

CHAPTER 5

Conclusion

5.1 Findings of the Research

In this paper, the author studied the impact of Tourism expansion on Myanmar's Economic Growth for the period between 1985 and 2015. First, the author describes the history and current situation through the descriptive analysis. Myanmar has a rich historical, cultural heritage and ancient religious architecture to experience for tourists. To grab the opportunities given by the country's nature, tourism industry plays an active role in its development endeavors of setting up economic plans since 1990. The government set up the Myanmar tourism master plan for the period 2013 to 2020. On the other hand, in the 100-day plan set by new government, actions are to be taken for these three main areas such as Community Based Tourism in six sites, Enhancement of tourism human resources capacity, and Promoting less frequented local areas. However, there are still underdeveloped areas such as infrastructure development, handicraft products, capacity of human resources, tourism related services, and visa exemption in tourism sector, together with the rapid tourism growth.

Second, the relationship between tourism and economic growth of Myanmar is tested with ARDL co-integration time series technique. As expected, an increase in tourism arrivals affects positively on Myanmar's economic growth. Although the coefficient sign of the tourism receipt is positive, the result is insignificant due to three main reasons: a data problem stemming from the way the data is collected by merging from three different sources due to lack of data availability, omitted variables and controlled variables data, and the chosen number of observation period. Actually, the emergence of tourism sector occurs dynamically since 2013.

Third, the validity of the tourism-led growth and growth-led tourism hypotheses exists by applying pairwise Granger Causality test for the case of Myanmar as there is the bilateral relationship between tourism arrivals and economic growth. Myanmar can develop its economic growth performance by strategically tackling the contribution of the tourism industry through the improvement of government performance. However, there is no significant causality between tourism receipts and RGDP growth rate of Myanmar economy. It is not surprising for the coming out of this result. Thus, the nature of the Myanmar local products, increase prices in imported goods, hiring foreign experts due to unskilled labour and increased competition between destinations and the dependence of international tour operators.

5.2 Policy Recommendations

Nowadays, Myanmar tourism sector is facing the rapid growth compared with other sectors of the economy. As tourism sector in Myanmar is a labour-intensive industry and has linkages with other economic sectors of the economy, Myanmar tourism expansion has to be developed sustainably. Therefore, efforts must be taken on endeavoring existing Myanmar Tourism Master Plan (2013-2020) and other plans like Destination Management Plan for the Inle Lake Region (2014-2019) with enthusiasm and dynamism. Similarly, the ongoing policies such as Myanmar Ecotourism Policy and Management Strategy, Responsible Tourism Policy, Policy on Community Involvement in Tourism, and Air Transport Policy should be undertaken or accomplished dynamically for sustainable tourism development.

Based on the empirical results of the study, firstly, to increase tourist arrivals coming to the country of Myanmar steadily, continuous efforts should be carried out for the necessity of infrastructure development such as the hotels, airlines, rail and road transportation; improvement of hotels and catering services such as foodstuffs, equipment, etc. to attract more visitors and to reduce imported leakages; better quality of local products of the handicraft sector for better business opportunities; emergence of well-qualified local staff and residents for better employment opportunities; reducing red tape associated with visa process and official travel permits; land rights, environmental conservation and transparency for future community involvement in

tourism; labour rights protections; and highlighting Foreign Language Skills in Local Communities.

In addition, to earn more tourism receipts together with a rise in tourist arrivals, budget from tourism receipts should be allocated effectively in selective areas for the better outcomes of Myanmar tourism sector. Therefore, government support or assistance to tourism industry is essential in cooperation with entrepreneurs, local communities, key stakeholders, tourism experts, other government institutions, international organizations and experts in order to implement policies and regulations for further tourism development and the country's all round sector growth. Moreover, cultural and environmental conservation in heritage tourist locations play a key role in sustainable development. So, the rules and regulation framework should be adopted on do and don't things not only for tourists but also for business entrepreneurs and local communities to avoid problems like implementation of hotel zones near Bagan heritage areas. In this connection, transparency on information for every action taken by the government in environmentally sensitive and cultural areas should be increased among all related community groups.

Mostly, the large number of tourists from China, Japan, Thailand and western countries such as United States, Germany and France come to visit Myanmar. Visitors from neighboring countries enter into the country through borders under the arrangements by tour companies in cooperation with the ministry. That is why the restrictions on land borders entry and exit processing should be reduced and the e-visa system for overland travel to Myanmar should be adopted in some border regions for better visa assessment although the political stability should be considered as priority.

For the fast-growing Myanmar tourism industry, new Government 100 day policy focuses on three-pronged strategy which implements Community Based Tourism in Myanmar, Enhancement of tourism human resources capacity and promoting less frequented areas. The pilot projects will be provided for improved water and electricity supplies and better transportation in six sites such as Indawgyi Lake in Kachin State, Loikaw in Kayah State, Thandaunggyi in Kayin State, Pa-O Self-administered Zone in Shan States, Myaing Township in Magwae Region, and the Irrawaddy dolphin

conservation center based in six villages in Mandalay Region. To build the capacity of the tourism human resources pool, the basic tourist-guide courses will be opened at a hospitality training academy for better preparation of young people employment in the sector. Moreover, to develop existing popular destinations as well as promoting less frequented areas, bed-breakfast accommodation by local residents and traditional ethnic housing programs will be set up for Regional-based tourism earmarked for Southern Myanmar villages. Md. Anowar Hossain Bhuiyan (2013) points out the Ninth Malaysia Tourism Plan which also highlights on ecotourism, agro tourism, culture and heritage tourism, home stay program and thematic events; and human development of the tourism industry. Not only improving the quality of tourism services, the diversification of tourism activities and handicraft or regional products is also needed. In Ninth Malaysia Plan, Md. Anowar Hossain Bhuiyan (2013) revealed the lack of guideline for foreign investment in the development of tourism sector. As for Myanmar tourism sector, the guideline or framework for both private enterprises and foreign investors should be initiated.

To take actions for the development of Myanmar Tourism Industry, using Tourism Council of Thailand's role for its tourism development as an example, Myanmar Tourism Federation should be the representatives of the Myanmar Tourism Sector through the works of the cooperation and integration between the private sector and public sector together with the Government's instruction by discovering and promoting the identity of culture, art, history and heritage of Myanmar.

Moreover, as Myanmar can make its economic growth through the promotion of tourism industry by improvement of government performance and capturing the tourism and Myanmar missed opportunities, it is essential to improve domestic tourism in order to have decentralization of local development caused by such opportunity (**Risso, W. A., & Brida, J. G., 2009**).

Lastly, it is noted the important of exchange rate stability for economic growth of the country. High volatility in exchange rates of Myanmar can cause business enterprises insecure and burden. In addition, it can impact on attracting Foreign Direct Investment to the country, Myanmar. On the other hand, from the tourism sector point

of view, exchange rate volatile in the country makes the tourists to make difficulty on estimating the travel cost and upon currency exchange. In this regard, the government should focus on exchange rate stability through the choice of effective exchange rate regime. Moreover, currently, different exchange rates in exchange counters from place to place also burden on tourists visiting different places around the country. In this case, the government should cooperate with both public and private exchange counter enterprises to standardize the exchange rate value and ease access to these counters in tourist destinations of the country.

In conclusion, together with addressing the issues and requirements of the Myanmar tourism industry which contributes to the all-round development of the country more or less, Myanmar Government also has to emphasize the improvement of other sectors such as health, education, domestic and foreign investment, agriculture, human capital and industrialization of the country.

5.3 Limitations of the Study

Some unavoidable problems or limitations can be found in this study although the research has matched with the purposes of the study. First, most of the data related with Myanmar are unreliable, unavailable and lack of accuracy and transparency. As the data of the used proxy variable for tourism sector and economic growth could not be found from one source, the study used the compiling or merging data from two or three sources. Therefore, some variables of the study like tourism receipts are not conclusive or insignificant due to merging data problems. Moreover, the study did not consider about other factors, namely, political situation, ethnic conflicts, weather condition, seasonality and human rights which may affect critically on Myanmar tourism situation. Due to lack of data and indicators which represent these factors for the time span (1985-2015) of the study, the research decided not to consider these effects to the tourism sector while investigating the impacts of tourism expansion on Myanmar's economic growth.

5.4 Suggestion for Further Study

Further research should be done on four directions. Firstly, tourism is considered as a product or export factor in the service industry. Therefore, future research can analyze the service-led growth hypothesis or export-led growth hypothesis of Myanmar by adding other controlled variables. Secondly, real gross domestic product in growth rate cannot represent the growth of the whole economy of Myanmar. So, further research can be undertaken setting other proxy variables to be regarded as poverty and inequality reduction of Myanmar. Thirdly, the panel co-integration technique can be used to compare the tourism situation of Myanmar and other developing countries. Lastly, further time series analysis research can investigate the impact of tourism expansion on Myanmar's economic growth by taking other tourism related variables as a proxy of tourism sector due to merging data problems.



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