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
around one million international arrivals, some 500,000 incoming visitors described themselves as 'Foreign Individual Travellers' (FITs) or as 'Package Tour' tourists. Most of the rest were travelling on business or visiting family. The Shwedagon Pagoda, Yangon’s landmark and main attraction, was visited by half a million tourists, while other key destinations, which mainly attract Westerners and the Japanese, report visitor numbers of around 250,000, suggesting that a figure of around 500,000 'real' tourists (i.e. for leisure purpose) is realistic; more precise statistics are not available.

TOURISM CENTRES AND REGIONS

Myanmar has a number of well-established centres of international tourism whose significant religious, cultural and historical sites have attracted visitors for decades (Kraas/Häusler 2016). They include the area around the archaeological site of Bagan – dating back to the 9th century, with its pagodas, which extend across an area of more than 36 km² (Kyaw Lat 2010) – and ancient royal capitals like Bago, Dagon, Taungoo and Mandalay. Inle Lake, surrounded by 1500 m high mountains, is another classic element of any tourist programme; here, the diversity of the natural and cultural assets is the main attraction. The floating gardens of Inle Lake are a unique feature of the horticultural landscape here: these 'islands' or floating garden beds are anchored to the floor of the lake and, with the application of earth, plants and algae as a soil substrate, are used for the cultivation of vegetables and flowers on the lake itself (Wilhelmy 1986, Nilar Aung 2013). The constant availability of water enables these crops to be grown all year round. For local people, most of whom live in simple houses on stilts at the water’s edge, seasonal tourism provides an additional source of income alongside farming, fishing and crafts.

A number of new tourist destinations, most with a specialised offer, are also emerging (Hudson 2016). The inscription of the three Pyu Ancient Cities – Halin, Beikthano and Sri Ksetra (politically significant from around 200 BC to 700 AD) – on the UNESCO World Heritage List in July 2014 generated fresh impetus for cultural, historical and heritage tourism (Su Su/Win Kyaing 2016, Moe Ommar Lwin 2017). New seaside resorts are emerging, such as Ngapali, Chaung Tha and Nwe Hsaung at the Indian Ocean. A new destination is also Mrauk-U (Zin Nwe Myint 2009, 2011 and 2014, Zin Nwe Myint/Khin Myo Hla 2009).

Around Yangon and Mandalay, there is growing demand for resorts for weekend tourism, which is becoming increasingly popular with Myanmar’s middle class and elite and the expanding international expatriate community. As a result, in the former colonial hill stations – i.e. towns located at higher altitudes with cooler temperatures, where the British would seek refuge from the summer heat or monsoon rains – such as Kalaw and Pyin Oo Lwin, but also in the mountain regions around Taunggyi, Hsipaw and Lashio (Shan State) and Kho Nu Msung (Chin Daai language) or Nat Ma Taung (Myanmar language) or Mt Victoria (British) respectively, a tourism segment which specialises in summer retreats, golf and hiking is developing, in some cases based around newly constructed weekend accommodation and second homes. Early signs of tourism development can also be discerned in the mountain regions, e.g. around Mogok and Kyatpyin and the former Thandaunggyi hill station (Naw Paw Thaw Thaw 2016), which for many years were accessible to foreign nationals only with special permission. In the region around Kyaikhtiyo, Thaton, Mawlamyine (lusby/Eow 2015), Hpa-an and Kyaikkhami, there is a strongly expanding weekend tourism segment, mainly attracting domestic tourists and centred around visits to religious sites. However, there are also signs of a nascent nature-based and cultural/heritage tourism sector aimed at international visitors. Following the completion of a transnational highway and the opening of the international border crossing between Myawaddy/Myanmar and Mae Sot/Thailand in August 2014, the border region is an emerging new destination, especially for tourists from Thailand.
Infrastructures in the peripheral mountain areas in Sagaing Region (including Nagaland), Chin State and Kachin State are still underdeveloped for the most part, with the result that these areas are still largely inaccessible; this also applies to the far south of the country with the Myeik (Mergui) Archipelago and Kawthaung. There are initial signs of a basic tourism infrastructure emerging in Hakha and Falam (Kraas/Zin Nwe Myint/Khin Khin Soe 2016), at Indawgyi Lake (Kraas/Zin Mar Than 2016, Zin Mar Than/Kraas 2016, Zin Mar Than 2017), around Myitkyina and in the Puta-O and Machanbaw basin.

FUTURE OPTIONS

Future developments in Myanmar’s tourism industry should take into account innovations and trends in the broader regional context of growing tourism competition in Southeast Asia, especially since the current value of Destination Myanmar’s ‘exotic novelty’ is likely to decline with time. For example, as nature tourism based around the unique selling point of national parks and nature reserves develops, this natural potential – and hence the appeal and value of these assets – will decline with growing tourism demand and use. Spiritual and mediation-based tourism (increasingly tailored to the specific needs of foreign visitors) is also enjoying a surge in popularity but it too could well lose some of its originality and authenticity as international demand for a certain type and quality of accommodation and food, but also international values, take hold.

Secondly, national and international tourism is likely to continue to diversify in relation to both supply and demand: wellness, sport and medical tourism (e.g. in and around Taunggyi), meetings, incentives, conferences and events (MICE) tourism (in or close to the major cities), educational/summer course tourism (in regional centres with better education infrastructure relative to the surrounding area) and cross-border and trade-related tourism (e.g. in Tachileik, Kengtung, Tamu and Myawaddy) point to the opportunities for highly diversified regional segmentation, and, in some cases, growing specialisation of the tourism potential. And lastly, against the background of Myanmar’s burgeoning international engagement, it is clear that not only will new investors contribute to a more diversified tourism offering, e.g. by introducing newer, low-budget but also high-end price segments into the market, but also that new customers will want to see their specific expectations and demands fulfilled, which could potentially include a de facto separation of guests based on nationality (which has long been the standard practice in neighbouring countries). It is often said that ‘tourism destroys the very assets on which the industry itself depends and thus destroys itself’, and there is a fear that this may soon hold true for Myanmar. This risk can only be mitigated with carefully crafted strategies and sustainable, systematic planning and development processes, based on the principle of fairness and involving a wide range of decision-makers and stakeholders.

Important changes lead to a responsible tourism policy and a policy on community involvement (MoHT 2012, 2013a). Positive signals exist from the government about the need to implement sustainability principles in the tourism sector (Häusler 2014, Häusler/Baumgartner 2014, MCRB/HSF 2015a, b).

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