

Myanmar's Tourism Industry

The tourism business has played a major role in driving forward Myanmar's economic development since the start of national reforms in 2011. Myanmar is endowed with many potential tourist attractions arising from its 1,930 km coastline, its historical landmarks and variety of cultural traditions. The government has drawn up a tourism development master plan, which seeks to build Myanmar into a leading tourist destination in Southeast Asia, and to cater to the increasing number of tourists arriving in Myanmar. The Ministry of Hotels and Tourism estimated that inbound tourists to Myanmar amounted to 6 million in 2016. Moreover, political and economic stability are seen as opportunities for the development of the tourism industry.

The Myanmar Tourism Master Plan 2013-2020 has set a target of 7.48 million international visitors in 2020, which means an increase of around 1.48 million tourists from 2016. Myanmar has seen an increase in the number of hotel rooms from 9,132 at the end of 2015 to 11,207 at the end of November 2016. However, there is still high demand for hospitality services which need to be improved for Myanmar to achieve its target for the tourism industry.

The World Travel and Tourism Council forecasts that Myanmar's tourism industry will rank second out of 184 countries in 2016, and has the potential to grow more within the next decade. The exponential growth of the sector is predicted to increase employment in the tourism industry by 66% to 2.1 million jobs by 2026, and to contribute to Myanmar's GDP by an average of 6.5% between 2015 - 2026.

According to the Ministry of Hotels and Tourism, 3.1 million tourists entered Myanmar in 2016, as of September 2016. The number of tourists decreased compared to the same period in 2015. However, 3 billion USD of foreign investment went into tourist attractions across 56 projects as of the end of November 2016.

Although Myanmar has enjoyed a boom in the tourism industry, the government needs to improve infrastructure in all aspects to meet international standards. In 2015, 2.6 billion USD of foreign investment went into the development of the hotel and tourism related business, which includes 9,132 hotel rooms across 48 projects. This investment is now 69% complete.

The growth of the tourism industry in Myanmar relies on political reforms, economic stability, and clear procedures for foreign investment. The Myanmar government is working to establish a clear investment law to encourage foreign direct investment, which also includes a tourism law. The aim is to build investors' confidence in Myanmar. For example, since July 2016, the application for and renewal of hotel operation license, tour company and tour guide license, as well as license for tourist transportation can be done online.

Analysts conclude that the growth of the tourism industry will be driven by large projects, which are funded by foreign investors. If the hotel and tourism investment law and a draft tourism law are encouraged by investors, foreign investments in this sector will increase, and contribute to tourism development in Myanmar. Moreover, the Myanmar Tourism Master Plan 2013-2020 has presented its vision to develop the tourism and hospitality sector to create job and business opportunities for the Myanmar people.

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