paredness for international competition. Privatisation is also hindered by the institutional environment, a poorly trained workforce, limited market-economy thinking and a shortage of managers. Furthermore, there is a lack of standards for waste disposal, hygiene, environmental protection and sustainability awareness (Tin Maung Maung Than 2007, Kudo/Odaka 2016: 170-183).

Geographically, enterprises in the secondary sector that contribute to the gross domestic product (GDP) are concentrated on the one hand in some centres of mining and energy generation and on the other in industrial manufacturing sites, the majority of which are located in the central lowlands and the regional cities. In the peripheral parts of the country, GDP is generated mainly by the construction sector. Privately owned factories are concentrated in two separate areas: the Mandalay Region (2009: 17.7% of all companies in Myanmar) and the Yangon Region (14.0%). With the addition of the Bago, Sagaing and Ayeyarwady Regions, almost 70% of all private-sector industrial companies are located in these five areas (Kudo/Odaka 2016: 173). The food and beverage industry is distributed evenly between the regions. Textile manufacture, metal processing and machinery production are concentrated in the area in and around Mandalay, while Yangon is the centre of chemical, paper, plastic, rubber and non-metallic production (Kudo/Odaka 2016: 173). The creation of special industrial zones is intended to foster industrialisation throughout the country. However, many of these zones – especially those located in or near the big cities, notably Yangon and Mandalay – are not altogether successful. Development is hindered by bureaucratic obstacles, the time-consuming process of obtaining licences, blocked development as a result of land speculation, inadequate access to electricity and in some cases water, poor waste and sewage disposal facilities, limited technological modernisation, lack of access to loans, and environmental problems (Zin Nwe Myint 2006b, Moe Kyaw 2009, San Thein 2012, von Hauff 2016).

In the medium term it is likely that if industrialisation continues it will result in an economic dualism in which a small technologically modernised industrial sector with an increasingly international outlook contrasts with a large number of small and medium enterprises that continue to employ traditional production methods and are not internationally competitive (Kudo/Odaka 2016: 171). In addition, regional and social disparities within the country may well increase.

Frauke Kraas and Zin Nwe Myint
Crafts are one of the most valuable assets of Myanmar and represent an enormous potential. Incomprehensively, they have not yet received much attention in the economic development of the country. Various craft traditions have developed over the centuries – some at the courts of the kings and rulers, some as quotidian art through everyday objects – and there are numerous regional specialisations.

Fraser-Lu stated that there was no ‘distinction between the ‘fine arts’ and the decorative or ‘applied arts’. The arts of the metalworker and those of the wood-carver and lacquer worker are not regarded as secondary to architecture, painting, and sculpture. All art in Burma traditionally had the same purpose, that of furnishing the religion and court with objects of consummate beauty and of providing the common people with attractive, well-crafted objects for everyday use’ (1994: 7).

The craft culture encompasses a rich spectrum of different products (Fraser-Lu 1994, Golloch 2014):

- The weaving of traditional fabrics and longyis is widely distributed through all parts of the country. The products display typical patterns, colours and fabrications for different ethnic groups. In the villages many households still practise traditional weaving (often jacko weaving) but larger looms, weaving for wages and mechanical weaving mills are increasingly widespread.
- Elaborate wood carving with figural and floral motifs decorates numerous wooden monasteries and pagodas, for instance in Mandalay (Moilanen/Ozhegov 1999). But buildings, agricultural machinery and everyday objects are also impressively decorated.
- Traditional lacquerware production is concentrated in the area of Bagan, but workshops are also found in Inwa, Maungdaung, Kyaukka, Mandalay, at Inle Lake, in Laihka and Kengtung (Weigelt 2005: 10). The base material is normal wood, soft wood, bamboo split into thin strips or basic forms.
made of braided horsehair. The lacquer is applied to this material layer by layer, dried and smoothed, then decorated with coloured patterns and ornaments, and in some cases with gold leaf, and polished. Very different techniques, decorations and designs characterise the different workshops (Fraser-Lu 2000).

• The workshops of artistic stonemasons are concentrated in the larger area of Mandalay and Sagaing. Marble from the Sagyin marble quarry north of Mandalay is used here, primarily to create sculptures of Buddha. Specialised bronze and brass foundries are also located in the area and use traditional techniques to manufacture sculptures, bells and small articles – increasingly for international customers.

• Precious and semi-precious stones are worked into jewellery, sculptures and pearls or are artistically scattered or laid out to create gemstone pictures, particularly in Mogok and Kyatpyin, but also in Mandalay, Sagaing and Yangon.

Many other regional craft centres exist in almost all parts of the country: pottery is manufactured especially in Pakkoku, Sagaing (Khin Khin Soe/Kraas/Yee Yee Than 2016) and Twante, umbrella production is concentrated in Pathein and at Inle Lake. At Inle Lake and in Taunggyi production furthermore centres around traditional Shan bags, valuable fabrics made from lotus plants, handmade paper created from petals, and cheroots and tobaccos. Other special craft traditions include silversmithing and goldsmithing, the textile art of the kalagas, beadwork, and the manufacture of marionettes, musical instruments, chin-lon balls, mats, panels, trays, all sorts of baskets, slate panels, wooden pipes, Pumtek beads and papier-mâché masks and toys.

Little comprehensive work has been undertaken on the spatial focuses or economic and social significance of local crafts, and there are no relevant statistics. Reports on economic performance often fail to even mention crafts. In contrast to many other Asian states that have been transformed by globalised economic development, Myanmar still possesses an enormous store of living and intact traditional knowledge on craft – along with the rich reserves of raw materials this represents the largest endogenous potential of the country in the current transformation process.

Frauke Kraas and Khin Khin Soe