THE TERTIARY SECTOR: ADMINISTRATION, TRADE, TRANSPORTATION AND TOURISM

After the primary sector it is the tertiary sector that plays the next most important economic role in Myanmar, and within this sector trade and transport predominate. The tertiary sector’s contribution to GDP rose from 33.0% in 2000/01 to 36.7% in 2010/11 and 37.7% in 2014/15. The proportion accounted for by trade fell from 24.0% in 2000/01 to 20.1% in 2010/11 and 18.7% in 2014/15, while the figures for the transport sector in these three periods rose from 5.7% to 11.5% and then remained at 11.5%. Slight increases were also reported in the shares accounted for by communications (0.3% to 0.8% and 1.9%) and social and administrative services (1.5% to 2.3% and 3.1%) (all data: MNPED 2015: 203).

Regional differences in the tertiary sector’s contribution to GDP – both overall and specifically through trade and transport – are also informative. As expected, the geographical focal points are the cities of Yangon and Mandalay. A large proportion of trade is concentrated in the central lowlands in general, the Greater Yangon area and the southern Sagaing Region. The lowlands also account for a large proportion of transport, as do Rakhine and Mon States, where the tertiary sector is almost the sole generator of GDP. Trade dominates in large parts of the mountainous areas of the Sagaing and Tanintharyi Regions and Shan State. As is to be expected, tertiarisation is particularly strong in the capital city: more than 75% of the GDP generated there comes from employment in public administration. Administrative and social services also make a noticeable contribution to GDP generation in the structurally weak mountainous areas – that is, in Chin State and the peripheral townships of Kachin State.
SHARE OF TERTIARY SECTOR IN TOTAL GDP

Subsectors of the tertiary sector:
- Transportation
- Communications
- Social and administrative services
- Rental and other services
- Trade


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TOURISM DEVELOPMENT

Tourism plays a particularly important part in the country’s economic development, although it is not regionally identifiable in the GDP earnings of the townships. As a result of both growing domestic tourism and a significant increase in tourism from abroad, it is one of the most strongly growing economic sectors in Myanmar as well as an important earner of foreign currency.

Myanmar has experienced rapid growth in tourism demand, particularly since 2011, and is beginning to diversify its range of tourism products and services. The country offers immense potential for tourism development, with an abundance of cultural and natural heritage, the genuine hospitality of its people and, at least for the moment, the exotic appeal of a hitherto ‘unexplored’ country (at least viewed from a foreign perspective). This is flanked by rising incomes in its Asian neighbours, with an accompanying surge in investment and interest in foreign travel.

Its eminent religious and cultural sites, the lively traditions of the country’s many ethnic groups and the great diversity of its natural and cultural assets offer immense potential for tourism development. These primary assets are enhanced by increasingly diversified secondary tourism resources. Numerous hotels and restaurants, mainly in the mid to upper price segment, have opened recently and international hotel investors are entering the market. The offering in the formal and informal souvenir trade is expanding and the range of tourism or tourism-related services is also increasing. A Tourism Master Plan was published in 2013 (MoHT 2013b).

Although the pre-colonial visits by explorers and missionaries cannot be described as ‘tourism’ in the narrower sense, the images and impressions that they conveyed attracted growing numbers of investors and merchants, paving the way for the initial phase of early tourism development during the British colonial period. This led to the emergence of international tourism – primarily for the purpose of culture, education, adventure and hunting and mainly targeted at the elites – towards the end of the 19th century. After the country gained its independence in 1948, however, the length of time that international visitors could feasibly remain in the country and their freedom to travel were initially limited by the impacts of conflict and civil war. Travel was then further constrained by the nationalisation of industries and the policy of autarky and isolation from 1962.

It was not until the introduction of a market-oriented economy after 1988 that a second phase of tourism development could begin. This took place in 1996 with the launch of the ‘Visit Myanmar Year’ marketing campaign, the systematic objective of which was to encourage more openness to tourism in general and to facilitate the expansion of a small number of centres, specifically the classic ‘quadrangle’ comprising Yangon, Bagan, Mandalay and Inle Lake (Kraas/Zin Nwe Myint 2015). However, the country’s poor transport and supply infrastructure and hence its inaccessibility meant that there was virtually no tourism development in its peripheral regions. A distinct seasonality (high season: November to mid-April, before the start of the monsoon) additionally limited opportunities for tourism development. A system of obligatory currency exchange, unrealistically high exchange rates and the impacts of the sanctions were further impediments.

A third phase of tourism development began with a rapid increase in visitor numbers triggered by the current transformation process (Kraas/Häusler 2016). In 2015, the number of domestic tourists reached 2.5 million, with weekend pilgrimages or visits to family accounting for most of this activity. According to official statistics, Myanmar hosted around 800,000 foreign visitors in 2010, and this increased to more than one million in 2012 and approximately 4.6 million in 2015. However, these figures, published by the Ministry of Hotels and Tourism (MoHT), are of only limited reliability as they include day-trippers from neighbouring countries who crossed the border for the purpose of trade or to visit family (Myanmar Times, 19.1.2015). Out of