonly accepted Guesthouse and Bed & Breakfast standard for ecotourism.	1	Tourists and visitors, Tourism professionals	Standard developed, approved and applied	Ministry of Hotels and Tourism, regional governments	Myanmar Tourism Federation, regional associations		200'000
	3.1.2 Conduct a public awareness-raising and promotion campaign on new types of tourism (ecotourism, adventure tourism, etc.).	2	Tourism professionals	public awareness-raising and promotion campaign conducted	Ministry of Hotels and Tourism, regional governments	Myanmar Tourism Federation, regional associations		250'000
	3.1.3 Align and harmonize rules and regulations on tourism and related standards between Union and State governments to allow development of new tourism products (ecotourism, adventure, homestay, etc.).	1	Tourism professionals	Rules and regulations on tourism and related standards harmonised between Union and State governments	Ministry of Hotels and Tourism, regional governments	Myanmar Tourism Federation, regional associations		200'000
	3.1.4 Eliminate tourism sector-specific double taxation to allow for deductions and not to penalize tourism enterprises.	1	Tourism professionals	Taxation reform prepared and enacted	Ministry of Revenue	Ministry of Hotels and Tourism, regional governments		1'000'000
	3.1.5 Introduce a Value Added Tax system to replace government and sales taxes and to streamline consumption taxation procedures for tourism enterprises.	1	Tourism professionals Myanmar economy at large	Taxation reform prepared and enacted, VAT introduced	Ministry of Revenue	Central Bank of Myanmar		n/a
3.2 Raise public authorities' awareness about the economic importance of tourism.	3.2.1 Organize an awareness-raising campaign at the national and state levels to sensitize authorities (government, police) and tourism professionals on the economic importance of tourism, and the benefits in terms of positive image-building, through training workshops, press advertisements and media spots.	1	Tourism professionals Myanmar economy at large	Awareness campaign conducted in major tourist destinations and states	Ministry of Hotels and Tourism	Central Bank of Myanmar, Ministries of Hotels and Tourism, Finance, Customs, National Planning and Economic Development, Sector Associations		500'000

Strategic objective 3: Make it easier for the tourism sector to operate.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
3.2 Raise public authorities' awareness about the economic importance of tourism.	3.2.2 Organize regular vocational training for public authorities (ministries, State governments and police) on how to deal with tourists and visitors, particularly with regard to tourist information and services, tourist safety and other relevant aspects, and improve the mandate of tourist police to enhance their professional and English skills.	2	Union and State government officials	A training regular training programme for Union government and state designed At least 25% of Union and State public servants trained every year	Ministry of Hotels and Tourism	Central Bank of Myanmar, Ministries of Hotels and Tourism, Finance, Customs, National Planning and Economic Development, Sector Associations		1'000'000
	3.2.3 Increase awareness of and provide capacity-building to public authorities about the economic and social importance of tourism to be able to better measure the socioeconomic contributions of tourism to the national economy and to design and improve public tourism policies, through the implementation of the Tourism Satellite Account Standard.	3	Ministries of Hotels and Tourism, Finance, Customs, National Planning and Economic Development, Myanmar economy at large	Tourism Satellite Account Standard implemented	Ministry of Hotels and Tourism	Central Bank of Myanmar, Ministries of Hotels and Tourism, Finance, Customs, National Planning and Economic Development, Sector Associations	United Nations World Tourism Organization Satellite Account Project	500'000
	3.2.4 Raise awareness and build capacity of the Ministry of Hotels and Tourism and state governments about how tourism is organized in neighbouring ASEAN countries (tourism economy, tourism regulation, etc.) through technical exchanges, country visits and internships for government officials.	1	Ministry of Hotels and Tourism and state governments	At least 4 exchange visits organised every year for Union and State of officials	Ministry of Hotels and Tourism	Central Bank of Myanmar, Ministries of Hotels and Tourism, Finance, Customs, National Planning and Economic Development, Sector Associations		500'000

Strategic objective 3: Make it easier for the tourism sector to operate.

Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
3.3 Increase the accessibility of tourist sites and destinations.	3.3.1 Develop a Travel and Accessibility Development Master Plan (TRADEMAP) to gradually open and / or connect tourist sites and destinations (primary and secondary) to major routes, ports or airports. Based on a mapping of tourism sites and destinations, identify priority sites and destinations to be opened and / or connected, possible modes of transport, technical feasibility and related investment requirements linked to a timetable over 5–10 years.	2	Myanmar as a whole, tourists, local communities	Master Plan developed in year one, At least 3 projects initiated every year	Ministry of Transport, Ministry of Hotels and Tourism	Ministry of Commerce Ministry of National Planning and Economic Development, Sector Associations		500'000
	3.3.2 Establish a joint TRADEMAP Coordination Committee for the Ministry of Transport, MOHT, Ministry of Commerce, Investment Committee and relevant private sector associations to operationalize and manage the TRADEMAP in coordination and complementarity with other relevant national transport development plans and initiatives. Establish Terms of Reference for the Joint TRADEMAP Coordination Committee; identify and appoint relevant Ministry and private sector association members; and identify capacity-building needs for the committee.	2	Myanmar as a whole, tourists, local communities	Master Plan Coordination Committee established and operational in year two	Ministry of Transport, Ministry of Hotels and Tourism	Ministry of Commerce Ministry of National Planning and Economic Development, Sector Associations		100'000
	3.3.3 Gradually open or connect remote or otherwise inaccessible sites and destinations, especially those related to new and emerging tourism product offerings (ecotourism, adventure) according to this tourism export strategy.	2	Tourists, communities and tourism professionals at tourism sites and destinations	At least 4 major destination at state level opened every year	Ministry of Transport, Ministry of Hotels and Tourism	Ministry of Commerce Ministry of National Planning and Economic Development, Sector Associations		n/a
	3.3.4 Establish a Multimodal Transport Master Plan to plan and coordinate transport infrastructure development in the country in the long run (5–10 years). Identify priority commercial transport links, conduct feasibility studies and establish related investment requirement and plans (public, private investment, public–private partnerships, Build-Operate-Transfer).	1	Myanmar as a whole, tourists, local communities and tourism professionals	Master Plan developed in year one, At least 3 projects initiated every year	Ministry of Transport, Ministry of Commerce	Ministry of Hotels and Tourism, Ministry of National Planning and Economic Development, Sector Associations	National Trade Facilitation Committee under WTO Trade Facilitation Agreement	300'000

Strategic objective 3: Make it easier for the tourism sector to operate.								
Operational objective	Activities	Priority 1=high 2=med 3=low	Beneficiaries	Targets	Leading implementing partner	Supporting implementing partners	Existing programmes or potential support	Estimated costs (US$)
3.3 Increase the accessibility of tourist sites and destinations.	3.3.5 Establish a specific executive Task Force or Agency to manage the Multimodal Transport Master Plan. Identify relevant participating ministries and private sector members. Define Terms of Reference, staffing and capacity-building needs. Establish cooperation with international institutions to support the Multimodal Transport Master Plan Task Force / Agency.	1	Myanmar as a whole, tourists, local communities and tourism professionals	Task Force or Agency established and operational in year one	Ministry of Transport, Ministry of Commerce	Ministry of Hotels and Tourism, Ministry of National Planning and Economic Development, Sector Associations	National Trade Facilitation Committee under WTO Trade Facilitation Agreement	n/a
3.4 Increase the accessibility of Myanmar by air.	3.4.1 Expand capacity of exiting airports to plan for expected growth in visitor numbers and establish related investment plans.	2	Myanmar as a whole, tourists, local communities and tourism professionals	Capacity expansion investment plan established and approved	Ministry of Transport, Ministry of Commerce	Ministry of Hotels and Tourism, Ministry of National Planning and Economic Development, Sector Associations		n/a
	3.4.2 Negotiate international air connections to major domestic international airports with ASEAN countries and their airlines to increase accessibility and to boost ASEAN tourist arrivals.	2	Myanmar as a whole, tourists, local communities, and tourism professionals	Negotiations, discussions with ASEAN countries initiated Increased number of new connections	Ministry of Transport, Ministry of Commerce	Ministry of Hotels and Tourism, Ministry of National Planning and Economic Development, Sector Associations		500'000
	3.4.3 Work with relevant international civil aviation authorities to increase civil aviation safety in Myanmar, and in particular domestic airline safety, up to accepted international standards.	1	Myanmar as a whole, tourists, local communities, and tourism professionals	Safety record improved, Myanmar national airlines internationally accredited	Ministry of Transport, Ministry of Commerce	Ministry of Hotels and Tourism, Ministry of National Planning and Economic Development, Sector Associations		1'000'000

APPENDIX 1: MEMBERS OF THE STRATEGY TEAM:

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