BIF Burma (Myanmar): Tourism

Market Analysis and Strategy

September 2016
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List of Acronyms

ACCSTP - ASEAN Common Competency Standards for Tourism Professionals
ADB - Asian Development Bank
ASEAN - Association of Southeast Asian Nations
AVID - Australian Volunteers for International Development
B&B - Bed & Breakfast
FIT – Free Independent Traveller
BIMSTEC - Bay of Bengal Initiative for Multi-sectorial Technical and Economic Cooperation
CAGR - Compound Annual Growth Rate
CBI - Centre for the Promotion of Imports from Developing countries
DANIDA - Danish International Development Agency
EICD - European Institute for Cooperation and Development
EP - Entry Permit
FESR - Framework for Economic and Social Reforms
GIZ - Gesellschaft für Internationale Zusammenarbeit
GSTC - Global Sustainable Tourism Council
GWM - GraceWorks Myanmar
HCTA - Hospitality and Catering Training Academy
HI - Harrison Institute
HRD - Human Resource Development
HSF - Hanns Seidel Foundation
HTI - Hotel Training Initiative
ICIMOD - International Centre for Integrated Mountain Development
ICT - Information and Communication Technology
ILO - International Labour Organisation
ITC - International Trade Centre
IUF - International Union of Food Workers
JICA Japan International Cooperation Agency
MAI - Myanmar Airways International
MCRB - Myanmar Centre for Responsible Business
MGC - Mekong–Ganga Cooperation
MHCD - Myanmar Human Capital Development
MHPA - Myanmar Hospitality Association
MHTA - Myanmar Hospitality Training Schools Association
MIID - Myanmar Institute for Integrated Development
MoFA - Ministry of Foreign Affairs
MoHT Ministry of Hotels and Tourism
MOIP Ministry of Immigration and Population
MPT - Myanmar Posts and Telecommunications
MRA - Mutual Recognition Agreement
MTF - Myanmar Tourism Federation
MTMP - Myanmar Tourism Master Plan
NPT – Naypyidaw
PIC - Partnership for Change
PRC - People Republic of China
PSD - Private Sector Development
RTGA - Regional Tour Guide Association
SECO - Secretariat for Economic Affairs of Switzerland
STEP - Sustainable Tourism Eliminating Poverty
SWIA - Sector Wide Impact Assessment
TVET - Technical Vocational and Educational Training
UNDP - United Nations Development Programme
UNESCO - United Nations Educational, Scientific and Cultural Organization
UNIAP - United Nations Inter-Agency Project on Human Trafficking
UNIDO - United Nations Industrial Development Organization
UNWTO – United Nations World Tourism Organisation
GMS - Greater Mekong Sub-region
VENT – Victor Emanuel Nature Tours
VSDP - Vocational Skills Development Program
WATT - Wildbird Adventure Travels and Tours
WCS - Wildlife Conservation Society
WTTC - World Travel & Tourism Council
1 Introduction to the Market

1.1 Background to the selection of tourism as a market for BIF

The BIF Advisory Group short-listed the tourism market as a priority for further investigation in December 2013 following a high score for this market in the BIF market selection process. Key points that were noted by the AG to make this a market of great interest to BIF included:

- High growth rate of the market (30% per annum);
- Important to the economy. Tourism contributed 1.5% of GDP in 2012 with significant growth predicted well into the future;
- Many sites of special historical, cultural and natural interest which attract high spend visitors, as well as several as yet undeveloped potential tourism sites and coastline;
- Strong government interest in and support for the market. Tourism is a national government priority and has been prioritised in the government's framework for economic and social reforms.

In prioritizing tourism it was noted that significant assumptions were being made about the ability of the market to benefit a large number of poor people. For large-scale benefits, the poor need to be able to engage with the mainstream industry at scale rather than being focused on community venture. How to engage in the sector was a big question as the leverage points were not then clear.

At the Advisory Group meeting in April 2014 it was confirmed that tourism is a promising market for BIF, and the team was asked to focus on new destinations such as Keng Tung and Kayin (Hpa An). Following an internal review by the BIF team, expansion of some existing destinations was also investigated, with a focus added on the greater Inle region.

Following the Advisory group in October 2014 it was decided that BIF should start implementing the strategy but that the AG should review a final version of the MAS at its next meeting in six months’ time in March 2015. This is this version, which addresses the comments made by DFID and the AG members.

1.2 Market growth and competitiveness

The growth of Myanmar's tourism within the South East Asian context is indeed remarkable. Based on UNWTO reports, international arrivals into South East Asia increased 11% in 2012/2013, but that rate of increase has dropped down to just 3% in the first 6 months of 2014. Meantime, off a small base, inbound tourism demand for Myanmar remains strong.

Globally, international visitor arrivals have grown at an average of 5% per year since 2010, reaching 1.087 billion in 2013. Myanmar’s exceptional tourism growth in the past few years, and now also in 2014, is set within the global context of international arrivals growth for the first 6 months of 4.6%, resulting in some 517 million arrivals. If Myanmar achieved an ambitious 2 million international visitor arrivals by mid-2014, that translates into approximately 0.0035% of global market share. Figure 1 shows the percentage change in international tourism arrivals by country of origin for 2012/2013 and 2013/2014.

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1 BIF Burma market assessment paper December 2014
Expectations are that international tourist arrivals will pass 3 million for Myanmar in 2014. Some two-thirds will come from East Asian source markets. In 2013, Myanmar received over 2 million international visitor arrivals and the year before (2012) just over 1 million. It has taken Myanmar almost one decade to move from international visitor arrivals of over half a million to one million, and just 3 years to move from one million to 3 million\(^2\). By comparison, that rate of growth (from 1 million to three million) occurred over a period of 10 years for Vietnam, 8+ years for Cambodia and approximately 7 years for Lao PDR. These destinations provide opportunities for Myanmar to learn from their ASEAN colleagues about how to manage rapid tourism growth for an emerging economy with high rates of poverty.

The current Myanmar Tourism Master Plan presents conservative, mid-range and high growth scenarios for visitor arrivals, drawing from the experiences of other Greater Mekong Sub-region (GMS) destinations over the past decade or so. The high scenario projection of over 3 million arrivals with US$3.61 billion in total visitor expenditure by 2015 will be met in 2014. Longer range forecasts to 2020 give a low scenario of 2.8 million arrivals, a medium forecast of towards 4 million and a high forecast of over 7.4 million international arrivals (see Figure 2 for details). Currently, the trend is towards the high forecast.

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\(^2\) In 2003, Myanmar received 597,015 international visitors and by 2012 recorded 1,058,995 (Ministry of Hotels and Tourism)
As a growing destination, Myanmar now has a competitive advantage. It is new and relatively untouched. The growth has largely been achieved by national structural and policy changes rather than from any well-executed destination planning and destination brand marketing. However a competitive advantage can’t be sustained by ‘honeymoon’ growth alone. There will be a need for a more sophisticated approach to understanding the attributes that differentiate ‘brand Myanmar’ from its competitive set. This incorporates the development and presentation of niche tourism products and the strategic marketing messages (the destination promise or ‘brand’) that are transmitted to strategically targeted markets.

It is in the development of inclusive business models and innovative products and practices where the tourism sector can best benefit the poor in Myanmar. Concepts of ‘pro-poor tourism’ have already been included in major policy initiatives by the Myanmar Government (implicit and/or implied) e.g. Responsible Tourism Policy (2012), Myanmar Tourism Master Plan (2013 - 2020) and the document on Community Involvement in Tourism (2013).

The tourism sector in Myanmar is well poised to be part of the BIF portfolio in Asia. The tourism market potential is significant, as has been witnessed in other ASEAN destinations such as Vietnam, which, in 2004 achieved 3 million international tourist arrivals, reaching 7.5 million in 2013 and Thailand, which has grown from 7.7 million in 1998 to 26.74 million in 2013.

2 Relevance to the poor

2.1 How tourism can benefit the poor

An important mechanism for increasing the benefits of tourism to poor people is to diversify and expand tourism products so that they have greater involvement of poorer households. This is possible in locations where there is some accessible tourism attraction or activity which has verified potential
among target markets. Tourism is an economic activity bringing the consumer to the producers. It can enable interaction between international and domestic tourists with poor communities, resulting in benefits such as improved infrastructure investment (roads, power, transport services, telecommunications services etc.) as well as a range of economic, environmental and social/cultural benefits.

Tourism and related hospitality services are labour intensive sectors consisting of large number of micro and small business within both the formal and informal economies. Many jobs in the sector can be accessible to the poor with low skill levels or on a part-time basis to supplement income from other activities such as farming. While employment opportunities can be particularly presented to women, young people and ethnic minorities, attention needs to be given to avoid issues such as labour exploitation, abuses of human rights and bad working conditions.

Replacing imports by increasing supply of meats, grains, fresh fruit and vegetables from farmers to food outlets/restaurants as well as to all forms of commercial accommodation, tour operators and visitor attractions can be a significant mechanism to increase the benefits to poor people. This can also be related to the way that a tourism product such as trekking is designed.

The tourism sector typically has a diversified supply chain where tourist expenditure can add benefit to a number of sectors such as arts and handicrafts; land, marine, air transportation services; agriculture; retail and entertainment sectors through a multiplier effect. Some of the indirect linkages between non-tourist markets and the tourism market can be disproportionally beneficial to poor people than might first appear, both to poor people close to a destination, but also from other areas. These benefits can be more significant than direct benefits of tourism – potentially being ‘a particularly effective way of transmitting the benefits of tourism to very large numbers of very poor people.’

In particular, there are very good examples from countries comparable to Myanmar of poor people earning substantial incomes from the food and construction sectors in particular, as well as other supply chains. This appears to be because the tourist spend that ‘sticks’ in and around a destination is a powerful mechanism for benefiting the poor, and this can be maximised by increasing the spend on locally produced goods.

2.2 Poverty and tourism in Myanmar

Myanmar is currently ranked at 149 out of 168 countries on the human development index. Economic growth is averaging 5 per cent in recent years with a per capita income of $702. UNDP estimates poverty levels at an estimated 26 percent of the national population, also noting that ‘poverty in Myanmar is shallow, with the median income only 25 percent above the poverty line.’ As a consequence, small shocks can bring a larger number of the population into poverty.

The gap between urban areas and rural areas in terms of poverty rates is expanding, with the poverty rate in rural areas now 1.8 times higher that urban areas – up from 1.6 times in 2005 (UNDP 2013). In relation to poverty levels, there are significant regional disparities and inequality, especially where there has been armed conflict and fragile peace exists in this period of post-conflict recovery.

It is difficult to source poverty data specific to many tourist destinations in Myanmar, while there is not yet good evidence of the impact of tourism; it is likely that economic impact of tourism in those locations (urban and rural) is positive. So far it does appear to be the case that tourism has led to increased

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3 This section is sourced from a BIF internal report, Steve Noakes September 2014 unless indicated otherwise.
4 Tourism and Poverty Reduction: Pathways to Prosperity, Mitchell and Ashley, ODI
economic opportunities for poor people as demand for local services has increased. The MCRB Tourism SWIA preliminary results report that tour guides are opening new agencies, souvenir shops are selling more goods, and prices of fish have increased in Ngwesaung, for example\(^7\). However some negative impacts have also been found in the same study, such as loss of business for local transporters because of electric bikes, local food price increases around destinations such as Inle Lake, and land prices rising.

The Myanmar Tourism Master Plan’s conservative forecast suggests that direct industry employment will increase from 293,700 in 2012 to 424,450 in 2015, and to 836,018 in 2020 (see Table 1). In the high growth scenario, which is currently being achieved, direct tourism employment could be up to 1.5 million in 2020. That is, tourism will likely create over 1 million new jobs over the next decade in Myanmar.

Value chains linked to each of the five subsectors in the table below offer income and employment opportunities that can be pro-poor. The data suggest most employment opportunities will emerge in the food and beverage, transport and accommodation sectors. The extent to which these sub-sectors benefit the poor will depend in part upon the packaging, promotion and management of natural, cultural and historical tourism assets in the states and regions. The data does not include arts, crafts and curios\(^8\) (e.g. mulberry paper products, small timber carvings, locally made jewellery etc.), which are typically evident in local market location, providing financial flows and incomes for the poor.

**Table 1: Estimated Direct Tourism Employment in Myanmar, 2012–2020**

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Conservative</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2015</td>
</tr>
<tr>
<td>Accommodation</td>
<td>44,055</td>
<td>63,668</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>146,850</td>
<td>212,225</td>
</tr>
<tr>
<td>Recreation and entertainment</td>
<td>29,370</td>
<td>42,445</td>
</tr>
<tr>
<td>Transportation services</td>
<td>58,740</td>
<td>84,890</td>
</tr>
<tr>
<td>Travel services</td>
<td>14,685</td>
<td>21,223</td>
</tr>
<tr>
<td>Total</td>
<td>293,700</td>
<td>424,450</td>
</tr>
</tbody>
</table>

*Source: Myanmar Tourism Master Plan, 2013*

The WTTC report claims employment in the travel and tourism sector within Myanmar, including jobs indirectly supported by the industry, is expected to grow by 6.5% to reach 877,500 jobs in 2014.\(^9\) BIF’s strategy will not focus on employment. Although it will be expected that some jobs for poor people will be created as a result of BIF interventions, there will also be a wide variety of new livelihood

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\(^7\) MCRB Tourism SWIA Consultation Draft, August 2014

\(^8\) Curio: any unusual article, object of art, etc., valued as a curiosity

\(^9\) WTTC - Travel & Tourism Economic Impact 2014 Myanmar
opportunities for poor people that extend well beyond employment. Tourism is likely to remain a source of income diversification for a majority of the rural poor at destinations.

The projected increase in the number of tourist visiting Myanmar and the revenue associated with these projections will increase and diversify the number of job and livelihoods opportunities for poor people.

The quality of jobs and new livelihood opportunities are important aspects to look at when trying to understand (and then measure) how sustainable those benefits are and whether those benefits should be widely shared. There are a number of factors that will influence this.

Firstly, given the seasonal nature of tourism in Myanmar, the quality of jobs in the tourism sector will depend on the opportunities they offer for the poor to diversify their sources of income and increase their revenue while maintaining their capacity to engage in their traditional livelihoods so that the net economic benefits of tourism remain positive.

Secondly, the quality of new jobs and income opportunities will also depend upon the net financial benefits tourism brings to individuals and communities. If tourism has a detrimental impact on the environment that affect previous livelihoods, or creates conflicts within the community, these effects must be taken into account in addition to the new jobs or income opportunities created.

The third factor that will influence the quality of jobs and income in tourism is how these opportunities will fit into the diversification, risk management and coping strategy of poor people. Poor people’s decision-making process are often rendered complex by the impact the can have on their ability to lift themselves out of poverty or increase their vulnerability. Operators involving poor people should therefore be upfront and transparent on the positive and negative aspects of working in tourism.

These three factors will influence the extent to which poor people in one of the five sub-sectors listed in table 1 will actually benefit from tourism. It is important for poor people to understand the benefit associated with each sub-sector in relation to the quality of additional income they can generate and possibly new job opportunities.

However, we can assume that the quality of income opportunities will be better in the supply chains in which poor people already have knowledge and/or a comparative advantage. A large number of rural poor are involved in agricultural production. Hence it is expected that the food and beverage subsector will provide a number of opportunities for poor people. Food and beverage also happen to be the sub-sector that has the highest estimate of direct tourism employment (up to 748,920 by 2020). It is also a well-documented pathway through which poor people in other countries have benefited from tourism.

Building a poverty profile of poverty and tourism and understanding the existing benefit and impact on poverty reduction for each of the five tourism subsectors is therefore key for BIF to inform our strategy. Building this profile will be done as part of BIF’s first Monitoring and Evaluation field data collection that will be conducted in May 2015, and will also inform all of our engagements with individual market players.

The following table shows the potential for the tourism industry to generate large revenues for Myanmar, and the BIF strategy is essentially around how a larger share of the tourist daily spend, both through their purchase of tourism products that operators sell and also out of pocket expenditure.

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10 Tourism and Poverty Reduction, Pathways to Prosperity, Mitchell and Ashley
Table 2 Projected Tourism Arrivals and Spend, 2015-2020

<table>
<thead>
<tr>
<th>Growth Scenario</th>
<th>Conservative 2015</th>
<th>Mid-Range 2015</th>
<th>High 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>International arrivals</td>
<td>1,528,020</td>
<td>2,815,279</td>
<td>1,829,943</td>
</tr>
<tr>
<td>Average daily spending ($)</td>
<td>150.00</td>
<td>170.00</td>
<td>150.00</td>
</tr>
<tr>
<td>Average length of stay (days)</td>
<td>8.00</td>
<td>8.00</td>
<td>8.00</td>
</tr>
<tr>
<td>Total visitor spending ($ billion)</td>
<td>1.83</td>
<td>3.82</td>
<td>2.19</td>
</tr>
</tbody>
</table>


The destinations that BIF has focused on so far are not among the poorest areas in Myanmar. The poverty rates in Shan State, where Inle is, are 33% compared to a national average of 37.5%\(^{11}\). However, there are poor people living in, or close to all of the destinations that have been selected.

There is more about the BIF destinations and why they were selected in section 3.2.2 (below).

If the BIF strategy is successful in the areas selected then it can be extended to poorer areas of the country that currently do not meet these criteria, for example Chin State where access is still very challenging.

The field work undertaken as part of the research has not yet focused on building a poverty profile of impacts of poor people associated with tourism related activities in the three of the four locations visited (Mawlamyine, Hpa-an and Keng Tung). In the Greater Inle Lake region, which has substantially more tourism related infrastructure and services, there is evidence of a number of NGO’s supporting community based and industry supported endeavours to engage the poor as producers along various tourism value chains as well as for skill training and employment in the hospitality sector.

In new and emerging destinations (BIFs priority destinations) evidence of interventions and benefits have not yet emerged. Guides often come from the delta and dry-regions; and while there is no survey evidence it is likely that most poor people living in these areas don’t yet consider tourism to be a valuable opportunity, sometimes for valid reasons such as when tourism development has led to land grabbing.

It seems likely that the direct benefits and spillovers of tourism have already changed the lives of some people but have not, yet, changed the face of poverty in the destinations. This to a large extent will reflect the low volume of tourists in these destinations, and the fact that where there are larger volumes, such as in Keng Tung, these are mostly people passing through on their way to other areas (in this case the casinos on the Chinese borders).

BIF intends to undertake some research into the poverty profile of people that have benefited from tourism activities and those who have not in two of our four-priority destinations. This will be part of our M&E work and will aim to verify our logframe assumptions, collect indicators and inform our design and decision making process. This will also enable us to build a more dynamic profile of poverty as we start to engage directly with market players and track how their inclusive products impact low-income people.

3 BIF research methodology

An intensive desk review of published and unpublished material was conducted. The team travelled to Naypyidaw and briefed the Minister for Hotels and Tourism on the project, and has made a number of visits to each of the focus destinations in order to interview stakeholders and get an understanding of the situation with regard to tourism products and infrastructure. Detailed reports on all of the destinations are available.

\(^{11}\) Quoted in the MCRB Tourism SWIA Consultation Draft, August 2014
The team conducted a series of interviews and focus group discussions with Myanmar Tourism Federation (MTF), development partners engaged in tourism-related projects and key tourism stakeholders. In addition, BIF team attended the Mekong Tourism Forum 2014 and UNWTO Conference 2014, MCRB’s Tourism Sector Wide Impact Assessment Consultation and Ecotourism Consultation Meeting with MTF.

BIF also held a seminar together with the Myanmar Tourism Federation (MTF) to formerly introduce the Global Sustainable Tourism Council (GSTC) to the Myanmar tourism sector and to inform and engage participants in our BIF project.

From October 2014 to March 2015, BIF continued to consult with professional organisations, the Government and the private sector to deepen our understanding of the tourism market and the links to poverty.

A meeting between BIF with MTF was organised in in March 2015. BIF strategies, interventions and current activities were presented and well received by the Federation.

BIF has met with the Union of Myanmar Travel Agents (UMTA) and co-organised the first pro-poor tourism awareness-raising seminar in Yangon on 4th February 2015. A survey was conducted during the event to triangulate some information and assumptions in the MAS as well as to gather new information on the trends and evolution of tourism. The key results of this survey are presented in Annex C.

In December 2014, BIF contracted an International Tourism Consultant based in Myanmar to understand tour guides opportunities for tourism led poverty reduction.

The report was approved in February 2014 and is currently going through Quality Assurance.12

The report investigates and maps the current guide situation in Myanmar. The capacity issues, gaps, strengths, issues and opportunities have been well identified by the research and market change for the poor has been discussed with the BIF team.

The policy and regulatory environment that forms tour guide provision, training and standards was assessed to be supportive of developments to the tour guide industry and promoted more involvement by private sector and working partnerships with the industry. The Government training framework has been reviewed against industry views in order to define its relevance to the tour operators and tour guides.

The report examines the private sector and donor partner guide training. Donor partner and the private sector were identified as key to providing an essential role in supplementing Government training to meet required industry and destination needs.

The research explores current and future demand for tour guides and their training, with specific emphasis on language, product and emerging destinations.

Recommendations have been made on the basis that the tour guide profession requires some changes to be made in order to meet the new demands of growing arrivals and the opening up of new destinations. The changes must be defined and determined by market needs. Potential partners, stakeholder roles, standards, sustainable funding mechanisms, curriculum content and delivery have all been assessed and reviewed.

12 The report has subsequently been made public ADD LINK.
4 Market structure and performance

4.1 Overview of the market system

Below is the basic market map (M4P donut) for the tourism market and the following sections will describe the core market, supporting functions and formal and informal rules in more detail.
4.2 Core market performance

4.2.1 Introduction to the core functions of the tourism market

The following definitions are important when analysing the core functions of a tourism market:

- **Destinations** – the places tourists visit – such as historic sites, wild areas, beauty spots, attractions.

- **Services** – what is needed to be in place for a tourist (transport, hotels, hospitality, flights etc.). We also include the sales of handicrafts as a service.

- **Products** – are the activities that take place at a destination, such as trekking, cycling, diving or ballooning. Products usually include one of more services (e.g. transport to a village, provision of a meal in the village, opportunity to buy handicrafts).

- **Packages** – are a combination of products and services put together and sold by tour operators.

Tourism markets have the following market players within their core functions:

- **Tour operators** – at international or local level – who interact with the tourist to market packages and sell services.

- **Destination managers or ‘ground handlers’** - local agents of tour companies (local operators) who find, check and commission products for tour operators.

- **Local entrepreneurs** – who design and manage products, and employ and train guides and other people who deliver services.

There are many types of tourism in Myanmar as elsewhere, but they loosely fall into the following:

- **Mass market** - where the experience the tourist seeks is to relax in safe, easy environment. They may be interested in short, unchallenging products such as short excursions or activities related to their holiday (e.g. visit a pagoda or village near the beach)

- **Small group, product based** – where the visitor wants to see and experience a wide range of things and travel to different destinations, including those that feel remote and ‘off the beaten track’. The experience must feel ‘authentic’ and can be quite physically challenging. At an extreme it can be adventure tourism, which usually incorporate two out of three elements: interaction with nature, interaction with culture, and physical activity.

- **Specialty tourism** – this can be individual or small groups. It addresses a niche such as bird watching, wild flowers or architecture. The visitor must see and learn new things, but is likely already to be quite expert.

**BIF is also considering the following typology, as much of the tourism that can benefit the poor is cultural**:13

- **Purposeful cultural tourist** – cultural tourism is the primary motive for visit & affords the individual a deep cultural experience.

- **Sightseeing cultural tourist** – cultural tourism is a primary or major reason visiting a destination, but whose experience is more shallow.

- **Serendipitous cultural tourist** – does not travel for cultural tourism purposes, but who, after participating has a deep cultural tourism experience.

- **Casual cultural tourist** – for whom cultural tourism is weak motive for visiting a destination & resultant experience is shallow.

- **Incidental cultural tourist** – who does not travel for cultural tourism reasons, but who nevertheless participates in some activities and has a shallow experience.

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Figure 3 outlines the detailed map of the core functions in the Myanmar tourism market.

Figure 3: Detailed map of the core tourism market functions

This section of the strategy is organized according to the ‘functions’ in the yellow notes in the diagram, which are inputs, national level services (at the whole market level); and destination level services and tourism products (at the destination level).

4.2.2 Inputs

4.2.2.1 Destinations

Destinations are a critical input to the tourism market, because obviously they are the reason why tourists wish to make a visit to a place outside of their normal travel patterns, for leisure or business reasons. Myanmar has six flagship destinations, which dominate visitor arrivals: Yangon, Bagan, Mandalay, Inle Lake, Ngapali Beach and Kyaikhto (Golden Rock). Additionally, Ngwesaung and Chaungtha beach resorts are also popular with domestic and expatriate visitors. Table 3 illustrates visitor arrivals for these eight destinations for 2012.

Table 3: Domestic and International Visitors at Selected Destinations, 2012

<table>
<thead>
<tr>
<th>Destination</th>
<th>Domestic</th>
<th>International</th>
<th>Total</th>
<th>Share of international arrivals (%) a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bagan</td>
<td>49,627</td>
<td>162,984</td>
<td>212,611</td>
<td>27.5</td>
</tr>
<tr>
<td>Chaungtha</td>
<td>114,432</td>
<td>12,956</td>
<td>127,388</td>
<td>2.2</td>
</tr>
<tr>
<td>Inle</td>
<td>77,315</td>
<td>90,937</td>
<td>168,252</td>
<td>15.3</td>
</tr>
<tr>
<td>Kyaikhto</td>
<td>1,000,000</td>
<td>65,788</td>
<td>1,065,788</td>
<td>11.1</td>
</tr>
<tr>
<td>Mandalay</td>
<td>138,858</td>
<td>160,975</td>
<td>299,833</td>
<td>27.1</td>
</tr>
<tr>
<td>Ngapali</td>
<td>…</td>
<td>25,614</td>
<td>25,614</td>
<td>4.3</td>
</tr>
<tr>
<td>Ngwesaung</td>
<td>19,298</td>
<td>25,746</td>
<td>45,044</td>
<td>4.3</td>
</tr>
<tr>
<td>Yangon</td>
<td>…</td>
<td>559,610</td>
<td>559,610</td>
<td>94.3</td>
</tr>
</tbody>
</table>

Source: MTMP, 2013  … = data not available; a International arrivals by air only
Visitor arrivals tend to be attracted to a central band of the country, with limited visitation to the north and south. Restrictions preventing visitor arrivals from moving from border crossing areas and into Myanmar were lifted for Tachileik, Myawady, Htee Khee and Kawthoung were removed in September 2013.

The destinations for BIF to focus on initially have been selected according to the following criteria:
- High potential of the destination to attract more tourists (either as a new destination or as an extension to an existing destination);
- New access routes being opened or improved (such as new roads being built and border crossings to Thailand opening);
- High potential for new tourist products that benefit poor people.

Table 4 summarises the destinations the programme proposes to focus on:

<table>
<thead>
<tr>
<th>Destination</th>
<th>Reason for selection</th>
<th>Relevance to the poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keng Tung</td>
<td>• Rich ethnic diversity and natural beauty</td>
<td>Improving the incomes of poor and marginalized tribal people;</td>
</tr>
<tr>
<td></td>
<td>• Adjacent to Northern Thailand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Proximity to China border</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Under–developed trekking market and a lack of tourism products more generally</td>
<td></td>
</tr>
<tr>
<td>Greater Inle</td>
<td>• Natural beauty, cultural sites and ethnic diversity still not tapped within, and close, to Inle region</td>
<td>Improving the incomes of communities around Inle; job creation</td>
</tr>
<tr>
<td></td>
<td>• Already accessible</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Existing products can benefit poor people a lot more, and new products can be developed</td>
<td></td>
</tr>
<tr>
<td>Hpa An</td>
<td>• Natural beauty and cultural heritage</td>
<td>Improving the incomes of communities in Hpa An; job creation</td>
</tr>
<tr>
<td></td>
<td>• Post-conflict region with improved border crossing and major East/West highway</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Lack of tourism products generally</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• A need to redefine the destination brand from the one associated with armed ethnic conflict</td>
<td></td>
</tr>
<tr>
<td>Mawlyamyine</td>
<td>• Rich cultural heritage and variety of excursions within reach</td>
<td>Job creation</td>
</tr>
<tr>
<td></td>
<td>• Access to Yangon improved recently and major East/West highway</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Road connections to Hpa-an and Dawei and Myeik in Thanintharyi Division</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• An extended destination from Kyaik Hto (entry point to Kyaikhtiyo)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Poor marketing of destination</td>
<td></td>
</tr>
</tbody>
</table>
Market under-performance:

- Myanmar has world class destinations and others that can be world class if they are well developed,
- The under-performance does not lie with the destinations themselves but with the way that they are developed, marketed and managed. These issues are explained in the relevant section of the strategy below.

4.2.2.2 Human resources

As tourism in Myanmar grows rapidly, the industry is facing a major challenge – the lack of skilled workforce in all destinations. The shortage of management skills has led to increasing levels of staff-poaching within the industry, especially from new local and international companies willing to pay higher salaries in order to obtain skilled labour. Experienced trainers, on the other hand, are also hard to find in the industry. The shortage could lead to increasing costs, thus making Myanmar less competitive with other destinations and decreasing total visitors, revenue, and employment creation. This issue presents a significant challenge to the future growth of the sector.14

The Tourism Master Plan recognises the need to invest in human resources development and has set it as one of its strategic priority programmes. The MoHT and a number of development partners are offering hospitality training to address the shortage of skilled labour in the tourism industry. For instance Swiss Contact is launching the Hotel Training Initiative (HTI) under the Vocational Skills Development Program (VSDP). The program will train about 3,000 people with disadvantaged background in selected hospitality occupations in cooperation with leading hotels in Yangon and Naypyidaw as well as with the relevant industry associations of the sector.

Market under-performance:

- The market is not producing nearly enough skilled and trained personnel for its needs.

4.2.2.3 Information

There is no centralised tourist hub that allows tourists to access information about Myanmar’s tourist destinations, and to find out more about travel, accommodation, history and activities. Information about restricted areas for tourists is not readily available. Tourism Information Centres are also hard to find in the country.

Many tourism related businesses also do not have websites or use technology to market their products or services. This is partly due to the lack of knowledge of technology and lack of awareness of the benefits that investing in modern technology can offer.

Market under-performance:

- The market is significantly short of the information that many market players need in order to fulfill their function effectively. Access to high quality information is a feature of a well-functioning tourism market.
- This under-performance can be related to weakness in support functions which are addressed elsewhere.

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14 Tourism Report Labour Shortages, Claudia Pompa and Jared Bissinger, ODI
4.2.3 National Level Services

4.2.3.1 Large hotels and chains

Given the anticipated growth in visitors to Myanmar, it is likely that the demand for hotel rooms will outpace supply in the next five to 10 years. Hence, many new hotels are being built around the main destinations. International brands such as the Accor Group and Hilton are well advanced with new hotel infrastructure, which will add to eighteen four-star rated and five five-star rated hotels, as noted in the Myanmar Tourism Master Plan.\textsuperscript{15} Other global hotel brands committed or considering entry to Myanmar include Marriott, Best Western, Starwood, Carlson and Kempinski. Hotel chains entering Myanmar come from Vietnam as well as EU and US.

Between 2008 and 2012 the number of available rooms in Myanmar grew at a compound annual growth rate (CAGR) of 8.6%. In 2012, there were 787 hotels with a total of 28,921 rooms across all categories. The most popular destinations, Yangon, Mandalay, and Bagan accounted for 51.20% of total hotel rooms in Myanmar.\textsuperscript{16}

Figure 4: Numbers of hotels and hotel rooms 2008 - 2012

![Figure 4: Numbers of hotels and hotel rooms 2008 - 2012](image)

Figure 5 illustrates that non-star rated hotels represented over half of the hotels certified by the MoHT, with one star representing 13.1% of all hotels, two star 14.6%, three star 10.5%, four star 2.3% and international standard five star just 0.6%.

\textsuperscript{15} Myanmar Tourism Master Plan 2013-2020, p20
Accor, the leading international hotel operator in Asia-Pacific, returned to the country, partnering with the Max Myanmar Group to develop a Novotel Yangon Max in Yangon, along with hotels in Mandalay and Naypyidaw. This is a good example of some of the reputational issues that exist within this part of the tourism market, because Max Myanmar currently stands on the United States’ Specially Designated Nationals (SDN) list, a catalogue of companies and individuals that Americans can’t work with unless they have specific approval. Partnering with Max Myanmar, a company still blacklisted by the United States, is considered by some as a sign that the reputational risk of working with the country’s “cronies” was fading and that the connections these business people enjoy could be beneficial.

Market under-performance:

- While the stock of hotel rooms is growing fast there may still be a lag in terms of supply vs demand, which will keep process high in some destinations.
- The development of hotels is very focused in a few locations and dominated by those with access to capital, which makes it liable to elite capture by cronies.

4.2.3.2 Booking Services

Despite big hotel chains entering Myanmar, there is still a lack of related services in the tourism market. This is partly due to the hotels being hesitant to work based on bookings received by mails only. Another local online travel agency, Oway (https://oway.com.mm) is also offering the bookings for domestic flights, hotels, trekking etc. Despite the efforts of Agoda and Oway, many hotels and local entrepreneurs in Myanmar are not aware of the potential to leverage technology to gain the wider access to the market. This, in turn, has caused hotels in a less well-known destination like Keng Tung to have poor room

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19 This was correct at the time of writing but may not be the case subsequently
sales. This leads to the few tourist arrivals to the region and airlines often cancels flights to Keng Tung due to few passengers.

Market under-performance:

- Lack of national (or international) booking services that are widely utilized adds to transaction costs and excludes market players in more remote and under-develop areas.

4.2.3.3 Airlines

Airlines provide a vital service because Myanmar is a large country and destinations are dispersed. Myanmar is well served by airlines. As of 2013, the market was served by 31 international airlines and six domestic airlines. As at March 2014 Myanmar’s airlines had a fleet of 44 aircraft in service of which 70.5% % are turboprops, 22.7% narrow body jets and 6.8% regional jets.

Similar to hotel business, the majority of airlines are mainly owned by the cronies, for example, Air Bagan, Asian Wings, Air KBZ and Myanmar Airways International (MAI).

Market under-performance:

- There are no significant under-performance issues, except that the airlines take a very commercial view which means that they only fly when they are well occupied. This means that emerging destinations such as Keng Tung suffer from a lack of scheduled flights.

4.2.4 Destination Level Services

4.2.4.1 Accommodation (Hotels/Motels/Guest Houses)

As noted above, the surge in visitor numbers in the last few years has vastly outstripped hotel room supply and created a window of opportunity for hotels. There are a lot of new hotel projects in the pipeline across the country especially in the key destinations. As a result of the shortage of hotels, there is a widespread overcharging which threatens to damage the long-term future of the industry, as the facilities offered are not worth those rates compared to the neighbouring countries such as Thailand.

As an example, the hotels in Keng Tung are not up to the standard of other places in Myanmar or across the border in Thailand. Most tour operators BIF interviewed noted that with a better 3-star option they would feel more comfortable promoting the destination, but that this issue was currently a major challenge for them. Similarly, Hpa An has limited tourist class hotel supply. While overall room supply remains low, the past few years has seen an investment surge in supply of hotel rooms in Moulmein. As yet, there are no 5 star international standard hotels in Moulmein and just one (The Strand Hotel)


22 This section is sourced from a BIF internal report, Steve Noakes September 2014 unless indicated otherwise.

23 Report on Tourism in Burma, Info Birmanie

24 BIF Internal report ‘Private Sector Views on Keng Tung: Its current status and future potential as a tourism destination in Myanmar’ Natasha Martin August 2014
approaching 4 star international standards. Moulmein serves as the accommodation hub for nearby destinations such as Thanbyuzaya and Bilu Kyun (Ogre Island).

There is often no accommodation option available for tourists who want to explore remote ethnic communities. At Kalaw-Inle trekking route, for instance, trekkers have to stay at monastery or stay at the Family Based Community Accommodation if trekking guide can help obtain the permission from the local authority. Those visiting Keng Tung can do only a day excursion since there is no accommodation option in ethnic communities let alone monasteries. Similarly, there is no commercial accommodation available at the Kakku Pagoda Complex. Taunggyi (about 2 hour drive away) has limited hotel capacity – mainly in the mid-range price and service category. This clearly shows that the hotel infrastructure is focused on key destinations such as Inle and not the surrounding towns and locations.

These are licensed businesses that provide accommodation to tourists but no food, beverage and other services are provided. Due to the influx of tourists to the popular destinations and with hotels charging a high rate on rooms, these lodging businesses are filling the gap.

Market under-performance:

- At the destination level, as with national level there is investment in new hotels but an even greater lag in meeting demand.
- The market in some destinations has not responded to the need for a variety of quality options, including higher end offerings.
- There is a major lack of supply in remote locations where many poor people live.

4.2.4.2 Local Transport

The transport at destination level is mostly of poor quality. A good example of this is the low quality of the vehicles available in Keng Tung. There is only one local car rental business in Keng Tung that works with hotels in providing car rental service to tourists in Keng Tung. Since it relies on the local market currently, the quality of vehicles is not good. Hotels sometimes have to hire mini buses and vans from the bus companies who operate Keng Tung–Tachileik.

Market under-performance:

- The market is not providing transport suitable for tourists in new destinations. This represents an opportunity for local entrepreneurs once demand is more predictable.

4.2.5 Tourism Products

With Myanmar’s rich culture and ethnic diversity, excellent cultural products have existed for many years, and many tourists visit the country to experience products based on its unique culture and historic sites such as Shwedagon Pagoda and Bagan. One innovative tour company ‘Balloons over Bagan’, has been promoting the hot air balloon rides over the amazing landscape of Bagan since 1999.

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25 BIF internal report ‘Hpa An destination report’ Steve Noakes September 2014
26 ‘Trekking in the Catchment Mountains of Inlay Lake: Kalaw to Inlay Trekking Corridor’ IID/MIID
27 BIF internal report ‘Inle destination report’ Steve Noakes September 2014
28 BIF internal report: Keng Tung Trip
Myanmar also has some of the richest biodiversity amongst countries in South East Asia, as well as the least explored. Hence, niche tourism products such as bird watching are also starting to be promoted in remote areas. With tourists’ arrival reaching 2 million in 2013 and the high growth potential of the sector, there is a need to promote sustainable development in and around Myanmar’s Protected Areas. Kyaikhtiyo, Indawgyi lake and Inle lake are the wildlife sanctuaries which have huge potential for eco-tourism.

Adventure products such as trekking to remote areas or ethnic communities are also getting popular around Kalaw, Inle, Hsipaw and Keng Tung. Emerging destinations such as Mon and Karen states are inviting tourists who enjoy products such as trekking, cycling or kayaking. Trekking around Inle lake has been one of the most popular products for tourists. Other new additions to the adventure tours are Hsipaw, Pindaya and Keng Tung which each offers unique experience. Cycling around Bagan or Yangon is also offered as part of a package by some tour operators.

Some tour operators have also been operating boat trips along Moulmein to Hpa-an or river cruises from Mandalay to Bagan or vice versa

Handicrafts are also an important tourism product, ranging from lacquer ware, wood carvings, traditional embroidery, pottery, ethnic jewellery, bamboo basket and traditionally woven shawls/scarfs and many other high quality items.

Out of tourism products mentioned above, some have greater potential for bringing benefits to poor people than others. For example, trekking and its related activities such as provision of meals for trekkers can benefit the poor communities along the trekking routes. It also affords opportunities for these poor communities to generate additional income by selling handicrafts to tourists/trekkers. Two of the BIF’s focused destinations Keng Tung and Inle offer trekking options and hence, there is huge potential to benefit the poor if executed well. Similarly, excursions to natural limestone caves and kayaking in Hpa-an are equally important. In order to encourage longer length of stay in the destination, it is needed to provide a wider range of activities when packaging the tourism products.

In each of the locations where BIF will work, there are tourism products that can be developed which will be attractive business opportunities and can also benefit poor people by creating employment or income generating opportunities by including one or more of the following components:

1. Accommodation – includes businesses related to the planning and preparation of the site, construction and operations activities, training of personnel for the hospitality sector etc.;
2. Food and beverage – includes a range of providers in the value chain from growers/farmers, beverage manufacturers, transporting the goods, distribution centres; restaurants/shops/hotels/resorts which deliver the final goods to customers;
3. Transportation to, from and within the destination – includes transport modes for land and marine services and the support businesses need to maintain those transportation services (travel agencies, fuel and oil supplies, sales of outboard motor engines, repair and maintenance of marine and land forms of transport including bicycles, motor bikes, cars, buses, boats etc.);
4. Locally produced arts and craft – includes silk and other materials weaving, silversmithing, traditional design clothing, cigar manufacturing, and umbrella and broom production.

This tourism product development can include expanding existing products and developing new short excursions and longer overnight programmes which in particular incorporate village experiences and require various forms of transportation and hospitality services. Also it can include addressing new opportunities in the ‘business tourism’ area (incentive travel programs managed by local destination management organisations and the small meetings market).
Market under-performance:

- The market provides the opportunity to develop a wide range of tourism products that can benefit the poor, but there is a lack of innovation of such products.
- Even products that are known to be pro-poor in other countries, such as trekking, are not present in the Myanmar market in a form that maximizes benefits to poor people and their communities.

4.2.6 Tourism Packages

Most visitors (from Europe and USA as well as Asia), and especially those with more to spend, are on packages put together by outbound operators in collaboration with local operators. This is therefore an important component of the market. However, most of the tour operators are promoting the big four – Yangon, Mandalay, Bagan and Inle. They do not take the initiative on the marketing of non-traditional destinations or emerging destinations.

This lack of destination marketing by tour operators is evident at all of the destinations that BIF will focus on. Keng Tung, for example, is not currently promoted by tour operators because of the availability of better and more accessibly trekking destinations in Myanmar. Keng Tung tends to be a pass-through location for major operators.

However there are exceptions that show that Keng Tung can be effectively marketed. Yangon based Exotissimo offer a 5-day/4 night called ‘Crossing To Myanmar: Chiang Mai To Keng Tung’. It departs Chang Mai in Thailand, and travels via Chiang Dao, Thaton, Mae Salong, Golden Triangle, Sop Ruak, Chiang Saen, Mae Sai, Tachileik, Keng Tung.29 Boston, USA based international tour operator, Audley, offer a 16 day ‘Discovering Myanmar and Northern Thailand’ trip, visiting Yangon, Bagan, Mandalay, Inle Lakes, Heho, Keng Tung and then via Tachilek to Chiang Rai.30

According to the tour operators that BIF has interviewed, the hard tourism infrastructure in Keng Tung leaves much to be desired, which severely limits the opportunities for including an emerging destination like this in a package. The hotels are sub-par, the flights are unreliable and the vehicles are old. The product in Keng Tung is mid-range. The high-end operators are not selling the destination because the standards are not of sufficient quality for their clientele. All operators interviewed noted the possibility of using the gateway to Thailand as a unique selling point but currently it is not happening for the reasons given.31

There are tour operators who have interest in innovating the off the beaten track trips. One travel company interviewed for this report or instance, said they get most demand for their tours to the main sites - although they have recently seen about 1/3 less interest and bookings to Myanmar for the standard itinerary compared to 12 months ago. According to them, growing number of tourists are interested more in these off the beaten track trips like the one they run to Chin state. They would like to see this grow but are concerned how to do this ethically and sustainably to benefit the locals rather than ruin the areas charms.


31 BIF Internal report ‘Private Sector Views on Keng Tung: Its current status and future potential as a tourism destination in Myanmar’ Natasha Martin August 2014
Market under-performance:

- Packages are an important part of the market but the operators that market products in the countries where tourists come from (outbound operators) are not putting pressure on national operators to innovate suitable products that would extend the range of packages they could offer.
- Many destinations lack the infrastructure for packages.

4.2.7 Key market players performing core functions

4.2.7.1 Tour Operators

National operators are the main contacts with tourists at international or local level to market packages and sell services. They sometimes serve as ground handlers for the international outbound operators. National operators tend to have their own ground handlers/local tour operators at specific region. These ground handlers act as local agents of tour companies. They usually find, check and commission excursions for tour operators.

Some operators are very proactive and many simply provide a booking service to tourists. There are relatively few that are used by outbound operators from major markets such as the EU and USA. The exact number of such operators is not available. However, BIF estimate is that there is about 80 operators that are pro-active in servicing the EU and US tourism market. It is expected that interest from TO to service the US market will grow when the work done by Solimar to market Myanmar as a destination (following a contract recently awarded by MTF to Solimar) starts to bear fruit.

According to MOHT’s 2014 summary statistics on tour operators as at 31 August, there are 1,492 local companies, 1 foreign company and 30 joint ventures operating in Myanmar. The statistics on destination-level operators are not available, but they appear to be very concentrated in Yangon and Mandalay. There are very few in most emerging destinations, and none in Keng Tung.

Trekking operators are specialist operators at destination level. These operators mainly provide services on trekking operations such as trekking guides, cooks and porters. In destinations where there are no ground handlers, the trekking operators also help to offer services on ground operations for national tour operators. Among these tour operators, we find that there is a lack of innovation to create tourism products that benefit the poor people. Although many of them are running promising tourism products such as trekking, it is not packaged in a way that really brings benefits to the poor people that are in the trekking areas. For example, Kalaw-Inle trekking route has been popular among trekkers for quite some time now. However, the ethnic communities living in the villages where trekkers pass by or stay overnight do not get much benefit from trekking.

Operators also impact on the way that poor people benefit (or don’t) from products in other ways. There are few tourist-oriented handicrafts available on trekking routes, but most villages produce small amount goods for the local market. Most of the handicrafts tend to be very basic and poor design. There is no product innovation or differentiation for different tourist requirements. The trekking operators in Kalaw were not fully supportive of developing handicraft products in villages. They believed the key asset of the trekking was authenticity, which was fed-back to them from their clients. Any “touristification” of the route would be detrimental. They were also concerned that villagers would adopt a hard sell approach, and thus hassle their clients.

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32 Trekking in the Catchment Mountains of Inlay Lake: Kalaw to Inlay Trekking Corridor’ IID/MIID

33 BIF internal report
With the growth in long-boat tour options on the Lake, many excursions are being taken to the same places of interest. This causes congestion in the peak tourist periods and highlights the need to work with different local communities/businesses to create new visitor attractions and activities. This clearly shows the need for product innovation, which would clearly be to the advantage of operators at Inle.

The innovation of new tourism product is possible in Myanmar. It is just that not many operators are packaging and promoting such products. One documented example of innovation is a product developed by Khiri Myanmar Travels. Khiri were looking for new products around Hpa An and found Ma Hnin and her husband, who own a small restaurant called “Thanlwin Oo”. Since they own a traditional canoe Khiri introduced them to kayaks which they agreed to maintain on behalf of Khiri. They then bought their own kayaks and business has taken off since servicing Khiri’s customers.34

**Market under-performance:**

- There are many operators in Myanmar but they are failing to innovate new tourism products, and in particular those that will benefit poor people, whereas in a well-functioning market the operators are a major source of product innovation.

### 4.2.7.2 Handicraft Makers and Sellers

Myanmar’s arts and crafts industry offers a wide range of handicrafts – lacquer ware, pottery, stone carving and traditional woven textiles. Many of the handicraft businesses are family owned and struggle to expand. Compared to neighbouring countries like Thailand, the local handicrafts lack the quality and creativity that would attract tourists.

One example noted during market research in Keng Tung is of Yang Kong village where almost the whole village works in pottery-making. All produce is bought by brokers who then send them over to Thailand. Thais later do the additional painting of this pottery and sell them at a much higher price. The locals from Yang Kong village have no interest in adding value to the pottery that they currently produce as they report that they are too busy trying to meet the demand.

Another family run business in Keng Tung interviewed only makes and sells the lacquer ware 6 to 7 months in a year. During the remaining months, the business has to make other seasonal products depending on orders from the local people. Almost every western tourist and some Thai tourists will visit the shop but only a few tourists will buy the lacquer ware. Tourists usually prefer small size products than large products and also they prefer to pay by credit cards rather than cash. Being the only and last remaining Shan Traditional Lacquer Ware shop, this shop is under the risk of extinction. The current owner tried to pass on the technique of making lacquer ware to young locals. However, they are not interested in carrying on producing the unique lacquer-ware as they cannot earn much from it.35

**Market under-performance:**

- Most of the handicrafts in the current market are of poor quality and lack differentiation in order to attract more tourists.
- Limited payment options at destination level are also putting the tourists off from getting expensive craft items.
- There is a clear lack of capacity at destination level to get more products to market.

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34 Interview with Su Mon Latt, Operations Manager at Khiri Myanmar Travel, 10 Sept 2014

35 BIF internal report: Keng Tung Trip Report (4th - 8th April 2014)
4.2.7.3 Guides

In Myanmar, tourist guide training is controlled by the central government and conducted in Yangon by Tourism Training School under the Ministry of Hotels and Tourism. This operation has been running since 1992, with 45 teachers and lecturers and eleven administrative staff. There have been 46 courses (batches) with over 8326 tour guides being trained. Currently there are 3,776 holding licenses. Only tour guides with the license can legally be employed as a tour guide.

Those who are qualified to attend the training and graduated from it can work as licensed guides throughout the country. These licensed tour guides tend to work mostly with package tour operators accompanying such groups for the entire duration of their stay in the country. Hence, they are also known as ‘throughout guides’.

Regional tour guide trainings, on the other hand, are conducted at state level such as Shan State or Mandalay region. These regional tour guides are allowed to provide state based services. Some regional tour guides are amateur tour guides and therefore lack the professionalism and knowledge of licensed guides.

For self-administered regions, a regional tour conductor training is conducted to provide a basic service. Tour conductors usually are the local ethnic minority people who can speak the specific ethnic languages required by a destination or community (e.g. Pa-O). For example, Kakku, an ancient site from 3rd Century B.C with 2,478 stupas located in the Pa-O self-administered zone, is surrounded by Pa-O villages, and can be visited only with a Pa-O guide.

In addition to this, there are numerous unofficial and unlicensed tour guides of various capacities working in the tourism sector. Also, there are cooks/porters who tend to be from local ethnic groups and act as trail guides. They also help to translate community languages between the trekking guide, and generally facilitate Family Based Community Accommodation and kitchen use. Standards of trekking guides can vary, as well as motivations and professionalism.

Some guides have not adequately explained local customs to trekkers, such as how to use open-air washing facilities, squat toilets and how to sit with feet pointing away from Buddha. Other guides have encouraged late-night drinking in monasteries and Family Based Community Accommodation.

Some destinations have extremely low numbers of guide, for example there are around 15 local tour guides in Keng Tung. Local tour guides earn very little from tourism market due to the low pay and few tourist arrival. They have no direct communication with tour operators from Yangon and other major cities. There is no local tour operator and local tour guides have to rely on hotels. Therefore, they are under the control of hotels and this is creating poor relationships with hotels. This leads to lack of incentives to work as tour guides in Keng Tung and many are considering working in Yangon as tour guides. Tour guide association needs to be strong and independent in order to have more bargaining power of fair payment.

Peace Nexus, an NGO delivering support to the peace arena, through business development, noted in November 2013, that travel companies stated there was a strong need for local Kayin speaking guides. However the current Yangon centric structure is a barrier to this. KNU companies Moe Ko San and Thoolei did coordinate with MoHT and a local religious leader to provide training for 30 students. The

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36 An overview of facts and figures for tour guides in Myanmar is listed in Annex D.
37 Kalaw to Inlay Trekking Value Chain Analysis Report, Mike Hayes, p14
report states that there is still very much a need for Kayin trained and accredited guides for the region. Potential future training partners included Norwegian Refugee Council, CVT and ADRA.\textsuperscript{38}

The BIF tour guide research study also highlighted opportunities and gaps associated with the ASEAN Economic Community (AEC). The major gap that was brought up was that there are insufficient numbers of tour guides ready for outbound travel. The respondents that highlighted this issue felt it should be addressed through bespoke training programmes for guides to ensure they are ready to accompany Myanmar residents travelling outside of the country. It was felt that with AEC coming into effect, more opportunity for inbound travel would arise, bringing a demand for more tour guides with Asian languages. Currently the ASEAN Mutual Recognition Arrangement (MRA)\textsuperscript{39} does not allow for movement of tour guides to operate in other countries.

The following table and comments arising from the research study in tour guides conducted by BIF from December 2014 to February 2015 provides a detailed overview of the guides’ market under-performance:

<table>
<thead>
<tr>
<th>Market function</th>
<th>Who is performing the function now</th>
<th>The extent to which the function is being done well</th>
<th>What other options can be available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tour guide training</td>
<td>Government is the only official provider. Tour operators also do some training but this can't lead to a guide being licensed.</td>
<td>There is a lack of training capacity in the system. There is also a lack availability of training where guides live and work (the destinations). The training that is delivered is not fit for purpose.</td>
<td>Privatisation. Training of tour guides is a market services that private sector organisations have the incentive to offer on a commercial basis. Anyone could be able to apply for a license to be a tour guide based on an appropriate examination of skills.</td>
</tr>
<tr>
<td>Setting standards for tour guides (quality)</td>
<td>Government, by setting curriculum and insisting on licensing of guides</td>
<td>Entry criteria are too high and the examination is too focused on English language.</td>
<td>The government is an appropriate player to set quality as this is within the market rules. However doing so in partnership with the private sector would result in more appropriate standards</td>
</tr>
<tr>
<td>Controlling quality of tour guides</td>
<td>Government. The law is that all guides must be licensed</td>
<td>The fact that local conductors exist suggests a lack of enforcement. Tour operators do use licensed guides but they may also use un-licensed ones (tbc) Insisting on only licensing guides that have done government training is not necessary in order to ensure quality.</td>
<td>The licensing system is difficult to enforce. Enforcement is not the only option anyway – voluntary codes of conduct on use of licensed guides agreed between the industry and government could be far more effective. Is licensing even the best way to control quality?</td>
</tr>
</tbody>
</table>


\textsuperscript{39} GIZ MTF 2014 Assessment Tour Conductor Training and ASEAN Mutual Recognition Arrangement on Tourism Professionals (MRA) Handbook.
We can therefore see that there is an underperformance of the market in providing enough, good quality tour guides for the tourism market. This market underperformance is strongly linked to the fact that the Government is undertaking this market functions alone whereas a blend of Government and private organisations could be far more effective.

It is not yet clear what would it take to bring about change. The individuals and organisations involved within the government may not be willing and/or able to change the situation. There are likely to be vested interests that are blocking change (e.g. the training institution which currently has a monopoly on training). A monopoly system will enable individuals to benefit from extracting value from this through corrupt practices and although the research report doesn’t mention this, BIF’s discussion with the research team did suggest this was happening.

This analysis also suggests that there may not be much point in trying to improve the current situation, in which government is the only training provider. The report for BIF suggests a number of measures that a donor could take to improve the quality of training, but these will not address the root causes of the constraint which appear to be more structural.

Market under-performance:

- Guides form a vital function in the Myanmar market because of the major part that cultural and biodiversity tourism play, but there is significant market under-performance both in the quality and numbers of guides that are available.
- The Government training school does not currently deliver guides that are “industry ready”. And there are now too many guides pushed through the course without the adequate resources or time to ensure they are professionally ready.
- Guides trained and guide’s training by the private sector are not officially recognised by the Government
- Lack of local speaking guides at the destinations
- Lack of market linkages between local guides and tours operators and hoteliers in the main tourism centres
4.3 Supporting functions

Figure 6 below shows the supporting functions of tourism market.

Figure 6: Tourism market supporting functions

4.3.1 Land

With Myanmar opening up more and the influx of foreign investment, land prices have increased rapidly. It is a pressing issue for both locals and foreign investors alike. With the massive increase in tourism and its reaching 2 million visitor mark in 2013, there is a shortage of hotel rooms during the high season which usually starts from October. The rising travel costs associated with a shortage of hotel rooms could hamper future growth of tourism. Therefore, new hotels are in demand. Ever increasing land prices especially in the tourist destinations are holding back some investors.

On the other hand, there is the issue of land grabbing around Myanmar. Various state and non-state armed actors have been responsible for land grabs in Myanmar during the past several decades. Whereas land grabs during previous periods were predominately conducted directly by military-state and non-state armed actors for their benefit alone, crony companies with extreme wealth and political leverage have become the new driver of land grabs in different parts of the country. This has created the ongoing land conflict crisis in Myanmar.

What is worrying is that there have been reports of land grabbing gracing the headlines due to the development of new hotel zones. In the run up to the 27th South East Asian Games which was held in Myanmar December last year, hotel zones in Ngwe Saung and Chaung Tha resorts on the west coast of Myanmar have led to over 5,000 acres of land taken over from locals in Irrawaddy division. Little or no compensation was made and the vast acres of farmlands were handed over to military families and government cronies.40

Also, another documented example of land grabbing is around Inle Lake, one of our BIF project’s focused destinations. With the tourism boom comes a shortage of hotels during the high season. So, new hotels are being built and 250 hectares of farmland have recently been razed for a special hotel zone in Inle. Given the centrality of land to rural populations’ livelihoods and identities, this was devastating. Local Intha ethnic minority, lakeside dwellers, have doubt over the development happening around the lake. The existing hotels in place and many more under way have clearly created job opportunities, but most locals are employed as low-paid, unskilled labour, while more lucrative and rewarding posts go to outsiders, mostly from Yangon.41


41 http://www.thestar.com/news/world/2013/10/05/burma_tourism_blessing_or_a_curse.html
This, together with many historical land seizures still need to be addressed. Government entities, civil society, and communities will need to understand the potential prospects and pitfalls, their capacity to protect local interests and the networks for collaborative action if they are to ensure that the tourism development in Myanmar is inclusive and sustainable.\textsuperscript{42}

**Market under-performance:**

- Due to the inadequate land laws, land grabbing has continued in many parts of Myanmar and forcing farmers off their land for tourism development as well as commercial agri-business ventures, infrastructure projects, industrial facilities and gas pipelines.

### 4.3.2 Electricity

Nationwide power shortages have gripped Myanmar for a long time. Despite having natural gas line, much of it is exported to China. Shortage of electricity is common in small towns as well as big cities like Yangon. Insufficient electricity has been a long standing issue for many decades. Due to the frequent power cuts, hotels and other industry players have to use expensive generators as alternative supply in many areas. In villages, solar power is used to provide electricity to local communities. The shortage of electricity, therefore, has caused local entrepreneurs to delay the investment in new hotels in less well-known destinations.

The issue is acknowledged by the government and is addressing it as a part of Myanmar Tourism Master Plan so that there is reliable electricity supply in all main tourist destinations.\textsuperscript{43}

**Market under-performance:**

- Despite the Myanmar government’s promises on improving access to electricity, about 70% of the population still has no access to grid electricity, and even Yangon and other major cities continue to experience power outages that limit the expansion of economic activity. Rural electrification rates are a concern, especially in the states of Tanintharyi and Kayin, where electrification rates are below 10% (Figure 7).\textsuperscript{44} This issue affects tourism development as it does almost every sector.

\textsuperscript{42} Visibility versus Vulnerability: Understanding Instability and Opportunity in Myanmar, MercyCorps

\textsuperscript{43} Myanmar Tourism Master Plan, 5.3.5 Improve the coverage and reliability of electricity supply at key destinations, p62

\textsuperscript{44} Myanmar – Unlocking The Potential, Country Diagnostic Study, ADB
4.3.3 Information and Communication Technology (ICT)

Despite the size and potential of the market, Myanmar's telecommunications sector is significantly underserved. The country's mobile phone penetration rate reached 10 percent of the population in 2012-13, and 27 percent in 2013-14. It is expected to reach 50 percent in 2014-15 and continue to rise to 80 percent in that year, according to official data. Previously Myanmar's telecom sector is heavily monopolized by the state-owned Myanmar Posts and Telecommunications (MPT). Realizing the fact that the barrier to telecommunication access is the high costs and limited infrastructure, the government has committed to undertaking several reforms such as issuing telecommunication licenses to the two world class operators - Ooredoo and Telenor. With Ooredoo launching its services back in August and Telenor introducing its services sometime in September 2014, the mobile penetration rate is expected to be higher. State-owned MPT who recently partnered with KDDI and Sumitomo is also gearing to expand and enhance its infrastructure.

Myanmar has about 60,000 Internet users (which is 0.16 per cent of its entire population) in 2012. Myanmar is trying to increase mobile phone density to 50 per cent in 2015-2016 to catch up with the neighbouring countries, according to the release of Ministry of Communications and Information Technology. Due to poor banking infrastructure there is a lack of card payment option available at destination level. For instance, one lacquer ware shop in Keng Tung sells items which are somewhat expensive due to uniqueness. As was mentioned above, there have been cases where tourists could not buy them due to the fact that they could not pay by card. Currently, there is also limitation in accepting air tickets or hotel bookings online due to poor Internet infrastructure. In addition, there is also a lack of tourism information sharing online.

Noting the fact that mobile revolution will, no doubt, bring considerable benefits to the tourist sector, the government has also planned to ensure that local businesses and tourists have access to efficient and reliable Internet services in all tourist destinations. In addition, it intends to provide technical support

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BIF Internal report: Keng Tung Trip Report(4th - 8th April 2014)
and incentives to increase the number of tourism-related enterprises using the Internet for business services, marketing, and knowledge sharing.\textsuperscript{46}

Figure 8: Internet penetration (numbers of users)

![Graph showing Internet penetration (numbers of users)](source)

Source: \url{http://www.mcit.gov.mm/news}

Figure 9: ICT penetration (numbers of users)

![Graph showing ICT penetration (numbers of users)](source)

\textsuperscript{46} Myanmar Tourism Master Plan, 5.3.3 Improve the coverage and reliability of Internet services in tourist destinations, p61
Market under-performance:
- Not having enough infrastructures, Internet in Myanmar remains slow, unstable and expensive to the majority of the population.
- If all goes as expected, constraints will rapidly be removed in coverage and affordability are expected for mobile phones which will boost connectivity and drive innovation.

4.3.4 Logistics

Myanmar is a large country with a land area covering over 676,000 square kilometres. It shares borders with Bangladesh, China, India, Lao PDR and Thailand, and is thus strategically located at the crossroads of China, South Asia and Southeast Asia. The country’s proximity to Asia’s largest and fastest growing markets offers great opportunity for Myanmar to become the land link between China, India and the ASEAN countries. Presently, Myanmar’s road transport sector is considerably under-developed for a country of its size, population, and potential. This has contributed to the issues arising at tourism destinations like Keng Tung. The new cross-border links will also complement existing road links, such as the Mandalay-Lashio-Muse road with China, and meet additional connectivity requirements of tourism development.

The railway sector in Myanmar is currently a monopoly operated by state-owned Myanmar Railways. The rail network has expanded considerably over the last twenty years, expanding by almost 78% between 1988 and 2010, although the focus had been on providing transport services and connectivity to remote areas of the country.47 Myanmar currently has a total of 69 airports, of which 32 are operational. There are 3 international airports - in Yangon, Mandalay and Naypyidaw, with 19 international airlines and 4 domestic airlines operating regular flight services between Myanmar and 17 regional destinations.

In 2013, Myanmar’s top four airports accounted for 65% of the total domestic traffic. In 2011 the Myanmar government announced plans for the expansion of the terminal at Yangon International Airport, in a bid to increase passenger handling capacity to 3.8 million by 2013. In 2012, amended plans were introduced to increase this to about 5.5 million passengers by 2015. In February 2012, the government announced plans to add two new international airports to meet future demand of air passengers. The two airports are Hanthawaddy International Airport in central Bago region and Dawei International Airport in the Dawei special economic zone. According to World Bank data, air passengers using both domestic and international aircraft passengers of air carriers registered in Myanmar increased yearly apart from 2010 (See Figure 10).48

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47 ASEAN-Japan Transport Platform Project, KPMG

48 http://data.worldbank.org/indicator/IS.AIR.PSGR
Figure 10: Air passenger numbers (Myanmar arrivals)

Source: World Bank

Market under-performance:

- Even though there is upgrade of airports in major destinations such as Yangon and Mandalay, the regional infrastructure such as Heho Airport is showing signs of aging and security lapses and requires upgrading as tourism growth continues.
- There is a lack of investment in transport infrastructure from both public and private sectors to facilitate tourism development in less known destinations.

4.3.5 Tourism Associations (Industry Bodies)

In 2011 that Myanmar’s business associations formed the Myanmar Tourism Federation (MTF). Only three of the MTF member associations existed before 2011 (Myanmar Hoteliers Association, Union of Myanmar Travel Association and Myanmar Marketing Committee).


MTF key functions are to promote the destination, assist in the development of sustainable tourism, facilitate tourism investment and develop human resources for tourism-related industries. MTF\(^{49}\) and ILO are currently working on a needs assessment for the eleven associations with a view to support institutional strengthening. Publication is imminent.

The MTF, as a new addition to Myanmar’s emerging network of civil organisations, is still in the early stages of developing effective processes to articulate common industry views and advocacy, provide industry knowledge and tools and deliver results for its membership base. While MTF has been engaged in the development of some key national policy papers for tourism, the ongoing lack of

\(^{49}\) BIF tour guide research interview 09.01.15
appropriate resources has restrained its capacity to undertake many much needed programs, including those which engage the poor in the tourism marketplace. The MTF is receiving the support of international partners such as GIZ (Germany) and an Australian Government funded volunteer.

The Myanmar Tourist Guide Association (MTGA), formed by licensed (issued by MoHT) tourist guides in the whole country, cooperates with MoHT. MTGA strives to protect the rights and to support the guides’ capacity. MTGA key roles are to support the tour guide profession with advocacy, training, lead generation and dissemination of information. Currently the Association is not legally registered and comprises a voluntary elected body of guides.

Myanmar Hotelier Association (MHA) operates under the close supervision of MoHT for the development of the hotel industry resolving the issues and difficulties that each member is not able to solve, by coordinating the nationwide hotels, motels, inns and lodgings.

BIF has found that there is a lack of collaboration and synergy at the destination level between MoHT and the private sector. Based on our discussions with the officer from Keng Tung Hotel and Tourism department, tourists have to rely on air transport since the land transport is not secure. However, regional organizations such as Myanmar Tour Guide Association - Eastern Shan- Golden Triangle Region (RTGA) are keen to work together with BIF in developing Keng Tung tourism. The RTGA is a key part of the local tourism product delivery and levels of visitor satisfaction.

Market under-performance:

- There is a lack of industry knowledge and capacity to keep up with the rapid tourism development in Myanmar among the tourism associations.
- The market also lacks public private collaboration mechanisms and partnerships.

4.3.6 Training Facilities

The Ministry of Hotels and Tourism (MOHT) operates the only officially recognised tour guide training school in Myanmar: the state-run Hotel and Tourism Training Centre in Yangon. The school is located in downtown Yangon, in a government owned building. Demand is high for the course with over 1,000 applicants applying for the last course. Students have to meet set criteria for entry. This includes speaking a foreign language and some knowledge of English. Other criteria include passing 12th grade and studying for two years at university. A general knowledge examination, in English, is the final criteria. The course duration is for two months. The teaching method is primarily presentation and lecture style with limited discussion and no debate. Both English and Myanmar language are used for delivery

In addition to the state-run Hotel and Tourism Training Centre in Yangon, there are a number of private training institutions offering hospitality training. A new 4-year Bachelor’s Degree BA (Tourism) is being offered under Ministry of Hotel and Tourism and Ministry of Education as well as a nine-month postgraduate diploma in tourism studies under Ministry of Education. The Ministry of Science and Technology will open 4 subjects (Front Office Operations, Housekeeping Operations, Restaurant Operations, Retail Operations) in joint cooperation with Singapore Government as well as Ministry of Labour has giving training and doing National Standardization of Hotel and Tourism sector.

Some associations and NGOs are providing capacity building training for the development of human resources in the Hotels and Tourism sectors such as Myanmar Hospitality Association (MHPA), Myanmar Hospitality Training Schools association (MHTA), CVT. Another notable training centre is the Inle Hospitality Vocational School, which was founded by the managing director of the Inle Princess Resort with the support of Partnership for Change (PIC). The vocational training centre provides education and job opportunities for youth from the local communities around Inle Lake. Also, under Daw Khin Kyi Foundation, there is a project called Hospitality and Catering Training Academy (HCTA). HCTA
is a non-profit training centre empowering the youths with education and vocational training, not only creating job opportunities but also supplying the rapid demand of tourism and hotel industry.

The Inle Heritage Hospitality Vocational training Centre is also providing hospitality training in conjunction with Partnership for Change. The center trains about 40-50 students each year. During the ten month long program the students will go through practical hospitality training and theory. The students take part in extensive cultural immersion where they will obtain substantial knowledge about Myanmar’s rich cultural heritage. This way they can become ambassadors of the tourism industry in Inle Lake, promoting cultural awareness and sustainable tourism to travelers as well as locals.

There is now increased donor activity in the tourism development space in Myanmar. GIZ is setting up a tourism development project that will focus on Shan State and Lux development is also planning to intervene in the tourism sector. Hanns Seidel Foundation cooperated with Myanmar Tourism Federation to provide two regional tour guide trainings. JICA is undertaking tourism training in Bagan and is also involved in running Japanese language courses with Myanmar Polestar, Yangon.

This increased activity demand for better coordination between stakeholders to avoid duplication and where possible, and to create synergies, when there is mutual interest and capacity to do so.

BIF is fully aware of Myanmar tourism coordination mechanisms and participated in the Organisation Committee of the Third Tourism Sector Working Group on 31st October 2014. BIF will continue to present progress to the SWG. BIF interventions/destinations are also mapped on the interactive on the Tourism Development Partners tool designed by the Myanmar Information Management Unit (MIMU) and SwissContact.

However, there is no formal coordination mechanism for donor funded activities working in tourism which implies coordination comes with high transaction costs, and this situation is not likely to improve with new projects starting soon, unless a coordination group mechanism is initiated by one of the organisation working in tourism. BIF will continue to expand and deepen networks with tourism partners, and where able, to support coordination. BIF will also consider options for strengthening coordination.

Due to their operational and legal requirements Tour Operators also provide training for some elements of their tour guide operations. Some of the tour operators provided two different types of tour guide training. Tour leader training and tour guide training.

**Market under-performance:**

- Despite government, private sector and NGOs providing hospitality training, there is still a shortage of training in the market.

- There are very few qualified trainers in the country.
- Most available training is concentrated in Yangon and a few other urban areas, and the financial and time costs of attendance for individuals in more remote areas is often a major deterrent.

4.3.7 **Banks/Finance Institutions**

Access to capital is required by ethnic communities (the industry) to allow them to invest in tourism services such as accommodation. More than 85 percent of rural households in Myanmar rely on loans from multiple sources to meet basic needs, according to the UN Development Programme (UNDP), which brought microcredit lending to the country in 1997. The government will amend current restrictions on lending from financial institutions. A law passed in 1990 forbade both state and privately-owned banks from providing uncollateralized credit.

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In addition, poor banking infrastructure allows limited payment systems. For the development of tourism sector, there needs to be ways to accept card payments as majority of the bookings are likely to be done online. The local banks are adopting new banking systems and upgrading their infrastructure. With Myanmar government preparing to grant as many as 10 foreign bank licenses, the banking infrastructure is likely to be improved.51

Market under-performance:
- Many local banks are still using outdated systems which hinder the development of banking and financial sector. This impacts on tourism as it does on most sectors.
- Limited outreach at destination level and there is still a lack of reliable payment systems, which means that tourists have to carry cash and limits flexibility.

4.4 Rules

Figure 11 below shows the rules affecting the tourism market.

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51 http://online.wsj.com/articles/myanmar-set-to-grant-licenses-to-foreign-lenders-1405658361
4.4.1 International Level

4.4.1.1 International Agreements and Standards

As the peace agreements, political and economic changes of recent years have occurred in Myanmar, the nation has entered into new or rejuvenated old international agreements and investment treaties that were stalled due to international relations and sanctions. Key international agreements and standards are United Nations, The Universal Declaration on Human Rights, Humanitarian Law and Human Rights, World Trade Organisation, World Bank Group and ILO.

4.4.1.2 International Rules and Agencies

In 2012, Myanmar re-joined the UNWTO, which commits its member countries to the Global Code of Ethics for Tourism and supports programs such as Sustainable Tourism Eliminating Poverty (STEP), which has yet to be activated in partnership with the private sector in Myanmar.

Myanmar is a party to the Convention on Biological Diversity and still has to incorporate many of its provisions into domestic laws (e.g. requiring environmental impact assessments, involving local community participation in decision-making of large-scale developments, regulation of pollution, standards to protect biodiversity etc.). This is an important area given the significance of the biodiversity as a tourist attraction in Myanmar.

Asian Development Bank: ADB resumed operations in Myanmar in 2013 following ceasing of direct involvement in 1988. Current ADB’s projects which might have synergies with the BIF Myanmar project include Strengthening Institutions for a Better Investment Climate, Skills Development for Inclusive Growth, Pro-Poor Community Infrastructure and Basic Services, Support for Public-Private Partnership Framework Development, Enhancing Rural Livelihoods and Incomes. Myanmar engages in the ADB supported Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth and collaborated with the Government of Norway in funding and planning for the current Myanmar Tourism Master Plan. It is anticipated ADB will engage in further tourism related projects in Myanmar both directly and via the GMS structures.

Global Sustainable Tourism Criteria, the minimum international standards for sustainable tourism, are gradually being introduced into Myanmar in more major new tourism policy documents and through the activities of many donors and NGOs. The BIF project provided the opportunity for a ‘formal’ introduction to the Myanmar Tourism Federation, Government officials, industry and NGO on the activities of the Global Sustainable Tourism Council and the criteria.

The tourism sector plays a crucial role in many ASEAN member states for economic and social development. Based on the mutual recognition agreement (MRA) in the tourism sector ASEAN fosters the mobility of tourism professionals. However, implementation is still underway. Private sector players are preparing for the opening of the labour market through the ASEAN Economic Community (AEC) end of 2015. That said, tourism professionals need to comply with the ASEAN Common Competency Standards for Tourism Professionals (ACCSTP). Significantly, Myanmar will host 2015

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53 Sustainable Tourism Eliminating Poverty (STEP): http://step.unwto.org/content/st-ep-initiative-1
54 See: http://www.cbd.int/countries/?country=mm
55 See: http://www.adb.org/countries/myanmar/strategy
ASEAN Tourism Forum – to be held from 22–29 January 2015. This will be a major milestone and legacy event in Myanmar’s tourism development.

In addition, there is a number of sub-regional economic cooperation that is likely to bring considerable amount of benefits to the tourism sector in Myanmar. They are listed as below:

Greater Mekong Sub-region Economic Cooperation Programme (GMS) in Southeast and East Asia.

- Greater Mekong Sub-region Economic Cooperation Programme (GMS) in Southeast and East Asia.
- Bay of Bengal Initiative for Multi-sectorial Technical and Economic Cooperation (BIMSTEC) in South and Southeast Asia

- Mekong–Ganga Cooperation (MGC)
- Kunming Initiative among Bangladesh, the People Republic of China (PRC), India and Myanmar in South and Southeast Asia (commenced 1999).

4.4.1.3 Government Level Rules and Agencies

Having seen the rapid increase in tourist numbers in recent years, MoHT has placed considerable emphasis on developing and managing tourism in sustainable and responsible ways. MoHT has developed Myanmar Tourism Master Plan with the help of Asian Development Bank (ADB) setting a clear vision, guiding principles and strategic programs in the form of a long term implementation framework which is well suited to the needs of the industry. In addition to this, MoHT introduced an e-visa system to be used for the tourists visiting Myanmar from 1 September 2014 in collaboration with Ministry of Immigration and Population (MOIP). MOIP intends to promote tourism in all states and regions by easing travel restrictions in emerging destinations.

There is awareness that the MoHT, as a single Ministry, cannot manage all aspects of the tourism industry, and the Tourism Master Plan notes at least 25 Union Ministries that have sort type of tourism-related role of regulatory, monitoring or advisory responsibility. Managing the industry policy and practices across more than two dozen Ministries at the national level is a challenge for any country – even more so for a country with little experience and understanding of the complexities of tourism planning and policy development and implementation. The government of Myanmar has identified and endorsed policy position relating to pro-poor tourism in recent documents including the Responsible Tourism Policy (2012), the Myanmar Tourism Master Plan (2013-2017) and the Policy on Community Involvement in Tourism (2013).

Tourism development is prioritized in the Government of Myanmar’s ‘Framework for Economic and Social Reforms (FESR)’ which focuses on three key measures: (i) land reform; (ii) improvement of access to credit; and (iii) creating job opportunities. The 1993 Myanmar Hotel and Tourism Law provides the broad legal framework for the tourism sector in Myanmar. This Law is currently under review with the support of the UNWTO. Issues remain concerning the capacity within Myanmar to implement the existing Law. A range of other Laws administered by over two dozen Ministries impact on the tourism sector - from the Ministry of Commerce, Ministry of Construction, Ministry of Education, Ministry of Environment, Conservation and Forestry, Ministry of Finance and revenue, Ministry of Labour, Employment and Social Security, Ministry of Transport and so on.

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57 Myanmar Tourism Master Plan, Key Objective 5.4: Progressively Ease Barriers to Visitor Entry and Internal Travel, p62


59 The State Law and Order Restoration Council Law No. 14/93.
4.4.2 Immigration Laws

The Myanmar government has relaxed the immigration laws and this has contributed to the increase in tourist arrivals. Myanmar immigration authorities introduced online e-visa in a bid to boost tourism in the country. A new website (myanmararevisa.gov.mm) will enable tourists to apply for an e-Visa from September 1, 2014. A BETA version of the site is currently being tested through which a small number of applications can be processed. Visas should take one week to arrive, are valid for 28 days and must be used within three months of the application date. Thai Tourists coming across Tachileik border do not require a visa but Entry Permit (EP).

4.4.3 Tax & Customs

The Commercial Tax rate on hotel, lodging and restaurant services is 10%. However with a high number of unreceipted cash transactions for services, the tourism and hospitality industry is prone to tax evasion, as it is in many countries. In Myanmar, business owners are reluctant to reveal accurate customer figures. We heard that there were discrepancies between the actual number of tourist nights spent in Inle Lake region and the numbers reported by hotels to the government, in order to avoid paying taxes.

4.4.4 Restricted Areas

For the international tourists who visit Myanmar by air, sea and land, there are restricted areas, defined by Ministry of Home Affairs, which cannot be accessed due to security reason or other concerns. All states and regions have restrictions on which areas international tourists can and cannot visit in Myanmar. The areas are categorized as: Permitted Areas, Permitted only in the Downtown Areas and the Areas that need Prior Permission before they can be visited. The details of these areas, classified by states and regions can be found on the MTF website (www.myanmartourism.org/index.php?option=com_content&view=article&id=419&Itemid=393)

4.4.5 Self-administered Region

These zones, a significant ethnic minority in the area, ended hostilities with the government in the 1990s and were granted partial administrative autonomy in the form of the Self-Administered Zone, which they now govern. The central, Union-level government still retains ownership over all land and natural resources and direct control of high-impact industries, such as timber and mining. State officials also have to follow a dual administrative structure which allows for the Self-Administered Zone, and other self-administered zones to operate within the state and report to Naypyidaw. A special permit is required to travel to the border area of Myanmar and to the minority self-administered region.

For example, Kakku (Kekku) is located in the Pa-O Self-Administered Zone and tourists visiting the area need to get a special permit. The relative security of the area, in addition to its obvious attributes, makes it a natural entry point for national and international investors, as well as a good test case for government reforms.

The following table (Table 5) depicts the self-administered zones/divisions in Myanmar.60

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60 Constitution of Myanmar of 2008, p17-18
Table 5: Self-administered divisions in Myanmar

<table>
<thead>
<tr>
<th>State/Region</th>
<th>Self-Administered Zone/Division</th>
<th>Townships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sagain Region</td>
<td>Naga Self-Administered Zone</td>
<td>Leshi, Lahe and Namyun</td>
</tr>
<tr>
<td>Shan State</td>
<td>Danu Self-Administered Zone</td>
<td>Ywangan and Pindaya</td>
</tr>
<tr>
<td></td>
<td>Pa-O Self-Administered Zone</td>
<td>Hopong, Hsihseng and Pinlaung</td>
</tr>
<tr>
<td></td>
<td>Pa Laung Self-Administered Zone</td>
<td>Namhsan and Manton</td>
</tr>
<tr>
<td></td>
<td>Kokang Self-Administered Zone</td>
<td>Konkyan and Laukkai</td>
</tr>
<tr>
<td></td>
<td>Wa Self-Administered Division</td>
<td>Hopang, Mongmao, Panwai, Nahpan, Metman and Pangsang (Pankham)</td>
</tr>
</tbody>
</table>

Market under-performance:

- BIF market research findings show that implementation of the national level policy frameworks do not appear to have filtered down at destination level. There is no evidence of any public policy incentives at the local destination level to support pro-poor tourism growth in BIF’s focused destinations apart from Inle.
- There is little evidence at Shan State level of adequate tourism planning and policy development – therefore little evidence of public policies and strategies to pro-actively support inclusion of the poor in the tourism market. However, with the support of some NGOs there is evidence that some larger and smaller scale and tourism and hospitality activities are prioritising activities to bring benefits to the poor.
- All destinations suffer from the lack of environmental awareness. This, again, is due to a lack of public regulation and/or enforcement of appropriate regulation as to how to keep tourists safe and develop destinations in a responsible way.

4.5 Cross-cutting issues

4.5.1 Labour

The tourism sector is labour-intensive with a wide range of skilled and unskilled jobs. Just like any other sector, tourism sector is facing a brain drain due to the shortage of skilled labour. With increasing demand within the industry, the lack of management skills is preventing many businesses from growing, expanding and taking on new opportunities.

The shortage of management skills has led to increasing levels of staff-poaching within the industry, especially from new local and international companies willing to pay higher salaries in order to obtain skilled labour. This has, predictably, translated to salary inflation.

Migration to Thailand or Singapore is one of the contributing factors of labour shortages. With the hope of getting paid more, many workers in hospitality industry have left. Some people are starting to return, but not enough to address the current shortage in the market.61

Key HR issues highlighted in the current Myanmar Tourism Master Plan included:

(i) the extent to which the existing workforce can cope with the expansion of the tourism industry
(ii) the rate at which new entrants can be trained and advance to positions that demand more refined skill sets

(iii) Quality assurance, accreditation systems, and qualifications of academic staff need to be improved
(iv) Urgent need to develop and implement a comprehensive national plan for tourism human resource development
(v) Data on the number of students enrolled in tourism-related training is unavailable, however, the high labour intensity of the tourism industry suggests significant additional capacity is required - conservative forecasts suggest that direct employment in the tourism industry will increase to 424,450 in 2015 and 536,056 2020; in a high growth scenario, direct tourism employment could reach as high as 1.49 million in 2020 (Table 6: Tourism related employment potential Table 6).

Table 6: Tourism related employment potential

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Conservative</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2015</td>
</tr>
<tr>
<td>Accommodation</td>
<td>44,055</td>
<td>63,668</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>146,850</td>
<td>212,225</td>
</tr>
<tr>
<td>Recreation and entertainment</td>
<td>29,370</td>
<td>42,445</td>
</tr>
<tr>
<td>Transportation services</td>
<td>58,740</td>
<td>84,890</td>
</tr>
<tr>
<td>Travel services</td>
<td>14,685</td>
<td>21,223</td>
</tr>
<tr>
<td>Total</td>
<td>293,700</td>
<td>424,450</td>
</tr>
</tbody>
</table>


On the other hand, child labour has been a long standing issue in Myanmar. Children work in various sectors throughout Myanmar, including construction, the service industry (such as teashops), domestic work, as waste collectors, in food processing and light manufacturing, and on farms in rural areas often with permission from their parents. Children also end up begging on the streets, bus and railway stations and at tourist attractions. Worryingly, another emerging threat that Myanmar tourism sector needs to recognize and respond to is child sex tourism.\(^{62}\)

The Code (The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism) has been actively providing awareness, tools and support to the tourism industry in order to prevent the sexual exploitation of children. They work with responsible tourism companies in a powerful way to keep children safe and prevent these crimes. The Code has been acknowledged by various United Nations organisations as a good practice example of tourism private sector and nongovernmental organisations collaboration to combat exploitation of children. A number of governments and organisations have incorporated The Code into overarching policy. For example, membership of The Code is a requirement of achieving fair trade tourism status in South Africa and acquiring TourCert certification in Europe. The government of Costa Rica has also integrated The Code into the Costa Rican Tourism Institute’s Certification in Sustainable Tourism program. Several national tourism ministries are also active in promoting The Code as a responsible initiative.

The Myanmar Government ratified ILO Convention 182 on the Worst Forms of Child Labour in December 2013 and has vowed to implement the Convention which comes into force on 18 December 2014.\(^{63}\) In addition, the Ministry of Labour and ILO held closed discussions in September 2014 to define the legal age of child workers and minimum working hours for them. According to Aung Lin, Myanmar


Labour Union Chairman, the Myanmar government will collaborate with ILO and other organisations to have no child labour in Myanmar by the end of 2017.  

4.5.2 Gender

In the Myanmar Tourism Master Plan, it was stated that the travel and tourism industry in 2012 sustained over 735,000 direct, indirect and induced jobs, representing 2.8% of total employment. It is estimated that at least half of those employed in the sector were women. Women tend to occupy low paid and low-status jobs in the global tourism sector and often perform unpaid work in family tourism businesses.

One of the main causes for gender inequality in Myanmar is the traditional gender norms and due to the fact that women are on the whole less educated since girls in rural areas may not be able to attend school or education in monasteries, leading to a lower literacy rate. Without access to education, women cannot access the jobs market and remain in low paid positions and are more prone to exploitation.

Gender inequality is relevant to the tourism sector, as it can affect female employees and tour guides, female sex workers who cater to tourists, and women living in communities close to tourist attractions. The government has also identified its relevance. Gender is one of the seven cross-cutting themes mainstreamed in the Tourism Master Plan (p190) and will be included in all tourism policies and development planning.

There are concerns about what could come next as tourists pour into Burma after decades of isolation. Sex tourism, therefore, is another issue threatening the tourism industry as it develops. A sex industry catering to foreign tourists has been kept largely at bay, simply because Burma has had relatively few visitors to date. (Thailand, by comparison, received 22 million visitors in 2012.) But there are signs this is changing. Andrea Valentin, founder of Tourism Transparency, which advocates responsible tourism in Burma, says she recently came across a website in Japan advertising sex tourism in the country, with a list of hotels willing to help arrange it. Hotel owners have also told her that they provide tourists with phone numbers for prostitutes when asked.

In fact, the authorities have been working on the issue of sex tourism for some time. Last year, the Ministry of Hotels and Tourism launched a new responsible-tourism policy in collaboration with the Hanns Seidel Foundation, a German NGO, and published a code of conduct for tourists, spearheaded by Valentin and illustrated by famous Burmese cartoonists, for distribution by hotels and tour operators. The U.N. Inter-Agency Project on Human Trafficking (UNIAP) is holding workshops to train hotel staff and tour operators on how to recognize potential sex tourists, and anti-human-trafficking and child-sex-tourism hotlines have been set up in major tourist areas.

While traditionally Myanmar was not a destination for sex tourism, human-trafficking networks have long operated in Myanmar, funnelling thousands of women and girls into Thailand to fuel its sex industry catering to Western and Asian sex tourists. There are fears that Myanmar will become a new

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64 [http://www.news-eleven.com/local](http://www.news-eleven.com/local), 17 September 2014
65 The union of Myanmar travel association report, Overseas Development Institute (ODI), p.6, May 2014
68 Personal communication BIF consultant
destination. The government of Myanmar has acknowledged this threatening issue brought by a burgeoning tourism industry and planning the strict law enforcement and diligence in order to stamp it out before it grows. It is clearly noted in Myanmar Tourism Master Plan under the “Key Objective 3.2.1 Implement actions to prevent sex-tourism and human trafficking”.

4.5.3 Responsible Tourism

Responsible tourism is currently a key focus of MoHT, with eco-tourism; and BIF will ensure the interventions we support do not contribute or support to the worst form of human abuse. BIF keeps a watching brief of cases of abuses that are made public in the media and is also keeping up to date with Government rules, regulations and actions.

BIF current tool kit for interventions does not enable us to address those problems, which are more regulatory, and civil society based, and BIF’s strategy and results should remain about creating more opportunities for the poor to engage in the tourism sector and sub-sectors.

However, BIF will ensure the finding of our researches and interventions will feed back to relevant organisations and people that contribute to creating an enabling environment for pro-poor tourism. BIF will also ensure that our interventions bring a net benefit to the people we engage with and do no harm as part of our conflict sensitivity engagement.

4.5.4 Culture and Traditional Norms

Myanmar has a broad range of cultural diversity and authenticity. The influx of foreign tourists may cause culture erosion and losing culture. Responsible tourism, therefore, should be promoted among tourism stakeholders. There is a concern locally that an open-to-all e-visa policy and corresponding spike in visitor numbers could result in an increase in undesirable tourism with negative repercussions for the environment, culture and society. In an effort to educate tourists on the local culture, Tourism Transparency, an independent non-government organization campaigning for an open and accountable tourism industry in Myanmar, and MTF published a cartoon guide called “Dos and Don’ts for tourists.” (http://www.dosanddontsfortourists.com/) Meanwhile, the Yangon Heritage Trust is working towards protecting the historical structures of Myanmar’s former capital to preserve the cultural heritage.

4.6 Development activities in the tourism sector

Since the transition in Myanmar that began two years ago, donors from around the world have set up in Myanmar to help make the transition a success. Each donor mission is under pressure to make a difference and to show its headquarters that it can bring about major improvements that will justify continued funding. However, the challenges lie in implementing these changes down to the community level. As the development programmes gain momentum, local government and civil society need to work together to provide oversight on these.

Just like any other sectors, the tourism market in Myanmar is attracting a high level of interest from other donor programmes. The majority of these the donor programmes are operating in Yangon, Naypyitaw, Bagan and Mandalay, with some others also working in Karen, Shan and Kachin states.

Their focus varies and the common areas can be identified as below:

- Hospitality Training
- Capacity Development of the MoHT
- Responsible tourism development
- Destination Management.

Noting the fact that the presence of other actors in the market can serve to enhance the overall impacts on the sector and benefits for the poor, BIF is committed to collaborating with other programmes ensuring no duplication of efforts at the same time. A full list of donor programs is attached in the ANNEX A.

Of all the donors working currently in tourism sector, the most notable for BIF is GIZ’s private sector development initiative “Facility for partnerships” where they offer some assistance to kick-start local initiatives. Up to US$ 100,000 per initiative is planned to be offered. BIF works primarily by supporting companies to innovate, so GIZ can be a potential partner.

Another development partner which BIF can seek to collaborate is ILO. They are providing entrepreneurship training on tourism and tourism-related enterprises using the standard entrepreneurship training kit of ILO.
4.7 Stakeholder Analysis

The Figure 12 below shows the relative power and interest of stakeholders. The host community stakeholders have the highest interest in trekking activities, but a low relative power in the value chain. Significantly, most power clearly resides in the national tour operators who package the products and trekking operators who effectively control all trekking and tourism activities in host communities. FITs (independent travellers) retain a strong level of power through the choice of alternative options elsewhere in the region.

Figure 12: Mapping of the relative power and interest of stakeholders in the tourism market
5 Constraints analysis

There are two fundamental issues that are constraining poor people from benefitting from the tourism market in Myanmar:

FC1: There are not enough tourists who buy products that benefit the poor;
FC2: Poor people do not get income from tourism.

These two ‘fundamental constraints’ (FCs) have a demand and supply perspective, in which the low number of tourists is the demand constraint, and the lack of products through which the poor can benefit is the supply constraint. The market strategy therefore takes into account the fact that there are issues related both to the demand for tourist products, and to the supply of products through which they can benefit.

Each fundamental constraint has then been broken down into ‘Key Constraints’ (KCs) and root causes as outlined in Figure 13. Please see Table 7 for details of how the constraints link to root causes.

Figure 13: Excerpt from causality analysis
The constraints that have been identified apply to all tourist destinations covered by BIF, to varying degrees of importance. In the constraints analysis table below it has therefore been flagged as to which root causes apply to which destination, and which root causes are instead more generic across the whole industry.

In general, “demand” side constraints are more relevant to less known, more remote destinations, while “supply” side constraints revolve around an industry-wide lack of innovative tourist practices through which the poor can benefit (KC4).

Analysis of the ‘supply’ side of the diagram goes into the detail of the four main components of tourism services that have been grouped as: selling accommodation, selling services as tour guides, selling handicrafts and selling prepared food. Constraints around these four services have been labelled as KC5, KC6, KC7 and KC8.

A number of root causes for these constraints have been identified that apply to all locations (such as issues around the provision of guide training), as well as a number of root causes that are more specific to the location (such as the lack of clean water on trekking routes in Keng Tung).

When developing new tourist products, these additional location-specific root causes will have to be taken into account, and more research will be required to understand the viability of the business model for the product in each location.
Table 7: Summary of constraints analysis

<table>
<thead>
<tr>
<th>Key constraint</th>
<th>Root cause</th>
<th>Relevant location</th>
<th>Symptom and causality logic</th>
<th>Feasibility of BIF intervention</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>FC1: Not enough tourists buy products that benefit the poor – demand constraint</td>
<td></td>
<td>All</td>
<td>Local tourist products are not advertised through modern marketing tools and therefore do not have a web presence, making it difficult for tourists to access information on what products are available, their quality, and ultimately if these are destinations they would be willing to travel to. Small businesses do not effectively use any of the social marketing tools available such as TripAdvisor, Facebook, the Lonely Planet or blogs. This is not happening because they have little understanding of how these tools work, how tourists use them, and ultimately what their potential is.</td>
<td>Feasible for BIF to work with businesses that supply web-based marketing tools and to work with these companies to educate small business owners</td>
<td>Intervention B</td>
</tr>
<tr>
<td>KC1. Lack of awareness among tourists of tourist destination and products</td>
<td>RC1.1 There is a lack of skills among entrepreneurs in web development and online marketing strategies</td>
<td>All</td>
<td>There is limited marketing of tourist destinations at the central level, making it difficult for tourists who travel to Myanmar (or would like to) to have access to information on both the quality of the destinations and the products/activities on offer. Many destinations with potential to develop tourism remain undiscovered. Web-based advertising of both locations and products is limited across Myanmar as industry players and the government do not see the potential in this form of advertisement and the benefits that it can bring.</td>
<td>Feasible for BIF to raise awareness around the potential of web-based advertising by disseminating success stories across the industry</td>
<td>Intervention B</td>
</tr>
<tr>
<td></td>
<td>RC1.2a There is a lack of (government and entrepreneur) awareness about the potential for web-based advertising</td>
<td>All</td>
<td>There is limited marketing of tourist destinations at the central level, making it difficult for tourists who travel to Myanmar (or would like to) to have access to information on both the quality of the destinations and the products/activities on offer. Many destinations with potential to develop tourism remain undiscovered. Web-based advertising of both locations and products is limited across Myanmar as industry players and the government do not see the potential in this form of advertisement and the benefits that it can bring.</td>
<td>Feasible for BIF to raise awareness around the potential of web-based advertising by disseminating success stories across the industry</td>
<td>Intervention B</td>
</tr>
<tr>
<td>RC1.2b Tour operators do not see the business case for promoting the location as a tourist destination</td>
<td>Mostly Keng Tung</td>
<td>Tour operators are not actively promoting the location because they believe that standards of services are not good enough for Western tourists. Poor access to the region and the low value for money of the offering (hotels, flights etc.) are also putting tour operators off from promoting the location</td>
<td>BIF can help to develop and showcase a business case based on new product innovation</td>
<td>Intervention A</td>
<td></td>
</tr>
<tr>
<td>RC1.3 There is no national strategy for the promotion of tourist destinations</td>
<td>All</td>
<td>There is no centralised “tourist point” that allows tourists to access information about Myanmar’s tourist destinations, and to find out more about travel, accommodation, history and activities. The Ministry of Tourism lacks a marketing strategy for the advertisement of its tourist locations, which means that tourists are not aware of what the various destinations that are on offer, and tend to stick to the big Four – Yangon, Mandalay, Bagan and Inle.</td>
<td>Not feasible for BIF but this is being addressed by other donors working with the MoHT National Export Strategy for Tourism was recently launched by CBI and ITC. MTF and MoHT collaborate with them. Project will revolve around Destination Management and Product Development in Kayah State.</td>
<td>No action</td>
<td></td>
</tr>
<tr>
<td>KC2. The infrastructure for hosting tourists is poor</td>
<td>RC2.2 Public water and electricity infrastructure is lacking</td>
<td>All</td>
<td>Poor supply of water and electricity can have a double effect on the number of tourists. It can: 1) Discourage tourists from travelling to key locations because of the discomforts caused by frequent electricity outages and the lack of regular running water 2) Discourage investment in accommodation and restaurants by local entrepreneurs and tour</td>
<td>Not feasible for BIF The Government of Myanmar has acknowledged this and is investing in improving the coverage and reliability of</td>
<td>No action</td>
</tr>
<tr>
<td>RC2.3 Local entrepreneurs and tour operators cannot access the finance to upgrade their hotels and restaurants</td>
<td>All</td>
<td>There is a generic lack of hotel accommodation across Myanmar, but especially in the mid-range category. This means that current hotels do not offer the right value for money discouraging tourists from travelling to certain locations, or that, more simply, there are not enough bed spaces to accommodate all of the tourists keen to travel to certain locations. Entrepreneurs that are willing to build new hotels, or upgrade the current accommodation, are not able to borrow to do so because of lack of capital and the current regulatory system.</td>
<td>Not feasible for BIF but the reform in banking legislation should make long term finance more available and investors will respond to the growth in tourist numbers to open new hotels as they have in Yangon</td>
<td>No action</td>
<td></td>
</tr>
</tbody>
</table>

| RC2.4 Hotels and restaurants' main source of income comes from Asian transitory travellers who are happy with the current services provided | Keng Tung | Most of the people travelling to Keng Tung are transit travellers that stop for a few days on their way to the gambling city of Mong La. These travellers tend to have different standards than Western tourists, and are happy with the current type of accommodation and restaurants on offer. Hotels and restaurants in Keng Tung do not therefore have the incentive to invest to upgrade their current offering. | BIF cannot intervene directly. However when there are new products drawing different kinds of tourists to Keng Tung in larger numbers then entrepreneurs are likely to see an opportunity to open new restaurants | Help to publicize progress in Keng Tung arising from Interventions A and E |

| All root causes that fall under KC5 | All | Poor infrastructure for hosting tourists is also related to the lack of provision of accommodation within poor communities on trekking routes. This |  |

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71 Myanmar Tourism Master Plan, p62
<table>
<thead>
<tr>
<th>KC3. The location is challenging to reach</th>
<th>Keng Tung</th>
<th>Based on interviews with tour operators, as well as feedback from tourists, one of the main constraints to the lack of tourists in Keng Tung is accessibility, of which the lack of reliable and direct flights to Keng Tung is one of the root causes. Flights to Keng Tung from Yangon are not daily and are not direct, since the flight follows the itinerary Yangon-Tachileik-Mandalay/Heho. The return flight follows the opposite loop. Direct and more frequent flights to Tachileik exist, but Keng Tung is then a further 3-4 hours bus drive. In addition to the infrequent schedule, flights are also unreliable since domestic airlines have the habit of changing the schedules ‘on a whim’, with the stopover in in Keng Tung often completely cancelled, or additional ones included such as NPT because of a lack of passengers. The flight schedule, therefore, is unreliable, but airlines do not have the incentive to address these issues because of the few numbers of tourists visiting Keng Tung.</th>
<th>BIF cannot intervene directly but by helping operators to innovate new products and supporting marketing then there will be more incentive for airlines to lay on more reliable flights.</th>
<th>Ensure that airlines are kept informed of new products and marketing arising from Interventions A and B</th>
</tr>
</thead>
<tbody>
<tr>
<td>RC3.1 Airlines have no incentive to improve the reliability and frequency of flights to Keng Tung</td>
<td>Keng Tung</td>
<td>The road connecting Keng Tung to the West of the country travels through the area that was at the heart of the conflict between the Shan State Army (SSA) and the Myanmar government. Although the flight constraint is explored within KC5, which expands the analysis to some additional root causes. If this type of accommodation was available, tourist numbers would increase, and so would the demand for products through which the poor can benefit.</td>
<td>Not feasible for BIF</td>
<td>No action</td>
</tr>
<tr>
<td>RC3.2 The location has history of conflict in which little investment in</td>
<td>Keng Tung</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
infrastructure has been made

conflict has ended, the area can still be unsafe and travel is restricted to vehicles transporting goods. In addition, the roads are have been poorly kept and little investment has been made over the years to upgrade them, meaning that travel from Heho to Keng Tung can take up to two days.

<table>
<thead>
<tr>
<th>FC2: Poor people do not get income from tourism – supply constraint</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RC4.1</strong></td>
</tr>
<tr>
<td><strong>RC4.2</strong></td>
</tr>
<tr>
<td>Root cause (RC)</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>RC4.3</td>
</tr>
<tr>
<td>RC4.4</td>
</tr>
<tr>
<td>RC4.5</td>
</tr>
<tr>
<td>KC5.0</td>
</tr>
<tr>
<td>RC5.1 There are no financing opportunities for poor communities</td>
</tr>
<tr>
<td>RC5.2 Homestays are viewed as a threat to the hotel industry</td>
</tr>
<tr>
<td>RC5.3 Fear that allowing homestays will erode the culture</td>
</tr>
<tr>
<td>RC5.4</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>All</td>
</tr>
<tr>
<td>All</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KC6.</th>
<th>The poor are not selling their services as guides (such as treks and excursions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>The national guide training course lasts for two and half months, and can only be attended in Yangon at the MoHT. The training fees are around MMK 50,000. The license is then only valid for two years, and the renewal fee after is MMK 50,000. On top of the training fees, individuals from remote areas also need to consider the costs of staying in Yangon, travel expenses and food. Poor people are therefore discouraged from attending these courses because of the high costs associated with them.</td>
</tr>
<tr>
<td>All</td>
<td>BIF cannot intervene directly, but can work with tour companies and training providers to develop an alternative curriculum for the training of tour guides</td>
</tr>
<tr>
<td>All</td>
<td>BIF can help to develop a sustainable private sector solution to local tour guide training</td>
</tr>
</tbody>
</table>

Intervention C
| RC6.2 Qualified tour guides tend to leave the region for more lucrative jobs in one of the four big locations (Inle, Bagan, Yangon, Mandalay) | Keng Tung | As soon as tourist guides are qualified they have little incentive to stay in more remote locations such as Keng Tung, and relocate to one of the four big locations where there is more work, wages are higher and seasonality is not as much of an issue. Coupled with lack of qualified guides (see root cause 8.1), this causes an even more severe shortage of tour guides in locations like Keng Tung, and discourages tour operators and local entrepreneurs even further from setting up trekking tours that involve poor communities as tour guides. | BIF cannot intervene directly, but the development of new tourism products will increase demand for tour guides and thus some should be willing to stay or locate there in peak seasons | Intervention C |

<p>| All root causes that fall under KC4 | All | In Myanmar, it is rare for poor communities to sell handicrafts as a sustainable way of living for two main reasons: the poor quality of the handicrafts, and the inability to access the tourist customer base. The products currently manufactured by poor communities are often not of the standard required by Western tourists, which is partly due to the fact that they do not know how to add value to their unfinished products. In Keng Tung for example, communities sell their raw pottery to agents who then send it to Thailand to be further refined. Tour operators and local entrepreneurs have not invested to develop the capacity of poor communities to produce handicrafts, as they do not see the business case for this investment. This is due to the reasons outlined under key constraint 4, and mostly related to the levels of investment needed to develop the skills of the poor communities, and the lack of evidence of similar business models. |  |  |</p>
<table>
<thead>
<tr>
<th>More research is needed to identify further root causes</th>
<th>All</th>
<th>There are questions around the commercial viability of handicrafts that would need to be explored further</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RC7.1 (tentative root cause) The poor are not connected / exposed to a larger market (only sell to those who come to their community)</td>
<td>Greater Inle</td>
<td>No local entrepreneurs are actively sourcing handicrafts from poor communities in Greater Inle, even though the market for handicrafts does exist in Inle Lake. More research is needed to understand why this is not happening. Although this could be related to the fact that local entrepreneurs do not see the business case for it, and connected to key constraint 4, there might be other reasons that would be worth exploring.</td>
<td>There may be opportunities arising from new product development to carry out research among local entrepreneurs and local markets to understand if there are any incentives to sell locally produced handicrafts.</td>
<td>Possible intervention in future linked to outputs of Intervention A</td>
</tr>
<tr>
<td>All root causes that fall under KC 4</td>
<td>All</td>
<td>Setting up treks during which tourists are fed the food prepared by local communities requires investment from tour operators or local entrepreneurs. This is because there are high hygiene risks that would have to be addressed through training, and because tour guides would have to be reimbursed of the income they’re losing from not being able to sell lunch packs to the tourists anymore. Tour operators and tour guides do not see the business case to make this investment, as they do not see the value that food prepared by the poor communities adds to their treks.</td>
<td>There may be opportunities arising from new product development to carry out research among local entrepreneurs and local markets to understand if there are any incentives to provide meals.</td>
<td>Possible intervention in future linked to outputs of Intervention A</td>
</tr>
<tr>
<td>KC8. There is no sale of locally prepared food through which poor people can benefit</td>
<td>All</td>
<td>More research is needed to identify further root causes</td>
<td>As above</td>
<td></td>
</tr>
<tr>
<td>RC8.1</td>
<td>There is a lack of quality ingredients (i.e. vegetables) within the communities</td>
<td>Keng Tung</td>
<td>According to our findings from research among ethnic communities in Keng Tung, there is a limited supply of vegetables across communities along the trekking route, such as one hill tribe called Akha that only grows cabbages, onions and chilies. Tour guides have found it particularly difficult to encourage tribes such as Akha to grow other types of vegetables.</td>
<td>As above</td>
</tr>
<tr>
<td>RC8.2</td>
<td>There’s limited availability of clean water in the trekking areas</td>
<td>Keng Tung</td>
<td>Across mountainous areas, the availability of clean water is also an issue.</td>
<td>As above</td>
</tr>
</tbody>
</table>
6 Market strategy

6.1 Market strategy statement

The vision for the Myanmar tourism market is that of a regionally competitive industry where growth is inclusive and benefits many poor people as a result of widespread innovation by market players of tourism products that benefit the poor, at new and expanded destinations which are effectively marketed, and supported by widely available information at local, national and international levels.

"The ASEAN Tourism Strategic Plan, and in particular the ASEAN Tourism Marketing Strategy, emphasizes the need for innovative and creative approaches to tourism product and experience development to ensure the competitiveness of the region as a destination. Myanmar can enhance attractiveness by drawing on these approaches."  

In this section the interventions are first introduced in the context of the relevant constraints and root causes, and then explained in detail.

6.2 Opening portfolio of interventions

Table 8: Summary of opening portfolio of interventions

<table>
<thead>
<tr>
<th>Intervention area</th>
<th>Major constraint(s) impacted</th>
<th>Root causes addressed</th>
<th>Prioritisation, status and timeline</th>
</tr>
</thead>
</table>
| Intervention A: address the innovation gap | KC4: There is a lack of innovative tourist practices across Myanmar through which the poor can benefit | • RC4.1 There is lack of awareness among tour operators and local entrepreneurs of the appeal that products that benefit the poor have among tourists  
• RC4.3 Tour operators have limited skills on how to develop tourist products through which the poor can benefit  
• RC4.4 There is limited access to information on successful tourism products through which the poor can benefit | • High priority |
| Intervention B: address the information gap and the marketing gap within each destination | KC1: Lack of awareness among tourists of tourist destination and products | • RC1.1 There is a lack of skills among entrepreneurs in web development and online marketing strategies  
• RC1.2a There is a lack of (government and entrepreneur) awareness about the potential for web-based advertising  
• RC1.2b Tour operators do not see the business case for promoting the location as a tourist destination  
• RC1.3 There is no national strategy for the promotion of tourist destinations | • Medium priority: to be phased after intervention A but marketing will start during intervention A training |
| Intervention C: address the gap in provision of tour guide | KC6: The poor are not selling their services as guides | • RC6.1 Government guide training is expensive and logistically difficult to attend | • Medium priority: to be designed after |

72 ADB report “Myanmar Unlocking the Potential” August 2014
<table>
<thead>
<tr>
<th>Intervention area</th>
<th>Major constraint(s) impacted</th>
<th>Root causes addressed</th>
<th>Prioritisation, status and timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>training</td>
<td></td>
<td>• RC4.1, RC4.3 and RC4.4 related to business models around the provision of tour guide training</td>
<td>consideration of the recent research and to build on opportunities created by Intervention A. May be best to wait until after elections.</td>
</tr>
<tr>
<td>Intervention D: address the lack of accommodation in remote rural locations (Keng Tung, greater Inle)</td>
<td>KC5: The poor are not selling accommodation in local communities</td>
<td>• RC4.1, RC4.3 and RC4.4 related to business models around setting up B&amp;B.</td>
<td>• Low priority, depending on need generated by Intervention A and also a change in government policy.</td>
</tr>
</tbody>
</table>

### 6.3 Intervention A: address the innovation gap

**Intervention summary:** preparing and supporting tour operators to innovate new products that benefit poor people. This will be the flagship BIF intervention in the first phase of implementation of the strategy, and will lead to other opportunities such as private sector led tour guide training (Intervention C). However, BIF also recognizes that this intervention could require addressing some of the market bottlenecks identified in other interventions. For example, developing pro-poor tourism products for tour operators to market may require developing B&B facilities in remote rural areas.

**Opportunities for supporting innovation in the tourism sector**

Khiri Travel is a regional operator with an office in Yangon. The company has a focus on responsible travel and supports to community businesses. In Hsipaw they work with Naing Naing, an Ethnic Palaung Guide. When Khiri first found him he was working as a freelance trekking guide. With his earning (MMK 10,000 per day at that time) Ko Naing Naing bought some medicines and helped local communities along the trekking routes who have no access to health services such as hospitals or clinics. Khiri persuaded him to work with them so that he could develop more trekking products. He helped to organize the ground operations and even was able to buy a car which he hires out to Khiri as a service component of their products. He is now able to generate a much higher monthly income during the high season including ground handling fees and guide fees. He has used his increased earnings to send his daughter to university. She also helps out in his business and he employs another assistant too. 73

A local tour operator met with one of BIF’s consultants to talk about ecotourism-related opportunities. He takes the view that Keng Tung has good potential, and is working with an Italian tour operator to bring in tourists from Chang Rai, Thailand, starting very soon. He expressed interest in engaging with

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73 BIF Interview with Su Mon Latt, Operations Manager @ Khiri Travel Myanmar, 10 September 2014
BIF to help develop the product there, including tour guide training which he stated was needed first. He is of the view that there is considerable product development potential.

**Market underperformance:** While the research for the strategy has uncovered some good examples of progressive operators proactively seeking out local entrepreneurs and helping them to develop new products that benefit poor people (see examples above), this is not happening very often and there is a large potential for far more innovation. Even where products that can benefit poor people are well established they are not designed and operated in a way that maximises benefits to the poor, for example trekking that does not engage or benefit the poor communities through which trekkers walk, or a lack of innovation of the routes to reach different communities. The lack of some services will also prevent the development of some products, but BIF will address these through other interventions such as C (lack of tour guide training) and D (lack of accommodation in remote areas).

**Market change:** Tour operators are the companies that market to tourists and that make the link between tourists and activities within a destination, and they do this by combining a range of services into tourism products. The market change is that these companies will be empowered to innovate many more tourism products that bring direct and indirect benefits to poor people within the destinations that BIF will initially focus on. The adoption and adaption of these tourism products by the companies that BIF will be copied by other operators, and to support this copying BIF will disseminate commercially sustainable business models that other operators can learn from. This will lead to an expansion of pro-poor practices across the tourism market that will go beyond the original destinations.

**Overview of intervention:** The intervention will take into account the fact that the tourism market has many small operators and will need to be inclusive in its approach whilst also identifying the most innovative companies and helping them to address the risks and high start-up costs of designing and piloting a new product. The plan is to do this in six stages as follows:

1) Raise awareness among industry people such as tour operators, tour agents, accommodation service providers and guides etc of the value of tourism products that benefit the poor (e.g. through sharing good examples from the region through seminars, visits and case studies);

2) Develop a conflict sensitivity tool kit for BIF and BIF’s service recipients and TAs to ensure our interventions will do no harm to the people we engage with and, contribute to peace rather than conflict. This is important given the peace process remains fragile and some of BIF’s priority destinations fall within post-conflicts areas (e.g. Kengtung, Hpa-an);

3) Build the capacity of tour operators, tour agents, accommodation service providers and guides that demonstrate interest and commitment to new product development in order to help them to have the skills needed to develop new products that benefit the poor (e.g. through BIF TA and provision of skills training). This activity will also contribute to our intervention B (information and marketing);

4) Hold a Product and Package Innovation Competition to provide the most innovative companies with new products that could benefit many poor people with prize money to share the costs of piloting a new product. This is to ensure the widespread innovation and it, in turn, will trigger the market system change.

5) Offer a business accelerator programme to training institutes so that the product innovation keeps happening beyond BIF;

6) Develop and disseminate generic business models based on the most successful new products so that many other operators can copy the product easily and quickly in other destinations.
6.4 Intervention B: address the information and marketing gaps

**Intervention summary:** As this intervention links to intervention E in a previous draft of the MAS, which addresses the lack of information between private and public market players at destination level to develop a coherent approach to market destinations, we have combined the two interventions into one. This intervention will complement intervention ‘A’, and will leverage technology to link people to products, activities and services and disseminate information about the destinations.

**Market underperformance:** Tourism globally has been characterised in recent decades by the ability of operators and individual travellers to find out about products and services in distant places and make bookings. This technology driven flow of information has not yet reached many stakeholders in the tourism industry in Myanmar, particularly in remote areas and new destinations. This is disadvantaging many companies and making these destinations less attractive, resulting in an even greater concentration in a small number of better developed destinations. For new tourism products that benefit the poor to be competitive it is necessary that this information gap is also addressed. Similarly, the marketing of destinations can benefit to all market players, but there is a lack of understanding, at local level, of the requirement to share information, ideas to develop destination marketing and branding material. There is also a lack of knowledge and tools to brand and market destination.

**Market change:** Tour operators in Yangon or Mandalay, and across the world, will be able to find out about new products in upcoming destinations in Myanmar, or be able to find and communicate easily with services providers in these destinations (e.g. small hotels, tour guides, transport owner). Local entrepreneurs and operators will work with public agencies and local government to create unique selling point and brands for destinations, and then design and disseminate marketing material. This will enable new products that benefit the poor to be designed and implement quickly and successfully.

**Overview of intervention:** The intervention will:

1) Advise and support the companies that have taken part in the training on pro-poor product innovation and development and receive a grant during the Product and Package Innovation and Competition to market their product to ensure their commercial viability and sustainability;
2) Identify and establish relationships with national and international companies that provide platforms for information exchange, online booking and other transactions (e.g. Agoda, FreeNomads);
3) Work with these companies to expand and accelerate the introduction of stakeholders at the destinations to these sites so that international outbound operators are able to link with local entrepreneurs and for tourists to find and book pro-poor tourist products;
4) Provide a consultant to create marketing material and also a local platform, which both the Government and tour operators/local entrepreneurs can utilize for destination marketing. BIF has already established a good relationship with an Australian volunteer agency and could use a volunteer for this, which would make it affordable. The platform could be something like Mobile Monday in the tech world - see [http://mobilemondaymm.com/](http://mobilemondaymm.com/).

During the 3rd Tourism Sector Working Group meeting, it was discussed and agreed to form the marketing working group. However, this requires the approval of MoHT, which, at the time of updating the MAS, has still not given. BIF will ask MoHT an update on the formation of the marketing and stress the importance of this group for the delivery of our strategy but also for ensuring effective coordination of efforts.

6.5 Intervention C: address the gap in provision of tour guide training

**Intervention summary:** BIF has recently completed a research into tour guide to understand how best to support private provision of, and/or payment for, tour guide training in Myanmar. This research
enables BIF to explore the feasibility of some of the recommendations to address the root cause of the market shortage in tour guide training. This year is going to be pivotal in the history of Myanmar and the upcoming elections are likely to be the main focus on the current cabinet for the coming months. What remains clear though is that the lack of tour guides will still be an issue after the elections. In addition, from a market system change perspective, such a policy change is a major opportunity that could also become a BIF main legacy to the tourism industry in Myanmar. Careful planning and design is therefore required for this intervention. Political economy analysis and consultations to build ownership and political traction will be the main activities under this intervention in the coming year.

**Market underperformance:** There is a national shortage of high quality tour guides, and some new destinations have almost no guides. Good tour guides are an essential component on many tourism products that benefit poor people, because they facilitate a responsible and respectful engagement between poor people and visitors. The industry view is that the Government training school does not currently deliver guides that were “industry ready”. The research also identified 17 main issues with the Government training school (e.g.: languages, facility, entrance policy and application, assessment, employment options etc.).

**Market change:** Tour guide training, which is accredited by the MoHT and locally appropriate to be available at all destinations. The provision of public-private tour guide training will be sustainable because it is not dependent on public subsidy or donors. However, BIF recognises that such a policy change will require consultations to define a local solution before getting political traction and buy-in.

**Overview of intervention:** The intervention will:

1) Update the Minister of MoHT on the latest progress of BIF on tour guide training and provide him with a copy of the research report, a summary of the report or presentation depending on his demand. The Minister is attentive to the work BIF is doing on tour guide training and has requested to see the ToR of the research study before we started the work. It is important for BIF to keep the Minister informed.

2) Further assess the political economy to identify winners and losers from privatisation and the likely interest groups that will try to block change. It could advise on how to carry out privatisation or a public private partnership successfully.

3) Consultation with public and private sector players. The consultation could focus on their appetite for the public/private collaboration in areas such as setting standards and enforcing standards. This could inform the policy in the future with regard to how ‘hands on’ regulation needs to be or whether ‘self regulation’ is a better option. This could be extended to find examples from other countries as to how successful public/private actions are facilitated and what mechanisms BIF can recommend to enhance such collaboration.

4) Produce a policy note for Ministry on the feasibility and consequences of the option(s) recommended during the consultation process. This note would be useful for this government and/or the next in setting its tour guide training policy. BIF could then consider TA support we could offer to the Minister to move this policy forward.

**6.6 Intervention D: address the lack of accommodation in remote rural locations (Keng Tung, greater Inle)**

**Intervention summary:** BIF will look for opportunities to support the provision of Family Based Community Accommodation and/or beds and breakfast. This intervention will be reactive to opportunities that emerge through intervention A. Intervention A may provide evidence to inform and influence MoHT policy. For example, if the lack of accommodation proves to be a major constraint to
the development of new trekking products in Keng Tung, and a company is keen to develop a new product and support a community to do develop accommodation, then BIF will consider facilitating an intervention. It is also important for BIF to remain abreast of the evolution of the B&Bs and homestay policies so that we can react quickly if a policy change can lead to a market system change that benefits poor people.

**Market underperformance:** There is no accommodation for tourists in many remote locations and homestays, which can be an option in some contexts, is not allowed.

**Market change:** Local entrepreneurs within a community are enabled to develop safe and sustainable Family Based Community Accommodation, or local and national government decide to allow and support homestays.

**Overview of intervention:** The intervention will:

1. Support tour operators who are willing to offer the pro-poor tourism products involving entrepreneurs who can invest in those Family Based Community Accommodation. Note that the considered guest house in term of legal status unless there is a specific legal structure for them. They will also be operating as co-ops and revenue from the accommodation will be distributed among community, or a community fund can be set up with the revenue

2. Further research the business case for homestays that are safe and appropriate and also benefit the poor from other countries (e.g., Malaysia)

3. Consider at what time and with what methods it may be useful for BIF to support lobbying for further homestays to be allowed.

We acknowledge that more research is required on this intervention and more is to be unpacked. We believe that getting a better understating of the political economy of tourism, as part of our intervention C will benefit the Facility and deepen our understating of the this root cause. But more research will be required to better understand risk and opportunities associated with working on an intervention that is dependent on Government policy but also to understand the exact nature and scale of benefits that could be achieved through this intervention.

### 6.7 Market change logic

The following market-level results chain sets out how the main three interventions will lead to change for poor people
6.8 Risks

The following outlines the main risks and mitigating activities associated with working in the tourism market. It uses the following colour-coding, based on a modified traffic-light system:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Likelihood</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<tbody>
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<td>1</td>
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<td>4</td>
<td>5</td>
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</tbody>
</table>

Table 9: Summary of risks associated with BIF interventions in the tourism sector

<table>
<thead>
<tr>
<th>Risk theme</th>
<th>Risk</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Inherent risk</th>
<th>Mitigating action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputational</td>
<td>Working with a company providing market services such as a large hotel or airline that is then linked in the media to a crony</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>Careful due diligence</td>
</tr>
<tr>
<td>Financial</td>
<td>Cost of intervention significantly higher than estimated</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>Develop accurate budgets and forecasts</td>
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<tr>
<td>Delivery</td>
<td>Lack of suitable operators to innovate tourism products</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>Market the BIF workshops and training extensively so that many operators get involved and there is a larger field of innovators to select partners from</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Despite the business case, operators are unwilling invest in the new tourism products</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>.</td>
</tr>
<tr>
<td>Risk theme</td>
<td>Risk</td>
<td>Likelihood</td>
<td>Impact</td>
<td>Inherent risk</td>
<td>Mitigating action</td>
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<tr>
<td>Political</td>
<td>Political change, uncertainty or unrest causes the reinstatement of</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>This is impossible for BIF to control or mitigate against. If sanctions are reinstated BIF will rethink whether the garment sector is the best focus of support given the changing conditions for market growth and dynamism.</td>
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<tr>
<td></td>
<td>economic sanctions in key export markets</td>
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</tr>
<tr>
<td>Social</td>
<td>Increased tourism will lead to exploitation of vulnerable people</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>Actions are being taken by the government and NGOs but BIF will note any publicised instances at the focus destinations and alert the authorities.</td>
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<td></td>
<td>such as sex-tourism</td>
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<tr>
<td>Delivery</td>
<td>Duplication with other programmes in the sector</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>Activities will be closely coordinated with other programmes in the sector.</td>
</tr>
</tbody>
</table>
## ANNEX A - Development Partners

<table>
<thead>
<tr>
<th>No</th>
<th>Programme/Project</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
</table>
| 1  | Development of Human Resources in the Hotels and Tourism Sectors and Capacity Development of the MoHT | - Lux-Development  
    - MoHT is the implementation partner, 2 Lux international staff are expected to steer the project  
    - To realign and upgrade individual skills and institutional capacity and enable MoHT and MTF to lead in the implementation of a tourism HRD strategy.  
    - Expected to start in October 2014 for duration of 5 years. Total budget: 5.5 million EUR  
    - Target group: Special emphasis on MoHT staff, teachers (of tourism), general tourism workers, students of vocational training and local population at selected destination sites  
    - There are 3 expected results:  
      - Governance: The regulatory environment and organisational capacities of the main institutional actors are strengthened  
      - Education: The operational capacity of existing and new education and training providers is strengthened  
      - Private sector and industry: The skills of the existing tourism workforce are upgraded | Yangon/Naypyitaw |
| 2  | Technical assistance to MoHT | - Italian Development Cooperation  
    - To update the tourism law to be in line with the Tourism Master Plan  
    - Direct coaching for implementation of the Master Plan  
    - Past joint project with UNESCO on cultural specialist training | Yangon |
| 3  | Tourism capacity Building in Myanmar | - University of Bologna  
    - Not started yet, 12 months starting from the project  
    - This frame work, two complimentary training courses will be lunched for 50 participants among the official of the MoHT and the operator of tourist sector on development of tourist service in Myanmar and development of tourism in Myanmar. | National wide |
<table>
<thead>
<tr>
<th>No.</th>
<th>Project Title</th>
<th>Implementing Agency</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Development and Positive Reinforcement of Responsible Tourism in Myanmar</td>
<td>Ministry of Foreign Affairs (MoFA), Italy</td>
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<tr>
<td>5</td>
<td>Establishment of the Pilot Model for Regional Development, Bagan</td>
<td>Japan International Cooperation Agency (JICA)</td>
<td>Bagan/Mandalay</td>
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<td></td>
<td>Strengthening Local Governance Capacity Livelihoods and Social Cohesion in</td>
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<td>Ethnic Minority Areas</td>
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<td>three years starting April 2014</td>
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<td>Through the implementation of activities for human resource development, tourism</td>
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<td>management and promotion, and improvement of tourism infrastructure, the project</td>
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<td>aims to establish a model for tourism development which can be applied to other</td>
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<td>areas in Myanmar.</td>
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<td>Officials and staff from the Ministry of Hotels and Tourism (MoHT) and the JICA</td>
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<td>experts will work closely for project activities.</td>
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<td>6</td>
<td>Promoting Women-led Microenterprises along the East-West Economic Corridor</td>
<td>Asian Development Bank (ADB)</td>
<td>Karen/Shan</td>
</tr>
<tr>
<td></td>
<td>Regional infrastructure development project</td>
<td>Promoting Women-led Microenterprises along the East-West Economic Corridor/Local</td>
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<td>value chain analysis in Karen for fruits and vegetables and handicraft;</td>
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<td>Regional infrastructure development project (Lao, Cambodia and Vietnam) has been</td>
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<td>approved this year. Myanmar will follow at a later stage;</td>
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<td>Organization of Greater Mekong tourism working group (regional, knowledge sharing</td>
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<td>events).</td>
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<td>7</td>
<td>Community-Based Tourism in Myanmar’s Wildlife Sanctuaries</td>
<td>Fauna &amp; Flora International</td>
<td>Kachin</td>
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<tr>
<td></td>
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<td>Indawgyi community-based eco-tourism group: development of eco-friendly tourism</td>
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<td>activities in remote area to extend tourists’ length of stay and spending (kayaking,</td>
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<td>hiking, bike tours), training</td>
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<td>8</td>
<td>Supporting Responsible Tourism Development in Myanmar</td>
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<td>8</td>
<td>Hanns Seidel Foundation (HSF)</td>
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<tr>
<td>8</td>
<td>Policy support (Communities Involvement in Tourism Policy and Responsible Tourism Policy development and training on its content on national and state levels);</td>
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<td>8</td>
<td>Funding of “Do’s and Don’ts” (developed by Tourism Transparency);</td>
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<td>8</td>
<td>Tour guide training curriculum development in Bagan and Inlay lake</td>
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<td>8</td>
<td>Supporting the implementation of the Myanmar Bed &amp; Breakfast (B&amp;B) standards elaboration for community based tourism.</td>
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<thead>
<tr>
<th>9</th>
<th>Regional Tourism Destination Management for the Wider Inlay Lake Region</th>
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</thead>
<tbody>
<tr>
<td>9</td>
<td>Myanmar Institute for Integrated Development (MIID) signed a partnership agreement with ICIMOD under their Rural Livelihood &amp; Climate Change programme as ICIMOD’s Myanmar Partner.</td>
</tr>
<tr>
<td>9</td>
<td>Awarded a contract by DANIDA to implement a Regional Comprehensive Development and Social Plan for Chin State. UNICEF is also a partner in this project.</td>
</tr>
<tr>
<td>9</td>
<td>MIID Myanmar has been awarded a contract by GIZ to assist the Danu Special Administrative Zone develop its own regional Development plan. This follows the successful completion of the first ever regional development plan for a Special Administrative zone, for the Pa-O completed in 2012.</td>
</tr>
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<table>
<thead>
<tr>
<th>10</th>
<th>Private Sector Development: Tourism/Technical Vocational and Educational Training (TVET)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>GIZ</td>
</tr>
<tr>
<td>10</td>
<td>Technical Vocational and Educational Training (TVET) and Private Sector Development (PSD) Programmes;</td>
</tr>
<tr>
<td>10</td>
<td>“Facility for partnerships”: Assistance to kick-start local initiatives (up to US$ 100,000 per initiative);</td>
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Mandalay/ Shan/ Karen

Shan

72
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<tbody>
<tr>
<td>11</td>
<td>Participatory Land-Use Management and Ecotourism in Lampi Marine National Park (PLUME)</td>
<td></td>
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<tr>
<td></td>
<td>• developePPP.de programme: develop partnerships with private sector (<a href="http://www.developPPP.de">www.developPPP.de</a>), one partner is for example the German tour operator TUI. Private Sector Development (PSD) Programmes;</td>
<td></td>
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<td></td>
<td>• Upcoming activity organised together with GIZ Indonesia: Workshop for Myanmar Technical Teachers/ instructors workshop in hospitality, tour guide and tourism management in September in Indonesia (3 weeks), to be followed by a coaching program in Myanmar at the end of October for 10 days.</td>
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<td></td>
<td>• Istituto OIKOS</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Ayeyarwady Dolphin Project Area. Community Based Ecotourism</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• CARE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Project name not defined yet.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• However, it is about supporting female labour migrants living in the outskirts of Mandalay and Yangon to improve their access to safe employment. Although there will be an important part of legal awareness and labour rights training, the project will also develop a tailored vocational training course, specifically designed to enable marginalised women to access emerging opportunities presented by Myanmar’s ongoing economic reforms and the associated increase in business activity (i.e. tourism and hospitality)</td>
<td>Yangon/ Mandalay</td>
</tr>
<tr>
<td>13</td>
<td>Inclusive Tourism focussing on Kayah State</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• WILDLIFE CONSERVATION SOCIETY (WCS)</td>
<td>Mandalay/Irrawaddy</td>
</tr>
<tr>
<td></td>
<td>• WCS is developing a pilot community-based ecotourism project in Mandalay to support conservation of Irrawaddy Dolphins and create employment and income generating opportunities for local residents.</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• INTERNATIONAL TRADE CENTER (ITC)</td>
<td>Kayah</td>
</tr>
<tr>
<td></td>
<td>• It is part of the Natherlands Trust Fund III Programme in support Export Sector Competitiveness financed by CBI.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Increase the capacity of tour operators and tourism related suppliers of goods and services in Kayah State.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 2014 - 2017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National Export Strategy for Tourism</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Centre for the Promotion of Imports from Developing countries (CBI)</td>
<td>Kayah</td>
</tr>
<tr>
<td></td>
<td>Assisting a reduced number of tour operators to market their packages better within the European market.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The cash assistance of the Netherlands Trust Fund III will be provided under an agreement of CBI and ITC for implementing the National Export Strategy for Myanmar’s tourism.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CBI works through MTF and MoHT on the following outcomes:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Export related capacity of Myanmar incoming tour operators increased;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Effective national and regional destination branding and marketing of Myanmar based on reliable market intelligence systems;</td>
<td></td>
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<tr>
<td></td>
<td>3. Sustainability integrated in the operations and supply chain of incoming operators;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Regional community related suppliers integrated in the tourism value chain (focus EU markets).</td>
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<tr>
<td></td>
<td>The project will run from June 2014 to December 2017.</td>
<td></td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>PACT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In partnership with the International Youth Foundation, PACT is looking at the possibility to support programs for Myanmar youth in life skills and vocational training, specific to the hospitality industry.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>European Institute for Cooperation and Development (EICD)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Main fields of work are vocational training and professional integration, support to small enterprises and access to education and health care for vulnerable people.</td>
<td></td>
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<tr>
<td></td>
<td>Already set up a hospitality training school in Mae Sot (Thailand).</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>MYANMAR HUMAN CAPITAL DEVELOPMENT (MHCD)</td>
<td>Yangon/Naypyidaw</td>
</tr>
<tr>
<td></td>
<td>Already discussed with MoLES the possibility to establish a training institute where hard and soft skills would be trained.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Vocational Skills Development Program (VSDP)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(one of the components of the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SWISSCONTACT</td>
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<tr>
<td></td>
<td>To facilitate the increase of skilled persons in the hospitality industry.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>It will train about 3,000 people with disadvantaged background in selected hospitality occupations in cooperation with leading hotels in Yangon and Naypyidaw as well as with the relevant industry associations of the sector. In addition to skills development courses the Component has established a cascading system of Training of Trainers (ToT) courses as well as</td>
<td></td>
</tr>
</tbody>
</table>
| 20 | VSDP is the Hotel Training Initiative (HTI) | TRIANGLE GH  
Development and Support to the Hospitality Training School for Disadvantaged Young People mainly focus on Yangon and surrounding urban Tsp.  
Targeted group from 13 to 20 years old disadvantaged young people (should be in age of legal work at the end of the training). Beginning from 20 young people per promotion for the first year of program. | Yangon |
| 21 |  | GraceWorks Myanmar (GWM)  
Faith-based community development organisation.  
Partnered with local organisations and individuals who are working in communities, helping them achieve improvement and sustainability in their quality of life. Through education, health, community wellbeing, and livelihood initiatives, GWM invests in practical programs and projects. |  |
| 22 | Technical vocational training strategy development | UNESCO  
Technical vocational training strategy development with MoHT/Inle lake culture assets | Shan |
| 23 | A pilot Resource Efficient and Cleaner Production (RECP) programme | United Nations Industrial Development Organization (UNIDO)  
Will be implemented by the UNIDO, funded by the State Secretariat for Economic Affairs of Switzerland (SECO).  
UNIDO, in collaboration with the Ministry of Industry, as well as other government agencies and private sector actors, aims to help improve resource productivity and environmental performance of Myanmar enterprises, in particular SMEs. The pilot project will target the food processing, textile and tourism sectors in Yangon and Mandalay regions. UNIDO will work on a value chain analysis for lacquer-ware production in Inlelake, including products and design development and export promotion through an Italian-funded project. Although lacquer-ware is not produced in Kayah, synergies like exchange of trainers will be sought in design development and adaptation to tourism market requirements. | Yangon/Mandalay |
| 24 | Ecotourism Management Strategy | International Centre for Integrated Mountain Development (ICIMOD)  
First draft of the strategy is expected for the first quarter of 2015. | Nationwide |
<table>
<thead>
<tr>
<th><strong>25</strong></th>
<th><strong>Value chain development/Enterprise development</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>ILO</strong></td>
</tr>
<tr>
<td></td>
<td>Value chain development (including some tourism enterprises) in Bagan and Yangon (SECO-funded, US$ 1.3 million).</td>
</tr>
<tr>
<td></td>
<td>ILO works in 3 sectors: fish, garments and tourism</td>
</tr>
<tr>
<td></td>
<td>a) running a labour market survey (country-wide), b) review of the labour legislation and impact on employment in the 3 sectors, c) providing institutional support.</td>
</tr>
<tr>
<td></td>
<td>Enterprise development (Norway funded, US$ 5 million)</td>
</tr>
<tr>
<td></td>
<td>An initial market assessment of business development service providers, in the tourism sector was undertaken. This is in preparation for coordinated major projects with both the Government of Norway and the Government of Switzerland for the introduction of entrepreneurship support.</td>
</tr>
<tr>
<td></td>
<td>In tourism ILO is:</td>
</tr>
<tr>
<td></td>
<td>a) finalising a report on financial opportunities for micro and small enterprises and services offered; what enterprises know about these services and how they can or why they cannot access these services (cross-sectorial), and who is who in the tourism sector and where should ILO be working in/with?</td>
</tr>
<tr>
<td></td>
<td>b) Providing entrepreneurship training on tourism and tourism-related enterprises using the standard entrepreneurship training kit of ILO (generate, start, improve and grow your business).</td>
</tr>
<tr>
<td></td>
<td>c) Carrying out Tourism-related vocational training with the Centre for Vocational Training (same counterpart as Swiss Contact). For this they collaborate with the Dutch vocational training provider SPARK!</td>
</tr>
<tr>
<td></td>
<td>d) Supporting the Myanmar Tourism Federation (MTF) in identifying and elaborating MTF’s service offerings to members and the tourism industry and training on understanding core labour standards and the new labour law and its implications for the tourism sector.</td>
</tr>
<tr>
<td></td>
<td>e) Supporting enterprises including community-based training on the above-mentioned subjects.</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th><strong>26</strong></th>
<th><strong>Protecting Children from Sexual Exploration in the Tourism Industry</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Code (The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism)</td>
</tr>
<tr>
<td></td>
<td>An industry-driven responsible tourism initiative with a mission to provide awareness, tools and support to the tourism industry in order to prevent the sexual exploitation of children. The commercial sexual exploitation of children involves the buying and selling of children under 18 years of age for sexual purposes. Child sex tourism, child sex trafficking, the prostitution of children, and child pornography are all forms of this crime. The Code has been acknowledged by various United Nations organisations as a good practice example of tourism private sector and non-governmental organisations collaboration to combat exploitation of children. A number of governments and organisations have incorporated The Code into overarching policy.</td>
</tr>
<tr>
<td></td>
<td>Membership of The Code a requirement of achieving fair trade tourism status in South Africa and acquiring TourCert certification in Europe. The government of Costa Rica has integrated The</td>
</tr>
<tr>
<td>Code into the Costa Rican Tourism Institute's Certification in Sustainable Tourism program. Several national tourism ministries are also active in promoting The Code as a responsible initiative.</td>
<td></td>
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<td>---</td>
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</tr>
<tr>
<td>27</td>
<td>Nyaung O, Bagan Youth project</td>
</tr>
</tbody>
</table>
| | • Plan International  
| | • The project is assessing the needs of youth in a number of villages around Bagan (NyaungOo) to understand their employment aspirations, specifically towards hospitality and tourism jobs.  
| | • Also assessing the needs of employers to understand what skills they are looking for, and trying to understand training options in this area. |
| Nyaung O, Bagan |
| 28 | Promoting ethical tourism in Myanmar |
| | • Union AID  
| | • Union AID (New Zealand) and International Union of Food Workers (IUF) Asia-Pacific had done research and mapping of the major foreign owned hotels in Yangon to develop an evidence based relating to conditions of employment and issues for workers. Plan to conduct training on rights and union organising for workers as well as an on-line ‘Ethical tourism for Myanmar’ campaign including labour standards. |
| 29 | Enhancing rural livelihoods and biodiversity conservation through responsible tourism |
| | • Harrison Institute  
| | • Aims to promote responsible tourism in upper Ayeyarwady River corridor that supports biodiversity conservation and economic development of rural riverine communities.  
| | • A three year project, funded by DFID UK. Implemented through Harrison Institute UK, Grow Back for Poverty, Myanmar Bird & Nature Society, FREDA and University of Mandalay. |
| upper Ayeyarwady River corridor |
| 30 | Inle Hospitality Vocational School project |
| | • Partnerships for Change  
| | • The project was founded by the MD of Inle Princess Resort with support from PfC. The Centre provides education and job opportunities for youth from local communities around Inle Lakes. First intake of 40 students was Sept 2013 - students study English and four hospitality disciplines: Front Desk & Reservations, Laundry and Housekeeping, Food & Beverage Preparation, F & B service. |
| Inle |
| 31 | Kachin State Educational & Environmental program |
| | • Partnerships for Change  
<p>| | • In partnership with WildCru, Oxford University along with local partner, Htamanthi Wildlife Sanctuary - focus is on forest biodiversity. |
| Kachin State |</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Project/Program</th>
<th>Details</th>
</tr>
</thead>
</table>
| 32  | Support to HR Department, Ministry of Hotels and Tourism                      | • Australian Volunteers for International Development (AVID)  
• The first Australian Government funded 12 month volunteer project originally planned to be just within the MoHT, but broadened to include the MTF so as to split the volunteer's time between NPT and Yangon. Originally known as the Australian Youth Ambassadors for Development (AYAD), a name change of the program to AVID occurred on 01 July 2014. The local AVID Management organisation is Scope Global (formerly Austraining International). More AVID on tourism related projects are in-the-pipeline for 2015 as well as new 3 month placement under the Australian Business Volunteer (ABV) program also administered by Scope Global. |
| 33  | Hospitality and Catering Training Academy                                     | • Daw KhinKyi Foundation  
• Based in Kawkhmu, south-west of Yangon in a township of some 120,000 people. HCTA is a not-for-profit training centre |
| 34  | Pastry Training Centre                                                        | • Myanmar Chefs Association  
• With support of Ministry of Social Welfare and a private Christian orphanage.  
• Will be implementing projects at Hmaw Bi Girls Orphanage, Training School of Girls (Htuk-Kyant) and Yangon school for the Blind (Insein).  
• Also planning another training centre at Yangon Women Development Centre on Nat Mauk Road. |
| 35  | Inle Speaks Center                                                            | • Partnership for Change and the Inle Regional Guide Association  
• Improve the economic opportunities for Inle young adult  
• 2013 and for the next several years |
| 36  | Kayin State Business Development                                              | • PeaceNexus Foundation  
• Co facilitating workshop with Hanns Seidel Foundation on responsible tourism with wide variety of stakeholders in the southeast including government, non state actors, civil society and private sector  
• Current phase until January 2015 |
| 37  | Social Economic Development Net Work                                          | • ActionAid Myanmar  
• To improve the social and economic wellbeing of poor families and particularly those of the poor rural women in Magwe Region through increased access to essential services, social support and new income generating opportunities. |
<table>
<thead>
<tr>
<th></th>
<th>2013-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>Handbook and training on sustainable Hospitality Management</td>
</tr>
<tr>
<td></td>
<td>MTF &amp; GIZ</td>
</tr>
<tr>
<td></td>
<td>Reduce negative environmental impacts at Inle Lake and further Shan Areas</td>
</tr>
<tr>
<td></td>
<td>October 2014 – March 2015</td>
</tr>
<tr>
<td></td>
<td>Shan State</td>
</tr>
<tr>
<td>39</td>
<td>Assessment of Tour Guide and Tour Conductor Training</td>
</tr>
<tr>
<td></td>
<td>MTF &amp; GIZ</td>
</tr>
<tr>
<td></td>
<td>Needs assessment for future training for licenced tour guides and or tour</td>
</tr>
<tr>
<td></td>
<td>conductors</td>
</tr>
<tr>
<td></td>
<td>June 2014 – August 2014</td>
</tr>
<tr>
<td></td>
<td>All over Myanmar</td>
</tr>
</tbody>
</table>
ANNEX B - List of Stakeholders interviewed by BIF

Redacted for confidentiality
ANNEX C - February 2015 BIF Awareness raising seminar on pro-poor tourism survey results

**Number of tourist packages sold per year (n=28)**

- 0 to 10: 1
- 10 to 50: 5
- 51 to 100: 2
- 101 to 500: 4
- 500 above: 6

**Which pro-poor tourism products do you sell? (n=16)**

- Trekking: 6
- Community based tourism: 4
- Handicrafts: 2
- Others: 4

**What are your commercial drivers for working in pro-poor tourism?**

- Increasing market share by diversifying current products offered to tourists: 12
- Accessing a new, growing market: 8
- Gaining a competitive advantage and diversifying from competitors: 2
- Others: 4
Which destinations, in your opinion, will experience the biggest increase in tourists during the next 12-24 months

![Bar chart showing tourist increases](chart)

What are the challenges to developing pro-poor tourism products? (n=16)

![Bar chart showing challenges](chart)

After this event, how much more likely are you to be involved in pro-poor tourism? (n=25)

![Pie chart showing responses](chart)
### ANNEX D: Myanmar Tour Guide Training: Fast Facts

<table>
<thead>
<tr>
<th>Government Tour Guide Training School</th>
<th></th>
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<tbody>
<tr>
<td>Year of operation</td>
<td>1992</td>
</tr>
<tr>
<td>Total students trained by the school</td>
<td>8326</td>
</tr>
<tr>
<td>Licensed guides (2014)</td>
<td>3776</td>
</tr>
<tr>
<td>Batches (number of courses)</td>
<td>46</td>
</tr>
<tr>
<td>Duration of training course</td>
<td>2 months</td>
</tr>
<tr>
<td>Cost of training course</td>
<td>100,000 kyats</td>
</tr>
<tr>
<td>Cost of first license, valid for two years.</td>
<td>100,000 kyats</td>
</tr>
<tr>
<td>Cost of license renewal</td>
<td>100,000 kyats</td>
</tr>
<tr>
<td>Estimated total cost of course to students (including additional materials, accommodation and food)</td>
<td>1,000 USD</td>
</tr>
<tr>
<td>Trainers fee (30 minutes)</td>
<td>10,000 kyats</td>
</tr>
<tr>
<td>Regional tour guide course fee</td>
<td>50,000 kyats</td>
</tr>
<tr>
<td>MTGA</td>
<td></td>
</tr>
<tr>
<td>MTGA members</td>
<td>1281</td>
</tr>
<tr>
<td>MTGA registration fee (License holders can only apply)</td>
<td>10,000 kyat</td>
</tr>
<tr>
<td>MTGA annual membership fee</td>
<td>15,000 kyat</td>
</tr>
<tr>
<td>Regional guides registration fee</td>
<td>5,000 kyat</td>
</tr>
<tr>
<td>Regional guide annual membership fee</td>
<td>7,500 kyat</td>
</tr>
<tr>
<td>Tour guide earnings</td>
<td></td>
</tr>
<tr>
<td>Throughout tour guide fee</td>
<td>Ranging from 35 to 60 USD a day</td>
</tr>
<tr>
<td>MTGA suggested our guide daily fee.</td>
<td>35 USD per day</td>
</tr>
<tr>
<td>Chinese speaking tour guides</td>
<td>60 to 90 USD a day. (Often used for business interpretation)</td>
</tr>
<tr>
<td>Good English speaker</td>
<td>40 to 60 USD a day</td>
</tr>
<tr>
<td>Local tour conductor fee (no set rate)</td>
<td>10 to 20 USD a day/ tour</td>
</tr>
<tr>
<td>Low season guiding rates at Inle</td>
<td>20 USD a day</td>
</tr>
<tr>
<td>High season guiding rates at Inle</td>
<td>70 to 80 USD a day</td>
</tr>
<tr>
<td>High Season</td>
<td>November to April</td>
</tr>
<tr>
<td>Low Season</td>
<td>June to September</td>
</tr>
</tbody>
</table>

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