

Tourist industry and its impact upon socio-economic development of Bagan-Nyaung U area

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Abstract: Tourist industry is one of the main economic activities of Bagan-Nyaung U area which are important for socio-economic development for that region. Tourist industry is one of the important sources for earning foreign currency and creating job opportunities. Tourist industry and tourism related businesses are main encouraging factors in the economic development of Bagan-Nyaung U area. Number of hotels, restaurants and souvenir shops are main businesses related tourism.

Key Words: Business, socio-economic development, souvenir shops, tourist industry.

Introduction

Many scholars defined the term “Development” from various aspects. Dale (2000) mentioned “Development is a broader and more diverse concept, denoting improvements in the quality of life of people, extending much beyond direct gains from increased production of commodities and services”.

Social and cultural integration emerges along with the national integration process. “Socio-cultural integration” is a process of integration of existing culture and historical heritage with the social system for the use of promotion tourism, arts, crafts, music, songs and cultural dance into economic benefits. Therefore, the socio-cultural integration has large externalities on cultural, tourism, art and craft, exports and finally regional development.

After 1988, the government of Myanmar has been making all round effort for the parallel development of all the regions across the Union. Myanmar formally declared 1996 as Visit Myanmar Year and launched activities for tourism development in 1994, attention of the most people drawn on the country. Bagan (formerly Pagan), an ancient city, is situated in the Nyaung U District. It was a birth place of Myanmar’s Civilization that developed in the eleventh century.

In ancient city of Bagan and surrounding areas, the impact of tourism was the revival of social and cultural life of the people through tourism. The increasing number of tourists provided social and economic opportunity for the locally produced goods and revival of artisanship. As Bagan is famous for ancient treasure and lacquerware, the improvements of tourism have a large positive impact on the existing industry.

Materials and Methods

The Study area: The study area, Nyaung U District included within the Mandalay Region in the Central Dry Zone of Myanmar (Fig. 1). The district consists of Nyaung U Township and Ngathayauk sub-township. It comprises 16 wards, 75 village tracts and 223 villages, covering 572.755 square miles of an area. In this district, Bagan is a famous tourist site not only for international tourists but also for local visitors.

Methodology: This study is intended to examine the relationship between economic activities and social conditions within Nyaung U District. In order to measure relationship and association, statistical methods (correlation and regression, fluctuation and trend, factorial design and cluster analysis) will be applied.

Interviews and field surveys are an intensive as well as an extensive examination of socio-economic development, using face-to-face interviews and questionnaires. Detailed

information was obtained from some key informants by open interviews. Mapping, data linkage and analysis were done by Geographic Information System (GIS) technique, with the help of topographic maps, aerial photographs and photographs.

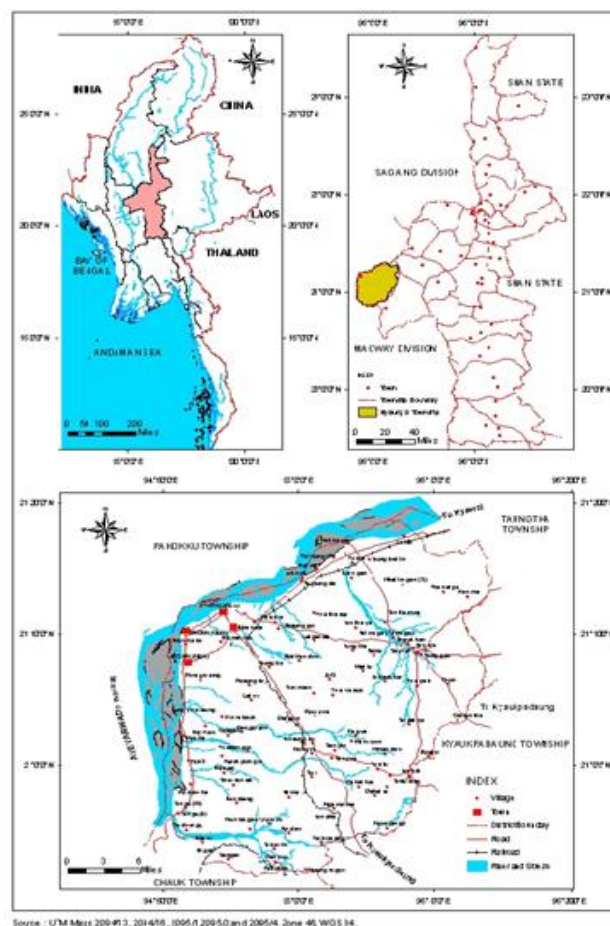


Fig. 1. Map 1 Location of Bagan-Nyaung U area

Results and Discussion

Due to the growth of tourist arrivals in Bagan area, number of hotels, restaurants and souvenir shops are gradually increasing in number and size. There are significant growth of hotels in Bagan-Nyaung U between 1972 and 2010. There was one hotel in 1972. Hotel and guest houses were gradually upgraded for increase number of tourist arrivals. After 1996, which is demarcated as Visit Myanmar Year, hotel zones were built to develop tourist industry. In the hotel zone, 27 hotels, 21 guest houses, and 3 motels were constructed after 1996. In recent period, there are 40 hotels, 27 guest houses, 5 motels, 2 resorts and 2 inns in Nyaung U area (Table 1).

Table 1. Hotel, Motel, Inn and Guest House of Bagan-Nyaung U (1972-2010)

| No | Year | Name of Hotels, Motels, Inns and Guest House | No | Year | Name of Hotels, Motels, Inns and Guest House |
|----|------|--|----|------|--|
| 1 | 1972 | Thiripyitsaya Sakura Hotel | 39 | 1996 | ThiriSanda Hotel |
| 2 | 1978 | Aye Yar Hotel | 40 | 1996 | Yun Myo Thu Motel |
| 3 | 1992 | Goldern Express Hotel | 41 | 1996 | Sonsey Motel |
| 4 | 1994 | Aung Mingala Hotel | 42 | 1996 | Ayeyar River View Hotel |
| 5 | 1994 | Glorious Bagan Guest House | 43 | 1996 | Duwun Hotel |
| 6 | 1994 | Diamond Egale (1) Hotel | 44 | 1996 | Ingyin Hotel |
| 7 | 1994 | Kaday Aung Hotel | 45 | 1996 | Nan Eain Thu Hotel |
| 8 | 1994 | Lucky Seven Guest House | 46 | 1996 | Thande Hotel |
| 9 | 1994 | New Wave Guest House | 47 | 1996 | May Khalar Guest House |
| 10 | 1994 | Goldern Myanmar Guest House | 48 | 1996 | Smile World Hotel |
| 11 | 1994 | Mya Sein Dipa Guest House | 49 | 1996 | Zagawa Palace Hotel |
| 12 | 1995 | Bagan Hotel | 50 | 1996 | View Point Guest House |
| 13 | 1995 | Blue Bird Hotel | 51 | 1996 | Bagan Princess Guest House |
| 14 | 1995 | Kumudara Hotel | 52 | 1997 | Union (2) Hotel |
| 15 | 1995 | Kyi Kyi Mya Guest House | 53 | 1997 | Myanmar Treasure Hotel |
| 16 | 1995 | Mya Pui Sone Guest House | 54 | 1997 | Bagan Central Hotel |
| 17 | 1995 | New Park Guest House | 55 | 1997 | Kyaw Guest House |
| 18 | 1995 | New Heaven Guest House | 56 | 1997 | Goldern Pot Guest House |
| 19 | 1995 | Pann Cherry Guest House | 57 | 1997 | Shwe Nagar Hotel |
| 20 | 1995 | PyinsaRupa Guest House | 58 | 1997 | YarKhinTha Hotel |
| 21 | 1995 | Winner Guest House | 59 | 1997 | New Bagan Inn |
| 22 | 1995 | Zar Chi Win (2) Hotel | 60 | 1997 | Myanmar Hotel |
| 23 | 1995 | Oasis Guest House | 61 | 1998 | Bagan Golf Resort |
| 24 | 1995 | Myat Bagan Hotel | 62 | 1998 | Bagan ThiriZarni Hotel |
| 25 | 1996 | Inn Wa Guest House | 63 | 1999 | Mya KanTha Motel |
| 26 | 1996 | Eden Motel (1) | 64 | 1999 | ShweTaung Tan Hotel |
| 27 | 1996 | Kaytumadi Dynasty Hotel | 65 | 1999 | Ruby True Hotel |
| 28 | 1996 | Lawkanat Hotel | 66 | 1999 | Goldern Village Inn |
| 29 | 1996 | Mya Thida Guest House | 67 | 2000 | Arthawka Hotel |
| 30 | 1996 | New Life Guest House | 68 | 2000 | Eden (2) Motel |
| 31 | 1996 | N.K Betel Nut Hotel | 69 | 2000 | Tampawadi Hotel |
| 32 | 1996 | Pagoda City Hotel | 70 | 2000 | Family Guest House |
| 33 | 1996 | Prince Guest House | 71 | 2001 | Greenwich Hotel |
| 34 | 1996 | Silver Moon Hotel | 72 | 2003 | Tharabargate Hotel |
| 35 | 1996 | Nyaung U Thande Hotel | 73 | 2004 | ShweNadi Guest House |
| 36 | 1996 | San YeikNyein Guest House | 74 | 2004 | Mahanadi Guest House |
| 37 | 1996 | Thazin Garden Hotel | 75 | 2005 | Diamond Egale (2) Guest House |
| 38 | 1996 | Thiri Marla Hotel | 76 | 2006 | Aureum Palace Resort |

Source: Ministry of Hotels and Tourism, Bagan (1996)

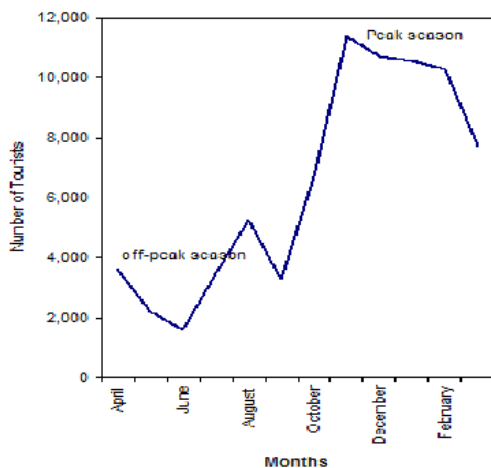


Fig. 2. Seasonal Tourist Arrival of Bagan-Nyaung U (2010) (Soe Thint, 2010).

According to 2010 statistics, there are 1368 workers engaged in hotels which are related to tourism. Therefore, tourism created job opportunities and gave knowledge about tourism to local people. However, tourist industry, in fact, is partly related to seasonal advantages which depend upon weather and climate condition of a country. Tourism cannot give an annual income for the whole year. There are peak season and off-peak season in tourist industry of Myanmar. Peak season or maximum number of tourist arrivals is found between October and March. Off-peak season or minimum number of tourist arrivals is found between April and September which is a monsoon period. In 2010, the lowest number of tourist arrivals was found in June and the maximum tourist arrival was observed in November (Table 2 and Fig. 2). Hotels, restaurants, souvenir shops and other tourism related businesses are more beneficial in tourist peak season than off-peak season.

In recent period, there is gradual increase in off-peak season tourist arrivals due to improved infrastructure such as transportation and communication facilities. If

infrastructure is developed and supported in tourist industry for the whole year, socio-economic condition of Nyaung U area will be more developed. Number of restaurants and food shops are growing due to increasing tourist arrivals and local visitors. There were only 5 food shops in 1990 and it increased to 40 shops in 2006 and reached to 134 shops in 2010. Restaurants and food shops

are more beneficial in high tourist arrivals and local visitors. This development of food services also support the better income for foodstuffs, vegetables and other consumer goods sellers from village areas. Therefore, tourism development supports not only urban dwellers but also for rural villagers.

Table 2. Seasonal Tourist Arrivals of Bagan-Nyaung U (2001-2010)

| No. | Month | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total | % |
|-------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|
| 1 | April | 3,423 | 4,125 | 3,330 | 3,726 | 3,624 | 4,785 | 5,715 | 2,787 | 2,672 | 3,621 | 37,808 | 5.53 |
| 2 | May | 2,444 | 2,005 | 2,041 | 2,175 | 2,581 | 2,447 | 3,627 | 1,011 | 1,913 | 2,229 | 22,473 | 3.29 |
| 3 | June | 1,218 | 1,201 | 1,023 | 1,594 | 1,463 | 1,990 | 2,340 | 331 | 1,196 | 1,585 | 13,941 | 2.04 |
| 4 | July | 2,231 | 2,675 | 2,271 | 3,099 | 3,148 | 3,881 | 4,278 | 826 | 2,413 | 3,483 | 28,305 | 4.14 |
| 5 | August | 5,726 | 5,617 | 3,336 | 5,355 | 5,226 | 6,636 | 7,444 | 1,329 | 3,652 | 5,255 | 49,576 | 7.25 |
| 6 | September | 2,071 | 3,013 | 2,232 | 2,643 | 2,646 | 3,632 | 4,279 | 1,156 | 2,572 | 3,287 | 27,531 | 4.03 |
| 7 | October | 3,853 | 6,207 | 4,656 | 5,760 | 5,901 | 7,922 | 1,241 | 2,670 | 5,134 | 6,700 | 50,044 | 7.32 |
| 8 | November | 7,294 | 12,222 | 9,233 | 12,331 | 11,649 | 15,590 | 4,999 | 5,108 | 9,703 | 11,379 | 99,508 | 14.56 |
| 9 | December | 6,039 | 9,799 | 8,725 | 9,739 | 9,110 | 12,392 | 4,920 | 4,540 | 9,159 | 10,721 | 85,144 | 12.46 |
| 10 | January | 8,453 | 8,686 | 11,892 | 10,603 | 10,487 | 10,335 | 14,887 | 6,384 | 6,288 | 10,560 | 98,575 | 14.42 |
| 11 | February | 9,682 | 8,658 | 11,718 | 9,727 | 9,964 | 10,309 | 15,357 | 6,720 | 5,806 | 10,293 | 98,234 | 14.37 |
| 12 | March | 6,137 | 6,232 | 8,433 | 7,170 | 7,221 | 8,321 | 11,323 | 5,273 | 4,553 | 7,718 | 72,381 | 10.59 |
| Total | | 58,571 | 70,440 | 68,890 | 73,922 | 73,020 | 88,240 | 80,410 | 38,135 | 55,061 | 76,831 | 683,520 | 100.00 |

source: Ministry of Hotel and Tourism (Bagan)

Table 3. Tourism Related Economic Businesses of Downtown Area of Nyaung U

| No | Wards | Tourism related economic businesses | | | | | | |
|-------|---------------|-------------------------------------|--------|--------|-----------------|--------------------|----------|---------------------|
| | | Restaurants | Hotels | Stores | Souvenirs Shops | Lacquareware Shops | Internet | Air Ticket Services |
| 1 | No.1 | 7 | 0 | 7 | 0 | 0 | 0 | 0 |
| 2 | No.2 | 13 | 2 | 5 | 1 | 0 | 0 | 0 |
| 3 | No.3 | 18 | 11 | 12 | 0 | 0 | 2 | 2 |
| 4 | No.4 | 22 | 11 | 20 | 5 | 0 | 4 | 4 |
| 5 | No.5 | 51 | 10 | 3 | 29 | 23 | 4 | 3 |
| 6 | No.6 | 1 | 1 | 3 | 0 | 0 | 0 | 0 |
| 7 | No.7 | 8 | 4 | 1 | 3 | 2 | 2 | 0 |
| 8 | Kyansittha | 4 | 20 | 3 | 1 | 1 | 1 | 0 |
| 9 | Anawyahta | 3 | 15 | 2 | 0 | 2 | 0 | 0 |
| 10 | Thiripyitsaya | 7 | 1 | 3 | 0 | 5 | 0 | 0 |
| 11 | Shwetwin | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | East Ywanaung | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | Ganga | 0 | 1 | 5 | 0 | 0 | 0 | 0 |
| Total | | 134 | 76 | 64 | 39 | 33 | 13 | 9 |

Source: Township Administrative Office, Nyaung U

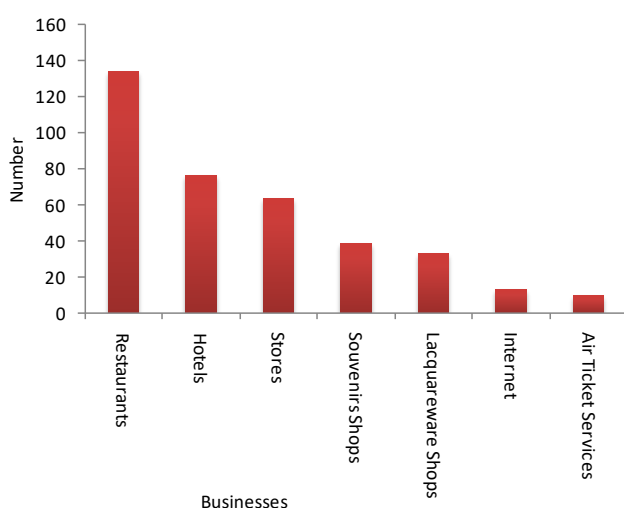


Fig. 3. Tourist Related Economic Business of Downtown Area of Nyaung U

Number of souvenir shops increased due to the growth of tourist arrivals and domestic visitors. The most favorites souvenirs sold in Bagan-Nyaung U area are lacquarewares, paintings and statues, local food products and souvenir shirts. Foreign visitors mostly buy lacquarewares, paintings and statues whereas local visitors buy local foods and souvenir shirts. Due to the support of tourism development, transportation and communication development, the quality of lacquareware products from Bagan area significantly increased. It is demanded for foreign exports to Italy, Germany and France. There are 65 lacquareware workshops in Nyaung U area. Businesses related to paintings and sculptures are also developed by the increasing demand from tourist industry. Local food products industries are also developed due to the increasing demand of domestic visitors. Machines are increasing used instead of manual workers to produce local food such as “Poneygyi or Bean Paste” which is a famous local food made by using beans. Increasing quality of package and food quality, Poneygyi or Bean Paste

industry is significantly develop in Bagan-Nyaung U. Domestic visitors prefer t-shirts as souvenirs to give other people in their native areas. Therefore, this industry is also growing mainly due to domestic tourism. Design drawing for t-shirts and printing industry is also developed related to this t-shirt cottage industry. There are 185 souvenir shops in famous pagodas such as Arnandar, Shwezigon, Bupaya, Alodawpyi and Myazaydi pagodas. These shops also create job opportunities for local people. Therefore, tourism development can support the opportunities of job for local people in Bagan-Nyaung U area.

In 2010, there are 7 main businesses related to tourist industry in Bagan-Nyaung U. They are 134 restaurants, 76 hotels, 64 stores, 39 souvenirs shops, 33 lacquaware shops, 13 internet services and 9 air ticket services. These businesses are largely dependent on tourism. Majority of businesses are restaurants, hotels and stores. In fact, restaurants, hotels and air ticket services, hotels and air ticket services are directly related to tourist industry whereas stores, souvenir shops, lacquareare shops and internet services are indirectly related to tourism in Nyaung U. (Table 3 and Fig. 3)

Models Application in Tourism Development of Bagan-Nyaung U: Since tourism development is very important for socio-economic growth of Bagan-Nyaung U, it is necessary to study the role of tourism development in Bagan-Nyaung U by using some theoretical measures.

To apply the Butler's model of the hypothetical evolution of a tourist area to Bagan tourism, two variables such as the time factor and the number of tourists are plotted on X axis and Y axis respectively. The resultant two figures approximately coincide with the "development stages" as shown on Buler's Model. (Table 4 and Fig. 4)

Table 4. Tourist Arrivals of Bagan-Nyaung U (1991-2000)

| No | Years | No of Tourists |
|----|-------|----------------|
| 1 | 1991 | 8680 |
| 2 | 1992 | 13110 |
| 3 | 1993 | 30490 |
| 4 | 1994 | 44838 |
| 5 | 1995 | 66923 |
| 6 | 1996 | 88057 |
| 7 | 1997 | 92691 |
| 8 | 1998 | 98608 |
| 9 | 1999 | 99604 |
| 10 | 2000 | 105961 |

Source: Ministry of Hotel and Tourism

Butler (1980) has developed a complex model of the hypothetical evolution of a tourist area. (Figures 3-5) Six stages are classified as exploration, involvement, development, consolidation, stagnation and rejuvenation or decline. No specified facilities for visitors exist in the first stage; those in the involvement stage are provided primarily by locals. In the development stage local involvement and control decline rapidly.

Major franchises and chains in the tourist industry will be represented by the consolidation stage. Again local involvement increases in the decline stage "as local employees are able to purchase facilities at significantly lower prices as the market declines".

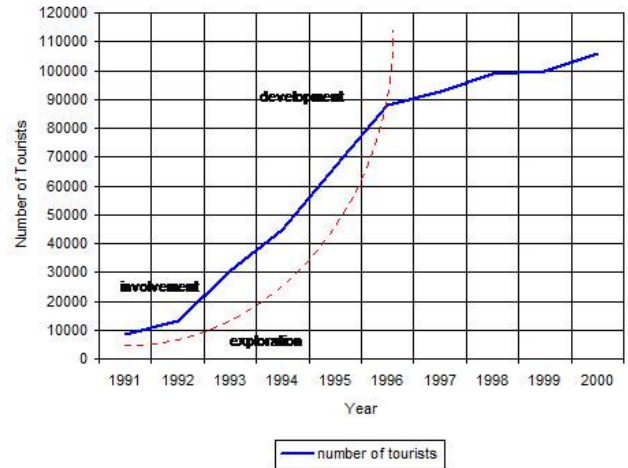


Fig. 4. Analysis of tourism development by bulter's model

The present condition of tourism in Bagan-Nyaung U, according to Butler's model is in the early part of 'development stages'. Tourism in Bagan-Nyaung U experienced the 'exploration stage' and 'involvement stage'. The applied model indicates two significant periods in the development of tourism in Bagan-Nyaung U. The two resultant patterns were found from 1991 to 2000 and from 2001 to 2010. Both of these periods experienced two stages, namely exploration and involvement.

Various stages recognized in the Butler's model significantly coincide with the actual condition of tourism in Bagan-Nyaung U. It is now in the early part of 'development stage' and it can be postulated that there would be a perfect 'development stage' in the near future as six sequential development phases depicted on the Butler's model. (Table 5 and Fig. 5)

Table 5. Tourist Arrivals of Bagan-Nyaung U

| No | Years | No of Tourists |
|----|-------|----------------|
| 1 | 2001 | 58571 |
| 2 | 2002 | 70440 |
| 3 | 2003 | 68890 |
| 4 | 2004 | 73922 |
| 5 | 2005 | 73020 |
| 6 | 2006 | 88240 |
| 7 | 2007 | 80410 |
| 8 | 2008 | 38135 |
| 9 | 2009 | 55061 |
| 10 | 2010 | 76831 |

Although there were several fluctuation in tourist arrival trend, there was a tendency towards a new development after 2010 when a new political and economic policies of Myanmar was significantly introduced. This new trend of tourism development will also support the socio-economic growth of Bagan-Nyaung U.

Impact of Tourist Industry on Socio-economic Development: Major impact of tourist industry on socio-economic growth of Bagan-Nyaung U is significantly observed in some economic activities such as; (a) Handicraft industry, (b) Food and beverages shops, and (c) Hotels and accommodation services

In order to study the impact of tourism on these businesses, shops and business were selected as samples for questionnaire distribution and interview survey.

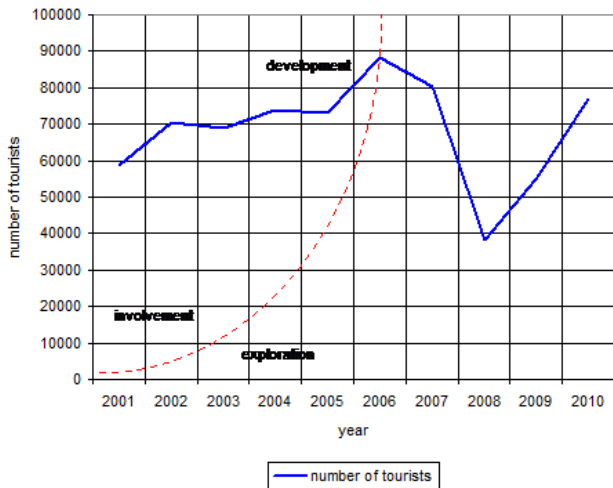


Fig. 4. Analysis of Tourism Development by Butler's Model (2001-2010)

There are 12 respondents for handicraft industry, 4 respondents from food and beverage shops and 7 respondents from hotels and accommodation services. This study only focused on qualitative assessment on the impact of tourist industry in Bagan-Nyaung U.

Handicraft Industry: Handicraft is a main cottage industry which is supported by tourism in Nyuang U District. Handicraft is traditionally done by villagers from Bagan and Nyaung U area. The main product is a lacquarewares made of bamboo and natural dyes produced from plants and some kinds of rocks and soils.

Respondents answered that their lacquareware industry is closely related to tourist industry and when the more

visitors come the more lacquareware products are sold. Therefore, they pointed out that the economic growth of Bagan-Nyaung U area is significantly influenced by tourist industry. By the connection of tourist, some lacquareware products are exported to foreign countries through Singapore. Although local visitors buy lacquareware products, the demand is less than that of foreign visitors from Europe, Americas and the rest of Asia.

Food and Beverages Shops and Restaurants: Another business sectors related to tourist industry in Bagan-Nyaung U is food and beverages shops and restaurants. Some owners of food and beverage shops and restaurants were requested to reply the questionnaires.

There are two types of food shops such as Myanmar traditional food and Chinese style food. Both types are preferable for tourists and local visitors. In recent years, with the development of tourist industry, some restaurants also tried to perform puppet shows during the night time. It also attracts to tourists. Therefore, traditional puppet show is gradually developed again due to the growth of tourist industry in Bagan-Nyaung U area.

The respondents answered about their income from food and beverages shops by averaging 1 lakh kyats to 5 lakh kyats. About 75 percent of the shop owners earned 6 lakh to 10 lakh kyats from food and beverages.

Hotels, Motels, Inns and Guest Houses: The most significant development is found in the growth of hotels, motels, inns and guest houses (Fig. 6). This business sector is directly related to tourist industry. The basic requirement for international tourists is hotels and motels for their accommodation and stay. Most of the respondents, who are managing hotels and guest houses, are age group between 20 and 40 years (72% of total respondents).



Fig. 6. Tourist Industry and its related Economic Activities in Bagan-Nyaung U Area

Most of the visitors stayed in hotels, motels and guest houses are foreigners. Therefore, hotels, motels and guest houses are mainly dependent on tourist arrivals. December to February is the peak season for tourist arrivals. Local visitors usually come to Bagan area between April and October. At that time most of the hotels, motels and guest houses are crowded. However, big hotels and high standard hotels and guest houses are generally preferred by tourists from foreign countries. Local visitors preferred low price guest houses.

Conclusion: This study pointed out that hotels and high price guest houses are mainly relied on tourism and tourism related activities. Until 2010, tourism is seasonal business. Most of the hotels are vacant in the off-peak season during June and October, monsoon period. It is necessary to promote tourist industry to be a year-round business. Moreover, the export of home-made commodities are also recommended and made come important contacts by tourism. Handicraft is supported by

tourism in Bagan-Nyaung U area which is necessary to maintain the present condition.

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