# Destination Management Plan for the Inlay Lake Region 2014 - 2019

**MINISTRY OF HOTELS AND TOURISM
THE REPUBLIC OF THE UNION OF
MYANMAR**

**Acknowledgements**

Without the support of the people of the Inlay Lake Region, this Destination Management Plan would not have been possible.  Many thanks are given by the authors to everyone who participated in interviews, discussions, focus groups and who travelled from all over the region and country to attend meetings, events and workshops.

**A note on Myanmar (Burmese) Language Transliterations into English**

Please note there is no standardization of transliterating Myanmar language into English, thus place names etc. are often spelt in many different ways, for example different sources refer to the lake as either "Inle, Inlay or Innlay" Lake. For the purposes of this document the term "Inlay" is used and place names are standardised where possible.

**Document Series**

This Destination Management Plan is part of a series of documents that include:

1. Destination Management Plan for the Inlay Lake Region (This Document)
2. Destination Management Plan for the Inlay Lake Region - Destination Management Organisation Options
3. Destination Management Plan for the Inlay Lake Region - Tourism Survey
4. Destination Management Plan for the Inlay Lake Region - Project Proposal Portfolio

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# Contents

# 1. Introduction

## 1.1 The "Inlay Lake Region"

Inlay Lake and the surrounding hills, the "Inlay Lake Region", form one of Myanmar's top four flagship tourism destinations, having received at least 250,000 visitor arrivals over the 2013-14 season. It is Myanmar's most important combined cultural and natural heritage tourism area, being home to a diverse range of ethnic minorities, many of whom maintain unique, traditional ways of life, as well as being an important area of biodiversity and conservation, having outstanding natural beauty and providing vital livelihoods and income for local, regional and national economies.

As part of the unprecedented changes that have been taking place in Myanmar since 2011, tourism has been growing rapidly and is forecast to continue to do so in the following years. With such rapid growth, tourism brings new economic opportunities, but can also create uncertainty including environmental, social and cultural change. Planning now for "Destination Management" will help guide tourism policy for the long term sustainable management of Inlay Lake Region.

The "Inlay Lake Region" has been chosen as a title as clearly the lake itself is the "heart" of a regional hub and a gateway to the surrounding hills, distinct cultures and stunning scenery.

The Destination Management Plan (DMP) for the Inlay Lake Region is the result of extesive stakeholder consultations, interviews, focus group discussions, workshops and expert analysis of a region stretching from Ywangan Township of the Danu Self-Administerd Zone in the north to Loikaw City in the south; from Kalaw in the west, to Hopong Township of the Pa-O Self Administered Zone in the east. The region covers over 19,000 square kilometres (7,340 square miles) and is home to an estimated 1.4 million people.

The DMP provides a situational analysis of the current tourism situation in Myanmar and how this links to the Inlay Lake Region, provides a summary of the environmental issues, provides a strategic direction for sustainable tourism development and the "visitor economy" and provides key action points required to achieve a world-class tourism destination. The region will certainly be the target of donor, government and private sector funded development projects: this DMP provides a framework for funding activities that are based upon research and the wishes and needs of local communities, business, government, community organisations and the natural environment.

Most importantly the DMP presents a means for the people of the Inlay Lake Region to have their say on how they would like to see tourism develop in their homelands, whilst addressing the needs of the tourism industry in order to create a sustainable tourism destination that is a "great place to visit, work and live".

## 1.2 The "Regional Tourism Destination Management Plan for Inlay Lake and the Surrounding Hill Areas (RTDMP)" Project

The Destination Management Plan for the Inlay Lake Region is the result of the "Regional Tourism Destination Management Plan for Inlay Lake and the Surrounding Hill Areas Project, a partnership between the Ministry of Hotels and Tourism, the Myanmar Institute for Integrated Development (MIID) and the International Centre for Integrated Mountain Development (ICIMOD), with funding from the European Union under the HIMALICA Programme and the Government of Luxembourg.

The RTDMP Project conducted collaborative action research over the period February to June 2014, and was built upon results from a regional tourism workshop conducted by project partners that took place in Taunggyi during July 2013. The workshop clearly demonstrated that the industry, region and community are quite unprepared for the impact and needs that growth of tourism would present to the Inlay Region. This lack of preparedness encompassed:

   (a) A low level capacity for planning, including that related to tourism and environmental protection
   (b) Absence of reliable baselines for future forecasting and monitoring of visitor numbers and impacts

(both positive and negative)
(c) A lack of existing systematic environmental, cultural and social safeguards
(d) Little community and other stakeholder involvement in tourism sector planning
(e) A skills gap and lack of awareness among communities on tourism impacts

The overall consequences of this are twofold: First, the local tourism industry as an *economic sector* is not in a position to develop effective policies, strategies and development plans to ensure that the potential revenue from the increase in tourist numbers leads to a positive economic impact on the communities of the lake region. Second, there is a real danger that the growth in tourism will damage the region's natural resources, degrade its traditional culture, and corrode its societal strengths, thereby undermining the very assets that attract visitors to the region.

There is a need to meet the triple bottom line (social, economic and environmental impacts) by investigating and raising awareness on positive and negative impacts, and providing guidance for infrastructure development, creation of new and redesign of existing tourism products and human capacity development. Thus the need to establish a regionally focused Destination Management Plan that incorporated input from all relevant stakeholders was recognised.

A key aim of the project and this DMP is to provide a framework to develop a Destination Management Organisation (DMO) that will coordinate responsible and sustainable development for the Inlay Lake Region.



**Figure 1: The leg rowing technique of the Innthar People is a unique attraction to the Region.**
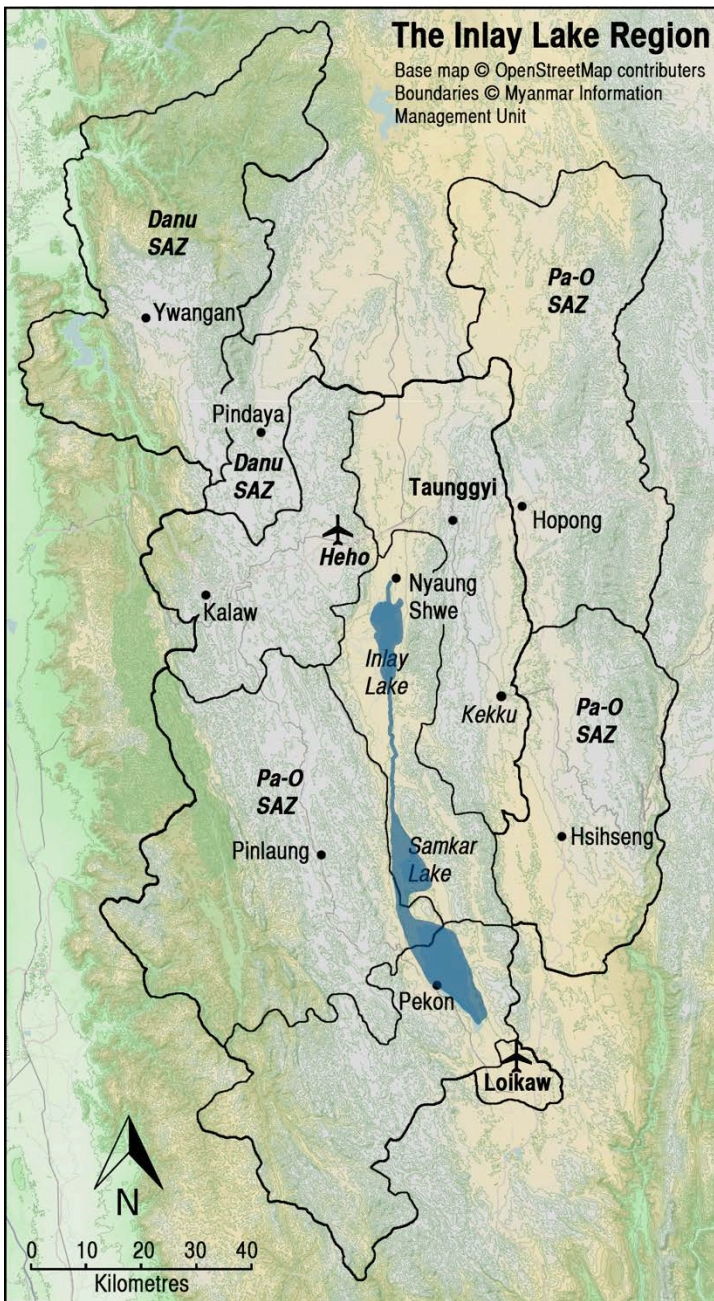
The Inlay Lake region is home to an estimated 1.4 million people in an area over 19,000km$^2$ (7,340 square miles) covering a hilly and plateau landscape populated by diverse ethnic groups.

Located at the south western corner of Shan State, it is the centre of Myanmar's tourism industry. At the heart of the region is Inlay Lake itself, home to unique cultures living traditional lives.

The region itself is at the heart of Myanmar, almost centrally located in the country.



## 1.3   Destination Management Plan for the Inlay Lake Region

The Destination Management Plan for the Inlay Lake Region:

- Assesses the current status and performance of the visitor economy of the region.
- Identifies opportunities to sustainably develop tourism within the Region and sets the directions and priorities for growth.
- Identifies and assesses the products, services, environmental factors, facilities and infrastructure needed to meet visitor needs and expectations and to support and facilitate sustainable growth.
- Sets the vision, directions and priorities for the development, management and marketing of the Inlay Lake Region for the period 2014-2019.
- Provides the framework for the coordination of key stakeholders and resources needed to deliver the Plan.
- Provides a framework to create a Destination Management Organisation (DMO) for the region.

It must be noted that the political, economic, social end technological environment is developing rapidly in Myanmar and this DMP is a living document that must be reviewed periodically over its lifetime.

## 1.4    Vision

Tourism in the Inlay Lake Region must celebrate the diverse, vibrant and beautiful cultural heritage landscape and peoples that make this such a unique place to visit.  Where possible tourism should be low-impact, targeting a market that appreciates regional cultures and the natural environment, and who wish to play a part in its sustainable development.  Tourism should serve to strengthen religious, ethnic and racial cooperation.

The Inlay Lake Region will develop as a **competitive and sustainable destination** that is a **great place to live, work and visit**.

## 1.5    Goals and Objectives

Local communities must benefit from tourism, both directly and indirectly.  Employment must be prioritised for local communities and entrepreneurship must be encouraged and actively supported for people developing visitor economy related enterprises within the region.

The natural environment must be maintained and repaired where necessary: a productive and sustainable environment is paramount to the sustainability of tourism and indeed the viability of the region.

The distinct and diverse heritage of the region, the landscape, traditions, ways of life, buildings, religious practices, handicrafts, food, clothing and so on should be protected and actively celebrated.

Tourism should be developed around these principles:

- **Activities** should be based around low-impact enjoyment, such as boat trips, trekking, heritage tourism and respect for the natural environment and the peoples that make it their home.

- **Accommodation** should be in-keeping with the natural beauty and culture of the area and remain in designated areas, being constructed and managed to the highest possible environmental standards.

- **Infrastructure**[1] should be appropriately upgraded and managed with a key consideration of reducing climate change impacts: improvements in tourism related infrastructure must bring benefits to local communities.

The large and diverse range of stakeholders, the Union and Shan State Government Ministries and Departments, Civil Society Organisations, Labour Unions, Land Owners, Private Sector Operators, national and International Non-Government Organisations and the International Donor Community must work together to ensure the sustainable development of the region.

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[1] Infrastructure implies electricity supply, roads, rail, airports, water management systems and so on.

## 1.6    Research Methodology

The Designation Management Plan for the Inlay Lake Region is the result of extensive stakeholder consultations, visitor economy assessments, environmental studies and other research by a team of dedicated professionals under the guidance of the Ministry of Hotels and Tourism.  Research took place from February to August 2014.

Stakeholder consultations have included over 100 focus group interviews, 5 stakeholder consultation workshops, meetings with Union-level Ministries, Shan State Government, Local Government, Civil-Society Organisations, Private Sector operators and representative groups, ethnic minority representatives and the general public over the diverse geographical area of the plan.

### 1.6.1    The DMP Planning Process:
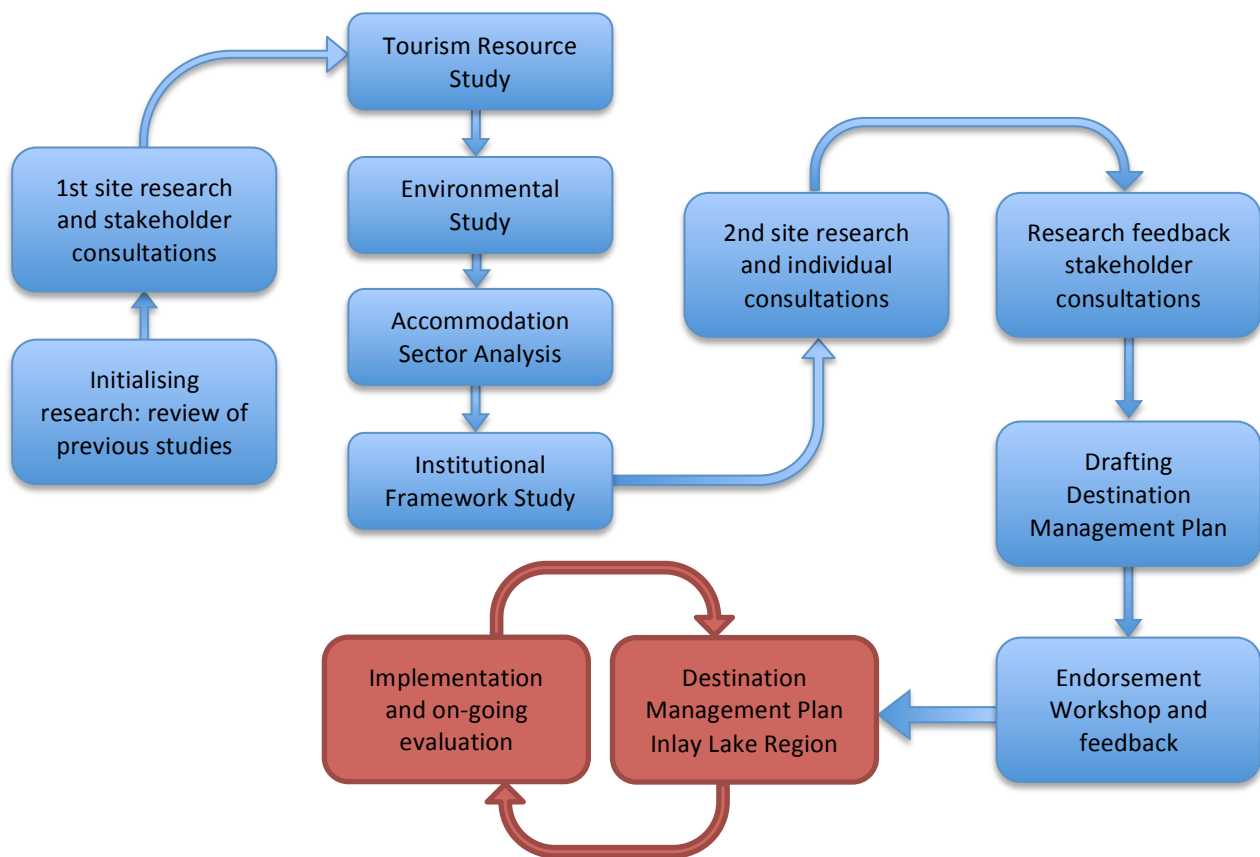


## 1.7    Project Advisory Committee

As the Inlay Lake Region is of national importance to the tourism industry in Myanmar and is home to potentially vulnerable communities, A Project Advisory Committee (PAC) was created to provide strategic guidance to the development of the project and this DMP.  The role of the PAC will evolve during the lifetime of this DMP, providing long-term guidance to a Destination Management Organisation and the regional visitor economy.  Please see Appendix 1 for the structure and membership at time of writing.

## 2.   Destination Management Planning: An Overview

Destination management is a 'holistic' approach to the development, management and marketing of tourist destinations.  Of utmost importance is the need for different "stakeholders" to work together.  Most simply defined, stakeholders are people that have some type of interest in an area, business or activity. Stakeholders would include anyone from Union Government to a local resident in the Inlay Lake Region.

The purpose of destination management is to ensure tourism develops sustainably and in the interests of local communities, ensure that tourism is resilient to external shocks and responsive to change in the marketplace and business environment: ever so relevant now during Myanmar's rapid development.

**Destination Management?**

**Destination Management** is a process of leading, influencing and coordinating the management of all the aspects of a destination that contribute to a visitor's experience, taking account of the needs of **visitors, local residents, businesses** and the **environment.**

A **Destination Management Plan (DMP)** is a shared statement of intent to manage a destination over a stated period of time, articulating the roles of different stakeholders and identifying clear actions that they will take and the apportionment of resources.

A **Destination Management Organisation (DMO)** should coordinate, lobby and engage the different agencies involved with tourism management, for example Hotels, Transport Infrastructure, Tourism Businesses and so on, to provide input into strategic management.  It should also provide regional promotion and marketing, tourism guidelines, a focus for training and development and business support.

The **Destination Management Plan for the Wider Inlay Lake Region** may be considered as a "Sustainable Tourism Strategy and Action Plan" for the destination.

*Definitions from "Visit England (2012): Principles for Developing Destination Management Plans"*

A Destination Management Plan (DMP) is a tool that identifies product, infrastructure and social needs to allow growth in tourism, the value of products, provide a strategic direction for growth and to manage sensitive areas; highlight conservation and development issues and needs and to provide a framework for development support.

Destination Management Plans help to:

- Coordinate Government Agencies, regional forums, private sector businesses and community groups that are involved in delivering the diverse range of attractions, facilities, services and infrastructure that form part of and/or support the Visitor Economy.
- Monitor and manage the impacts (both positive and negative) of tourism.
- Prioritise and allocate resources to achieve sustainable growth.
- Access development funding support from donors as well as encouraging sustainable investment and promotion by the private sector.

### 2.1   What is the Visitor Economy?

The Visitor Economy includes both the direct and indirect contributions to the tourism economy: for example, hotels, restaurants and tourist excursions are clearly direct tourism activities, however they form only part of the visitor experience, which indirectly includes food production, processing and transport; vehicle maintenance, human resource development as well as infrastructure and so on.  The indirect

economy will certainly include agriculturalists and fishers who are the shapers of the Inlay Regional Landscape, but may not benefit directly from tourism.

**The Travel and Tourism Industry and the Visitor Economy**

The Travel and Tourism Industry →

**TRANSPORT
ACCOMMODATION
CATERING
RECREATION &
ACTIVITIES
TRAVEL AGENTS ETC**

← The Visitor Economy

**Food & Beverage supply - Laundry
Services - Electricity Supply - Firewood
Wholesalers - Printers/publishers - Utilities
Furniture and equipment supplies - Security
Services - Machinery and Equipment Maintenance
Resort Development - Handicraft Production - Markets
Mobile communications - Computers - Concrete - Fuel & Oil
Transport Administration - Tourism Promotion - Landscape Design
Culture and Natural Heritage - Clean Water - Health Services**

The Visitor Economy also includes the broad business environment, the cultural, social and natural heritage of the Inlay Lake Region, maintaining a sense of place for local residents, delivering good customer service and communicating clear messages about the destination.

## 2.2    Who are the Tourists?

The words "tourism" and "tourists" mean different things to different people.  The UNWTO provides the following statement:

*Tourism is a social, cultural and economic phenomenon which entails the **movement of people** to countries or places outside their usual environment for **personal or business/professional purposes.**  These people are called **visitors** (which may be either tourists or excursionists; **residents or non-residents**) and tourism has to do with their **activities,** some of which imply tourism expenditure.[2]*

This includes "leisure" travellers or holidaymakers as well as business travellers, those on religious pilgrimages and people visiting friends and family, as they all use parts of the tourism industry and visitor economy.   For example a significant part of the local economy in Taunggyi is comprised of business related tourism for trading.

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[2] http://media.unwto.org/en/content/understanding-tourism-basic-glossary

**Destination Life Cycle**

A well known model developed by Butler in the 1980s is often used to describe the life cycle in the development of a destination. This is important in areas as complex as the Inlay Lake Region that has many sub-destinations and attractions: some are at different stages in this life-cycle.
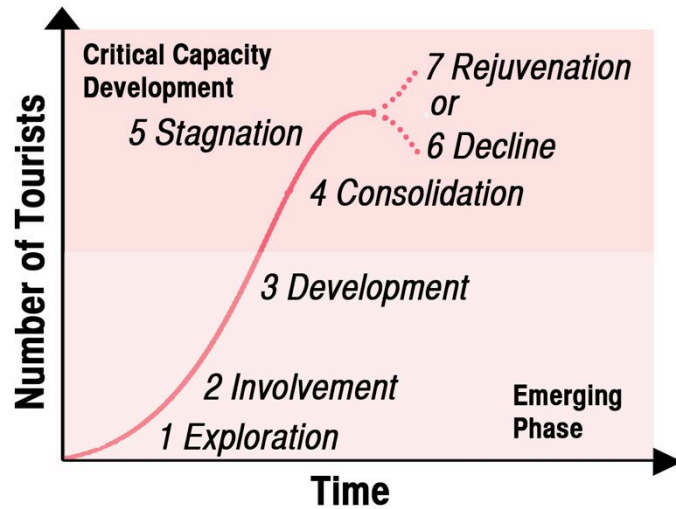


1. **Exploration** - a small number of tourists visit the area. The area is unspoilt and few tourist facilities exist.
2. **Involvement** - local people start to provide some facilities for tourists. There starts to become a recognised tourist season.
3. **Development** - the host country starts to develop and advertise the area. The area becomes recognised as a tourist destination.

4. **Consolidation** - the area continues to attract tourists. The growth in tourist numbers may not be a fast as before. Some tensions develop between the host and the tourists.
5. **Stagnation** - the facilities for the tourists may decline as they become old and run down. The numbers of tourists may decline too.
6. **Rejuvenation** - investment and modernisation may occur which leads to improvements and visitor numbers may increase again.
7. **Decline** - if the resort is not rejuvenated (stage 6) then it will go into decline. People lose their jobs related to tourism. The image of the area suffers.

# 3. Legal & Institutional Context for Destination Management

This DMP has foundations with and links specifically to the following tourism planning laws, strategies and policies. As part of the national planning and rapid development context of Myanmar it is important to include a summary of these within this plan.

## 3.1 Legal Framework

### 3.1.1 Tourism Law 1993 and Hotel and Tourism Law 1993

Myanmar's first Tourism Law was passed in 1990 by the State Law and Restoration Council (SLORC) and was overruled by the passing of the Myanmar Hotel and Tourism Law 1993, and is still in effect today, although at time of writing a new Tourism law is in the drafting stage. The need for a new law was prioritised in the Myanmar Tourism Master Plan (see below).

The objectives of the law are:

1. Systematic development of the hotel and tourism industry.
2. Enable tourists to observe Myanmar's cultural heritage and natural scenic beauty.
3. Prevent destruction and damage of cultural heritage and natural scenic beauty.
4. Contribute to international friendship and understanding.
5. Develop technical knowledge and understanding.
6. Provide security and satisfaction for tourists.

The current law sets out rules, regulations and systematic procedures for licensing businesses and developing tourism. It sets out the basic principles of how the tourism industry should operate, including the prevention of infringement of the sovereignty and security of the State and the betterment of the interests of Myanmar and its citizens.

The Hotels and Tourism Law 1993 lists the process of a business wishing to operate in the tourism industry. The definitions of the businesses are detailed in the Notification No. 36/90, dated 31st December 1990. See Appendix 2 for more details of these laws.

### 3.1.2 Myanmar Foreign Investment Law 1988 and 2012

The Union of Myanmar Foreign Investment Law was passed in November 1988. At the same time the Myanmar Investment Commission (MIC) was formed and until today acts as approving authority for investment proposals[3]. In 2012 a new tourism specific Foreign Investment Law, was launched[4] that is effectively supplementary to the 1988 law.

### 3.1.3 The Myanmar Investment Commission

The Myanmar Investment Commission (MIC) was re-established in 2011 as a 16 member committee to review economic proposals. The MIC has the discretion to set minimum investment amounts, dependant on the nature of the business activity, with the approval of the Union Government. Similar to the 1988 law, the 2012 law contains a guarantee against nationalisation.

The new law also stipulates a dispute-resolution procedure. It will be attractive for investors to know that the new law includes a five-year tax holiday, and that other forms of tax relief may be available. Foreign investors will be able to lease land from the government or from authorised private owners for a period of 50 years, with an additional 20 year extension possible.

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[3] For an overview, see Myanmar Investment guide, available at www.investinmyanmar.com/myanmar-investment-laws/
[4] Myanmar Ministry of Hotels and Tourism Guide for Investors, available at http://www.myanmartourism.org/aboutus/guide_to_investment_and_doing_business.htm

### 3.1.4 Framework for Economic and Social Reforms

The 2012 Myanmar Framework for Economic and Social Reforms (FESR)[5], prioritises the tourism sector (amongst others), "that will allow Myanmar to become a modern, developed and democratic nation by 2030":

*"Tourism is one of Myanmar's most important sectors, with tremendous potential to contribute to greater business opportunities and balancing social and economic development if properly managed and developed. The government needs to support and move forward with constructive engagement to integrate domestic and international tourism into national economic policy and develop linkages between tourism and other economic sectors to maximize benefits."*

### 3.1.5 Myanmar Responsible Tourism Strategy

The Myanmar Responsible Tourism Policy[6] was published on 27 September 2012, focusing on Responsible Tourism as a means of 'maximising economic, social and environmental benefits and minimising costs to destinations'. It suggests economic growth, environmental sustainability and social justice as the three approaches to achieve sustainable development.

> *"We intend to use tourism to make Myanmar a better place to live in – to provide more employment and greater business opportunities for all our people, to contribute to the conservation of our natural and cultural heritage and to share with us our rich cultural diversity. We warmly welcome those who appreciate and enjoy our heritage, our way of life and who travel with respect".* (Responsible Tourism Policy 2012, page 6)

This vision comprises nine action points, which form the overall aims of the policy:

1. Tourism as a national priority sector
2. Broad based local social-economic development
3. Maintenance of cultural diversity and authenticity
4. Conservation and enhancement of the environment
5. Competition based on product richness, diversity and quality – not just price
6. Ensure health, safety and security of visitors to Myanmar
7. Institutional strengthening to manage tourism
8. Developing a well trained and rewarded workforce
9. Minimisation of unethical practices

The Responsible Tourism Strategy outlines key roles of sectors:

- **Public sector** will regulate and facilitate the process of preparing suitable responsible tourism development frameworks.
- **Local Authorities** will work with local tourism stakeholders in activating action points of national policy at local level.
- **Private sector** will guide the promotion and development of responsible tourism, focusing on the economic sustainability of tourism in Myanmar in a way that satisfies visitor experiences.
- **Communities** are expected to be the beneficiaries of responsible tourism through their integration and involvement in local tourism development.
- N**on-governmental and civil society organisations** are to encourage responsible tourism development in both the private and public sectors whilst generating greater community engagement.
- **Conservation organisations** will develop and manage state conservation land for tourism.
- Responsible tourism is a way for ensuring equal employment conditions for **women,** thus enhancing the socio-economic situation of families and community life.

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[5] FESR is available for download at www.burmalibrary.org/docs14/NLM2012-12-28.pdf
[6] The Responsible Tourism Policy is available for free download at www.hss.de/fileadmin/media/.../121015_Myanmar_Tourism_English.pdf

Appendix 4 shows a table depicting roles of Government Agencies and the Myanmar Tourism Federation as to strategy implementation.

### 3.1.6    Myanmar Policy on Community Involvement in Tourism (CIT)

The Myanmar Policy on Community Involvement in Tourism was launched in 2013[7], drafted as 'a means to create wealth for local communities' that 'encompasses all ethnic groups in Myanmar' and is 'sensitive to local cultures and beliefs of all people'.

The aim of the CIT Policy is to 'enable a significant number of local community members to gradually gain substantial control over the development and management of tourism activities in their region', meaning that a large proportion of funds invested in tourism remains in the local economy, and that local communities have some say in the decisions being made in their areas.

Key objectives include strengthening the institutional environment and civil societies, capacity building for community related activities in tourism, developing safeguards, systems and procedures to strengthen community planning and management, encouraging local entrepreneurship through micro and local enterprises, diversifying and developing high quality products and services at community level, and monitoring positive and adverse impacts of community involvement in tourism.

### 3.1.7    Myanmar Tourism Master Plan

The Myanmar Tourism Master Plan refers to the Responsible Tourism Policy and builds heavily upon it. The goal is to maximise tourism's contribution to national employment and income generation and to ensure that the social and economic benefits of tourism are distributed equitably. The objectives are:

1. Strengthen the institutional environment.
2. Build human resource capacity and promote service quality.
3. Strengthen safeguards for destination planning & management.
4. Develop quality products and services.
5. Improve connectivity and tourism related-infrastructure.
6. Build the image, position and brand of Tourism Myanmar.

The implementation of the Master plan will follow the themes of gender equality, environmental sustainability, partnerships, innovative financing, regional cooperation, ensuring access for disabled people, consultation and participation. It sets out a vision for sustainable tourism development and includes strategic programs, priority projects and activities along a time-line. It is specifically states:

*"The government of Myanmar aims to balance its objectives for economic growth with the well-being of host communities and minimise negative impacts to the country's social, cultural and environmental fabric."*

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**The Destination Management Plan for the Inlay Lake Region and the Myanmar Tourism Master Plan:**

This DMP is developed under the Myanmar Tourism Master Plan (as well as the other strategies, policies and laws within this chapter).  Specifically, "Development of innovative and integrated Destination Management Plans for all flagship destinations is a priority…" (Page 9):

**Key Objective 1.2 Myanmar Tourism Master Plan**
"…establish DMOs in states and regions…"

**Key Objective 3.1 Myanmar Tourism Master Plan**
"Develop innovative and integrated approaches to Destination planning and management"

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[7] Available from Hanns Seidel Stiftung Myanmar, at http://www.hss.de/fileadmin/suedostasien/myanmar/downloads/130501-Policy-on-Community-Involvement-in-Tourism-Myanmar.pdf

### 3.1.8    Myanmar Environmental Conservation Law

The Myanmar Environmental Law covers various aspects of land development related issues.  Of particular interest to this DMP is the under development (at time of writing) Environmental Impact Assessment (EIA) Procedures which will set out a clear legal requirement for new constructions that will include hotels and related tourism developments.


## 3.2    Institutional Framework

### 3.2.1    The Ministry of Hotels and Tourism

The Ministry of Hotels and Tourism (MoHT) is the lead Ministry in charge of investment in the accommodation sectors and tourist service sectors.  MoHT coordinates with relevant government departments, Ministries and organisations to set licenses, duties and taxes related to the hotel and tourism industry.  Its mandate is to guide the development of tourism in Myanmar.  Key objectives and functions include:

1. Implement systematic development of Myanmar's tourism industry.
2. Encourage national and international investment in the tourism industry.
3. Develop opportunities for wide participation of private entrepreneurs in tourism.
4. Promote Myanmar as a world-renowned tourist destination.
5. Determine hotel and tourism zones.
6. Coordinate with relevant government departments and organizations to form and define the functions of tourism and hotel supervisory bodies in states, regions, districts and towns.
7. Upgrade quality, standards and technical skills of the tourism industry.
8. Create jobs and raise standards of living through tourism development.
9. Cooperate with ASEAN and other countries in tourism.

MoHT is comprised of the Directorate of Hotels and Tourism (policy, planning, project management and tourism regulation) and the Directorate of Hotels and Tourism Development (business-related activities, e.g. tour operations, accommodation for state-owned, joint venture and lease facilities).

### 3.2.2    Myanmar Tourism Federation

The Myanmar Tourism Federation (MTF) was formed in 2012 through the amalgamation of 10 tourism related associations (see appendix 3 for association membership details).  Its mission is to promote Myanmar as a tourist destination, help in the process of sustainable tourism development, welcome and assist investors and develop human resources for tourism-related industries.  The steering committee is an amalgamation of all related tourism associations with ties to government.

### 3.2.3    Other Ministries

The visitor economy covers Ministries outside the jurisdiction of the Ministry of Hotels and Tourism.  These include: *Ministry of Environment, Conservation and Forestry MoECAF* (for land and conservation issues), *Ministry of Agriculture & Irrigation* (food production etc), *Ministry of Home Affairs* (security), *Ministry of Culture* (antiquities management), *Ministry of Social Welfare Relief and Resettlement* (employment and welfare), *Ministry of Livestock & Fisheries* (food production), *Ministry of Health* (medical provision). Additionally the Inlay Lake Wildlife Sanctuary (under MoECAF) has a significant role of managing conservation issues on Inlay Lake.

## 4. Tourism Context

Travel and tourism are among the most dynamic and resilient economic activities in Southeast Asia. Over the last three decades, international arrivals to ASEAN countries increased an average 7.3% per year, rising from 21.8 million in 1992 to 89.5 million in 2012, a historic high. The travel and tourism industry contributes 11.1% to regional GDP ($255.1 billion) and sustains a total of 25.4 million jobs (8.8% of total employment) across a wide range of economic sectors. The UNWTO forecasts 540 million international arrivals and 30% of global market share by 2030.[8]

**Chart 4.1: Arrivals to Myanmar 2007-13**

'000s of arrivals

- Total Arrivals
- Border Arrivals
- Linear (Total Arrivals)
- Linear (Border Arrivals)

2007 2008 2009 2010 2011 2012 2013
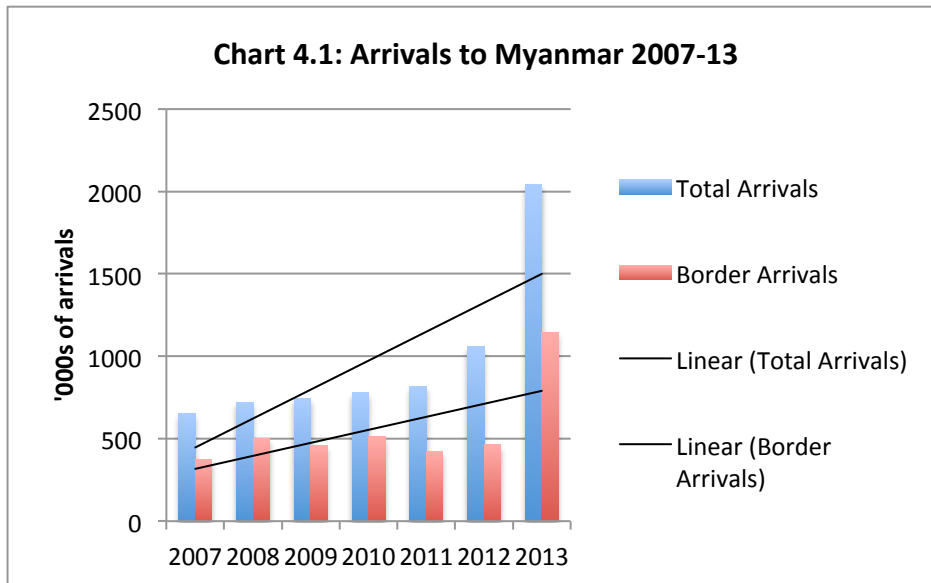
Chart 4.1 shows growth in international visitor arrivals to Myanmar from 2007 to 2013: total number of arrivals and number of border crossings that are associated with day visits.

The key year is 2012 where arrivals were over 1 million for the first time in Myanmar's history. It is clear that tourism arrivals are increasing, with trends suggesting they will continue to do so for the foreseeable future. Average annual growth over the period was 21% per year accounting for the peak in 2013: if this year is disregarded tourism arrivals increased 13% year on year until 2012.

**Chart 4.2: Arrivals to Myanmar by Type 2008-13**

% of arrivals

- Package Tour
- FIT
- Business

2008 2009 2010 2011 2012 2013
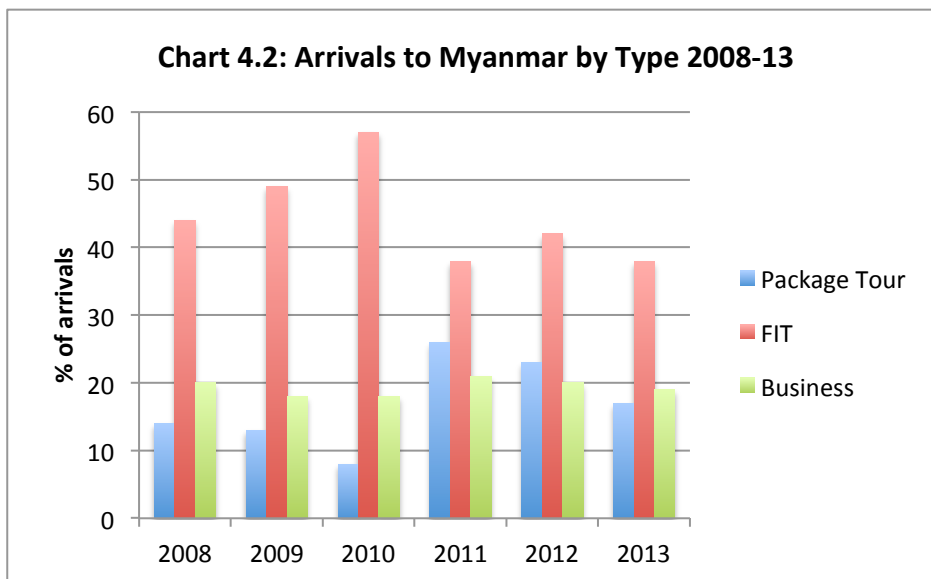
Chart 4.2 shows a breakdown of the arrival type from 2008 to 2013: Free Independent Travellers are the most important by market share, however since 2011 package tours have grown in market share. Business travellers have remained approximately the same.

Tourism in Myanmar is seasonal, with a high season in the dry season and low season in rainy. Low season is considered as April to September, high season October to March).

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[8] Myanmar Tourism Master Plan 2013

## 4.1    Visitor Profiles

In 2012 visitors from Asia comprised 64% of arrivals by air, followed by Western Europe (22%), North America (7.4%), and Oceania (3.4%).  Of the visitors entering Myanmar on a border pass through land gateways, most were citizens of Thailand who stayed less than one day.  MOHT estimates that the overall average length of stay in 2012 was 7 days[9].

A survey conducted during the compilation of the Myanmar Tourism Master Plan found that typical respondents were older than 35 years of age (70%) and university-educated (78%).  Most were travelling independently (67%), either alone or in small groups, and average length of stay for this cohort was 13.8 nights, although the research was biased toward European travellers.  Asian visitors stayed an average of 6.3 nights.

Average daily expenditure was around $100 (excluding accommodation).  Activities and tours accounted for the most spending (43%), followed by shopping (23%) and meals (7%).  The average tourist spent $129 per night for accommodation; 77% percent were on their first trip to Myanmar with 9.3% were on their second visit.

## 4.2    Tourism Distribution in Myanmar



*In 2012, 17% of all arrivals to Myanmar visited Inlay Lake*
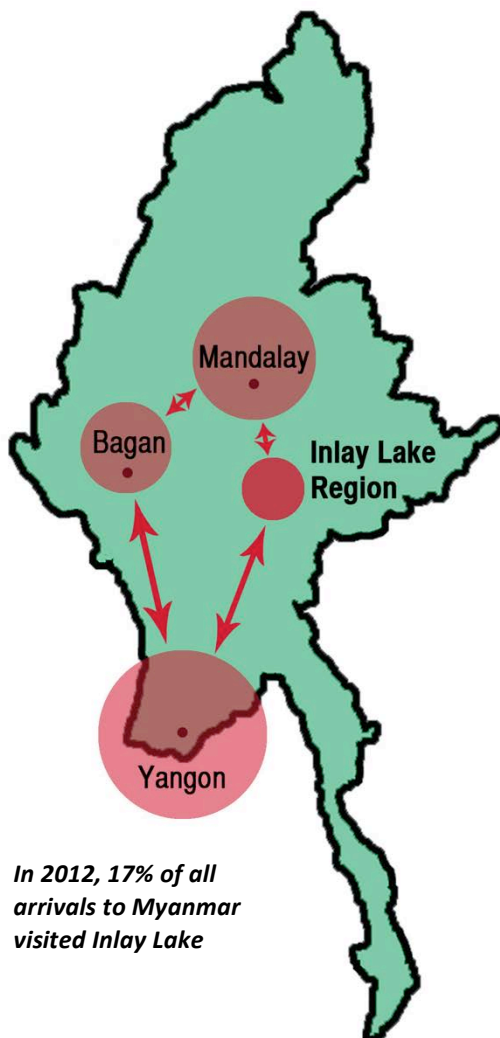
International tourism is based mostly around the "hot 4" destinations of Yangon, Mandalay, Bagan and the Inlay Lake Region.  As of 2013 95% of arrivals by air visited Yangon, 53% visited Mandalay, 28% visited Bagan and 17% visited Inlay Lake.  Other destinations were less than 5%.  The situation is developing rapidly as new destinations open up and become more accessible, and this market share of these flagship destinations may fall.

Distribution of domestic tourism is less well understood as data is limited.  It is however clear that the domestic market is growing rapidly and developing: the bulk of the market is currently based around religious pilgrimages, though more people are experiencing true leisure tourism.  Road trips from Yangon and other urban areas are becoming more common as Myanmar people begin to discover their country.

## 4.3    Employment

Tourism is a labour-intensive industry, and has great potential for job creation and poverty reduction in the Inlay Lake Region as well as Myanmar as a whole.  The WTTC estimates direct and indirect tourism made up 2.8% of total jobs in Myanmar, directly supporting 300,000 jobs (1.1% of total employment) in 2012.  This is expected to rise to 366,000 jobs in 2022[10]

The minimum monthly wage for a public sector employee has recently increased to 55,000 Kyats (67,000 for a lower level clerk) plus allowances.  The minimum wage for a private sector employee is 500 Kyats ($0.52) per day which may be

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[9] Myanmar Tourism Master Plan 2013
[10] WTTC, 2013. Travel and Tourism Economic Impact 2013. Myanmar.
http://www.wttc.org/site_media/uploads/downloads/myanmar2012.pdf

supplemented by various subsidies and allowances.  Hotel Managers with an MBA degree expect a monthly salary of 500,000-1m Kyats, depending on experience.

Administrative staff such as accountants can earn between 300,000-500,000 Kyats a month. The salaries vary according to location. Hotel receptionists with years of experience in Yangon collect a salary of around 200,000 Kyats a month, whereas on Inlay lake they earn a monthly salary of only about 60,000 Kyats ($60), plus allowances coming to about $100 a month. A waiter in a restaurant earns about 30,000 – 50,000 Kyats a month, whereas a licensed tour guide makes between $30-$60 minimum a day during peak season.

In terms of qualifications, few employees in hospitality are highly skilled, and many of those have received training overseas.  Most tourism employees learn through short courses provided through either government-run schools, or private sector initiated vocational training schools and initiatives.  Upon graduating from a two months course (e.g. accounting, or room service) trainees receive a diploma.  Most others learn from direct work experience with no formal training.  In the school year 2011/12 96,000 students were enrolled in the 42 Technical and Vocational Education and Training (TVET) institutions in Myanmar.  In Shan State, most students study at the University in Taunggyi.  In September 2013, the first and only tourism training school in Shan State, the Inle Hospitality Vocational Training School, was inaugurated.



**Figure 2: The religious architecture and landscape are significant regional tourism assets.**

## 5. The Inlay Lake Region Destination

The Inlay Lake Region is a jewel of Myanmar, possessing the unique natural features of the Shan Hills with Inlay Lake at its heart. The region is a rich cultural and natural heritage landscape, a mix of diverse ethnic groups, who largely still maintain their traditions, skills, know-how, customs, and gastronomy living in an area containing flagship species and unique bird habitats that may only be found only in this region. It is a landscape where people and nature have coexisted for centuries.

The region is one of the "top four" destinations in Myanmar, boasting some contextually very good tourism infrastructure and has established resorts, guesthouses, hotels, tour agencies, tour guides, restaurants, transport facilities, reasonable electricity supply, and internet connectivity.

Inlay Lake and its service town of Nyaungshwe are the focal point for visitation of the wider region, which includes Myanmar's informal trekking capital of Kalaw; the stunning Buddhist cave complex in Pindaya; the Kekku Pagoda complex; the state capital of Taynggyi as well as Samkar lake to the south, leading into Loikaw in Kayah State. The region comprises both established destinations and emerging: the growing tourism industry is opening new areas in the region for tourism, with visits to Samkar lake and Loikaw becoming more and more popular with tourists.

The region is hugely important and productive agricultural centre for Myanmar and Shan State, producing fruits, vegetables and freshwater fish. Inlay Lake also supports a large tomato industry based on "floating gardens". Inlay lake is the major source of the Law Pi Ta hydroelectric power plant, which supplies southern Myanmar, Shan State and the Mandalay region.

Although tourism is developing rapidly, the majority of the area remains poor and rural, with the bulk of the population living just above subsistence level from agriculture.

> **Inlay Lake Region Fast Facts**
>
> The Inlay Lake Region comprises 9 Townships and the Kayah State capital of Loikaw, 5 of the townships make up 2 ethnically based "Self Administrative Zones" (SAZs), with a total population estimated at 1.4 million over a geographic area of 19,000 square kilometres (7,340 square miles).
>
> Inlay Lake itself, is located 900m above sea level, 660km North of Yangon. Situated between two mountain ranges over 1500m, the Lake belongs to Nyaungshwe Township. Nyaungshwe is the gateway to the various sites on the lake itself, being home to an estimated 160,000 people and 444 villages. In addition to Bamar and Shan, the significant ethnic groups include Danu, Innthar, Pa-O, Tanngyo, Palaung, Nepali and Indian.
>
> Inlay Lake varies in size with season, being between 110 and 170 square kilometres in size, including marshes. The UNDP Myanmar Information Unit shows 102 villages in the marsh area, with 12 villages directly over water. It is located within the Indo-Burma Biodiversity hot spot and is considered among one of the 34 richest and most threatened wildlife habitats on the planet. The lake has been a designated Wildlife Sanctuary since 1985 and is a designated ASEAN Heritage Area.

### 5.1 Key Assets

Key tourism and visitor economy assets of the region include:

**The cultural diversity of the region:** the friendliness and welcoming nature of the people: diverse and vibrant ethnic groups living together throughout the region.

**Inlay Lake:** the heart of the region: taking a boat trip on Inlay Lake is simply stunning with its over-lake villages and "floating gardens", and is an essential part of the region's visitor experience. The lake also has a good range of higher end accommodation.

**5 day markets:** village markets take place every 5 days in a variety of villages throughout the region. These markets have existed for centuries and are when ethnic minorities from the region come to sell their products, and form an important day in a village's weekly calendar. Some of the markets have become significant tourism attractions, with large areas of them devoted to tourist souvenirs, however their essence remains. Key market locations include Nampan, Indien, Ywam, Maing Tahuk, Thaung Tho, and Kyauk Taung villages that surround Inlay Lake as well as Nyaungshwe and Kalaw Towns and villages surrounding Samkar Lake.

**Kalaw Town:** combining a cooler climate due to higher elevation, Kalaw has a "Hill Station" feel, and contains a wealth of heritage buildings, both religious and from the colonial era, fascinating market, heritage railway line and the trailhead town as a gateway to the region's trekking industry.

**Pindaya Caves:** the series of caves, filed with thousands of Buddha images are a jewel of the Danu Self Administered Zone. Pindaya town also offers some great accommodation and is a gateway for trekking in the surrounding Danu Hills.

**Nyaungshwe Town:** the tourism hub and gateway to Inlay Lake offers a good range of tourism services, vibrant market town vibe and some interesting architecture and history.

**Trekking:** The region's hills offer some of South East Asia's best trekking in a mixed cultural and natural heritage landscape. Trekking is relatively easy, passes through diverse minority villages with an excellent climate and established guiding industry.

**Nga Phe Chaung Kyaung Monastery:** became an addition to the circuit due to a previous monk training cats to perform tricks: it is a beautiful structure and important pilgrimage centre.

**Phaung Daw U Pagoda:** Home to stunning Buddhist statues and an important pilgrimage centre.

**Indien Village and Pagoda:** a popular day visit location and developing artistic scene, home to markets and the terminus of many trekking routes.

**Samkar Lake:** the much larger lake to the south of Inlay is largely undeveloped for tourism though has seen a small but growing number of visitors. The lake is different as it lacks floating villages and the culture of Inlay Lake, but nonetheless is beautiful, surrounded by mountain ranges.

**Samkar Pagodas:** a series of semi-submerged pagodas flooded when the water level rose after construction of the Loi Pyi Ta Hydroelectric Plant.

**Kekku:** a stunning complex of 2,478 pagodas located in the hills to the east of Inlay Lake

**Handicrafts:** the Inlay Lake Region is renowned for a range of beautiful handicrafts and artisan products produced directly on the lake and in the surrounding hills. These include high quality lotus thread weaving, handmade mulberry bark paper umbrellas, colourful minority fabrics, silver jewellery, wood carvings, tobacco products and metalwork.


## 5.2   The Inlay Lake Region Brand

The Inlay Lake Region Brand encompasses the rich cultural diversity and traditions of the peoples of the region who have developed a special relationship with the equally diverse landscape based on vulnerable ecosystems.

The region should be associated with high accommodation and service standards across all types of accommodation star ratings and services, enhanced by the friendly and helpful nature of the people.

Equally important is the association with best practice management in environmental and social development.

The Inlay Lake Region Brand focuses on delivering a high quality product to visitors who are conscientious, care about the region's people and environment and are willing to pay to contribute to its sustainable management.

## 5.3    Climate

Overall the region has a very favourable climate for tourism: in the height of the hot dry season temperatures rarely exceed 30 degrees, and the whole region is much cooler than the hot plains of the south.  The rainy season is also favourable, with cooler temperatures in the 20s during day time, with rains only lasting 1-2 hours.  The rainy season is approximately from May through to October, with peak rains from June to August, even during these times it rarely rains all day.



*Charts produced with data from www.audleytravel.com based on weather2Travel.com*
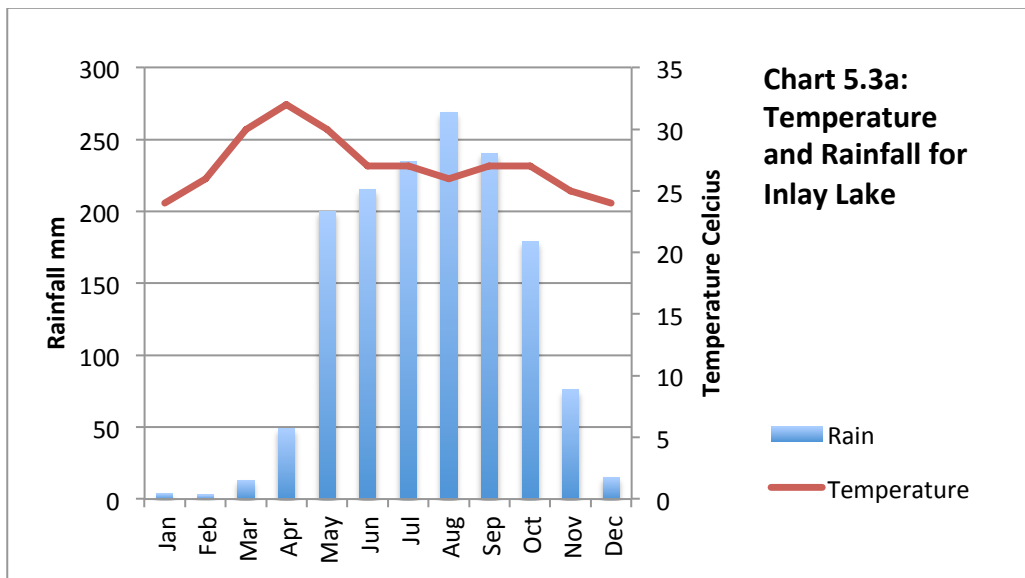


**Chart 5.3a** shows the average climate for Inlay Lake.  The dry season is clearly shown in November through to March, with fairly constant temperatures year round, ranging from 25 to 32 degrees Celsius.
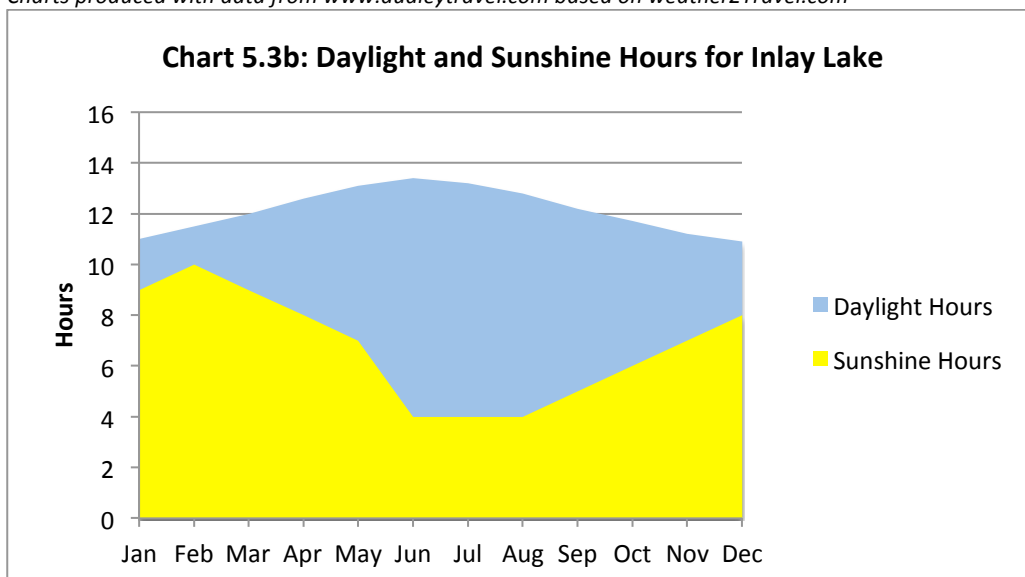
**Chart 5.3b** shows average hours of sunshine compared to daylight year round.  Even during the high rainfall months of June, July and August, up to 4 hours of sunshine is typical: rainfall is concentrated into monsoon-like showers as opposed to all day long rain.

The region has been identified as being at risk from **climate change**, although specific details have not been fully researched.  As for the rest of Myanmar, this may include rising temperatures and reduced rainfall in

the Inlay Lake Region, thus affecting agricultural production, water availability and water levels in the lakes. This would of course have significant implications for lake-based tourism.

## 5.4 Organisations Involved in Delivery, Management and Marketing of Tourism in the Inlay Lake Region

| Attractions, Activities & Experiences | Accommodation | Access & Infrastructure |
|---|---|---|
| **Government Agencies** | **Government Agencies** | **Access & Transport** |
| *Ministry of Hotels and Tourism* | *Ministry of Hotels and Tourism* | *Department of Transport* |
| *Ministry of Environment, Conservation and Forestry* | *Ministry of Planning and Investment* | *Myanmar Railways* |
| *Ministry of Agriculture & Irrigation* | *Department of Immigration* | *Air Traffic Control* |
| *Ministry of Home Affairs* | *Committee for Implementation of the Inlay Lake Hotel Zone* | **Transport Operators** |
| *Ministry of Culture* | **Commercial Operators** | *Airlines* |
| *Tourist Police* | *Hotels* | *Bus companies* |
| *Wildlife Conservation Department* | *Guesthouses* | *Car hire enterprises* |
| *Department of Transport* | **Religious Services:** | *Private drivers* |
| *Ministry of Livestock & Fisheries* | *Monasteries* | *Boat Operating Companies* |
| *Ministry of Social Welfare Relief and Resettlement* | *Churches* | *Boat Drivers* |
| *Ministry of Health* | *Mosques* | **Tour Operators** |
| **Tourism Operators** | **Individuals:** | *Tour companies* |
| *Attractions* | *Accommodation for friends and relatives* | *Tour Guides* |
| *Restaurants & Cafes* | | *Pa-O National Organisation* |

| | Information Services | Marketing |
|---|---|---|
| *Retail businesses* | **Government Agencies** | **Government Agencies** |
| *Wineries / Agricultural Producers* | *Ministry of Hotels and Tourism* | *Ministry of Hotels and Tourism* |
| **Other Groups** | *Ministry of Environment, Conservation and Forestry* | **Private Operators** |
| *Pa-O National Organisation* | **Private Operators** | *Individual private sector operators* |
| *Community groups* | *National Tour Agencies* | |
| *Volunteer Groups* | *Local Tour Agencies* | |
| *Minority Culture, Literature and Development Societies* | *Hotels & Guesthouses* | |
| *Regionally engaged NGOs and Institutes* | **Others** | |
| | *Guidebook writers and publishers* | |
| | *Facebook, twitter, tripadvisor and other social media* | |
| | *Regionally engaged NGOs and Institutes* | |

## 5.5    Geographical Zones: The Townships



**Inlay Lake Region: Townships**
Base map © OpenStreetMap contributors
Boundaries © Myanmar Information Management Unit

The Inlay Lake Region is a diverse region geographically, ethnically, socially and very different in terms of tourism accessibility and development. Some areas have very established tourism activities and visitor economy, and some areas have none at all, with no existing visitation for a variety of reasons.

For clarity this section looks at the townships that comprise the region and their assets.  Tourism of course, is not bound by such administrative boundaries.

### The Lakes

The region is home to two lake systems: the well known Inlay Lake to the north, and the lesser visited Samkar Lake to the south.  Both are relatively shallow lake systems with average maximum depths of 6 metres (20 feet) in the wet season, 3.6 metres (12 feet) in the dry.

Both lie at approximately 884 metres (2950 feet) altitude in an elongated, flat-bottomed valley bordered by parallel mountain ranges up to 1500 m (5000 feet).

Samkar Lake is part of the Law Pi Ta Dam and hydroelectric station, providing up to 30% of Myanmar's electricity.  Inlay Lake is thus a feeder lake to the hydroelectric system, with Inlay's water levels controlled by a weir at its outfall.

### Tourism on the Lakes

International tourism to Inlay Lake has its origin in the early 1970s when the first trips were organised. Back then most visitors stayed overnight in Taunggyi due to the limited 1 week tourist visas available at the time and the lack of tourism infrastructure, visiting the lake as a day trip.  The bulk of the tourism facilities and infrastructure began in earnest after the 1996 "Visit Myanmar Year", where the first resorts were constructed on the lake itself and guesthouses catering to foreigners opened in Nyaungshwe.

Inlay Lake is home to the Innthar ethnic group, famous for their unique leg-rowing techniques on the lake.  The Innthar people have been living on and around Inlay Lake for many hundreds of years, developing a unique culture that relies on the lake's ecosystem.

Samkar lake to the south is much less visited and populated.  Of the estimated 110,000 international visits to Inlay Lake in 2012-3, perhaps only 4,000 visited Samkar Lake.  Inlay Lake is indeed the heart of the region, being by far the main focal point of tourism activities.

The Department of Forestry began conservation efforts in the Inlay Lake area in 1937.  In 1985 247.45 square miles (640 square kilometres) of lakeshore and surrounding areas were designated as the "Inlay Lake Wildlife Sanctuary Area" for the conservation and protection of biodiversity.

The Administration Office of the Inlay Lake Sanctuary was set up in Nyaung Shwe in 1990 and is responsible for conservation of the environment and biodiversity, the protection of migrating birds and educational activities in cooperation with the local population.

Beginning in 2000, five-year plans were implemented until 2010 for the conservation of forests, land and water resources, wildlife and birds.

The watershed area of the Inlay Lake covers 2,166.80 square miles (5,611 square kilometres), with the following designated for conservation:

| | |
|---|---|
| Reserves: | 8 covering 203.693 square miles (528 km$^2$) |
| Protected forests outside reserves: | 7 covering 99.057 square miles (256 km$^2$) |
| Nature conservation areas: | 3 covering 238.524 square miles (616 km$^2$) |
| Nature area (inlay Lake Sanctuary): | 1 covering 247.450 square miles (640 km$^2$) |
| **Total:** | **19 covering 815.724 square miles (2,110 km$^2$)** |

## 5.5.1  Population
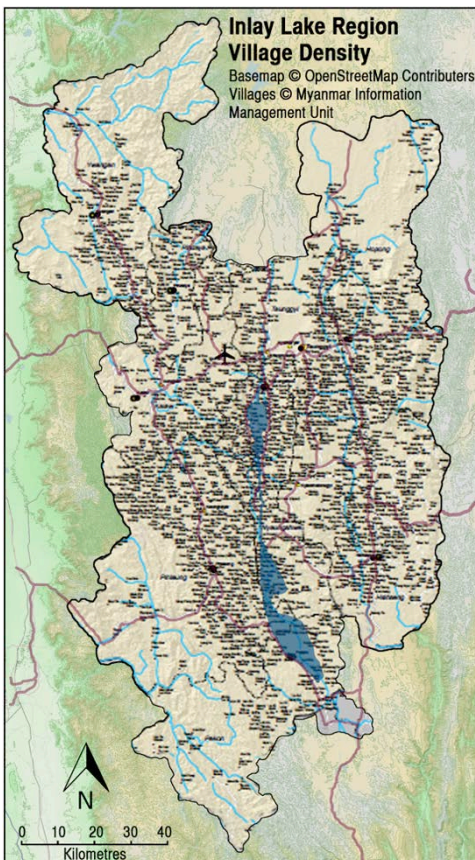


An estimated 1.4 million people live in the Inlay Lake Region. The map to the left shows regional village density: the region is relatively heavily populated at an average of 7.2 people per square kilometre.  However, as the map indicates, some areas are sparsely populated.

It is also one of Myanmar's most diverse ethnic areas with seven main groups and many others present.  These groups include (in alphabetical order):

**Bamar** are Myanmar's main ethnic group, regionally considered as "lowlanders".

**Danu** were once closely related to Bamar people, having migrated to the region hundreds of years ago, and speak a dialect of Burmese (Myanmar) language.

**Innthar** live mostly on and around Inlay lake and are renown for their fishing and leg-rowing techniques.

**Pa-O** live in the hills surrounding Inlay Lake and are one of the largest minorities in the region.  They have their own language.

**Palaung** are a Mon–Khmer ethnic minority that have their own language.  They are located mostly in other areas of Shan State but live in some villages throughout the region.

**Shan** are a Tai ethnic group and the region's largest minority.

**Taunggyo** are a smaller ethnic group who live in Kalaw and Pindaya townships, speaking a dialect of Burmese.

There are also significant populations of other groups, including Akha, Kayaw, Lahu, Lisu, Padaung (Kayan), and other groups in smaller numbers. Established immigrant minority communities exist from colonial times, especially Indian and Nepalese.

The region is home to diverse religious beliefs including Buddhism, Christianity, Hinduism, Islam and traditional beliefs based around "nat" worship, which is often interlinked with other regions. The region exemplifies religious and cultural tolerance which this DMP supports and celebrates.

### 5.5.2    Nyaungshwe & Inlay Lake

| | | |
|---|---|---|
| **Population:**<br>172,469:<br>6% Urban 94% rural | **Area (Township):**<br>1,449 km$^2$<br>(550 square miles) |  |
| **Current Sub-Destination Development:**<br>Development & Consolidation (Inlay Lake Region), some Exploration and Involvement to the south of the township. | | |
| **Main Ethnic Groups:**<br>Innthar, Shan, Pa-O, Danu & Bamar | | |
| **Geography:**<br>Mostly flat plain between two mountain ranges with Inlay and Samkar lakes in between. | | |
| **Key Tourism Assets:**<br>• Inlay Lake:<br>• Indien Pagoda Complex<br>• Floating Gardens<br>• Rotating 5 day market<br>• Nga Hpe Kyaung Monastery<br>• Phaung Daw Oo Pagoda<br>• Bird Sanctuary<br>• Ywama, Nampan & other villages<br>• Nyaungshwe facilities<br>• Red Mountain Winery | **Key Tourism Activities:**<br>• Exploring Inlay and other lakes by boat<br>• Cycling around lakeshores and villages<br>• Shopping and interaction in ethnic markets<br>• On-lake accommodation<br>• Souvenir shopping in artisan shops on-lake<br>• Religious pilgrimages | |

Nyaungshwe Township is home to Inlay Lake and is the focus of tourism activities in the region. The main gateway to Inlay Lake and the region is the market town of Nyaungshwe, located by a canal 3.5 km from the northern end of the lake. It exudes a traveller vibe by offering a variety of accommodation choices, food options and is developing rapidly as a tourism service town. It is a historic town, being the seat of a former Sawbwa or Chieftain of the Nyaungshwe principality. It hosts a number of heritage buildings and traditional architecture.

Nyaungshwe and Inlay Lake combined currently have 42 hotels and guesthouses. Construction in Nyaungshwe is planned or being undertaken for 15-20 new guesthouses and hotels at time of writing.

Nyaungshwe town is the independent traveller getaway at the north of Inlay Lake, whereas the lake itself offers more high-end, luxury type hotels built on stilts over the water or by the lake shore. Along the lakeshore 6 new hotels have received construction permission, while a new Hotel Zone at the southern end of the lake is expected to bring at least 14 new high-end hotels, with potential for up to 87 in total.

The typical itinerary of a visitor to Inlay Lake includes a boat trip, where fishermen, markets, floating gardens and villages, pagodas, handicraft and local produce factories are visited. Visitors can go to the local winery for a wine tasting, or hire a bicycle and explore the area; they can learn about lake culture at the Inthar Heritage House and visit the many restaurants scattered across the lake.
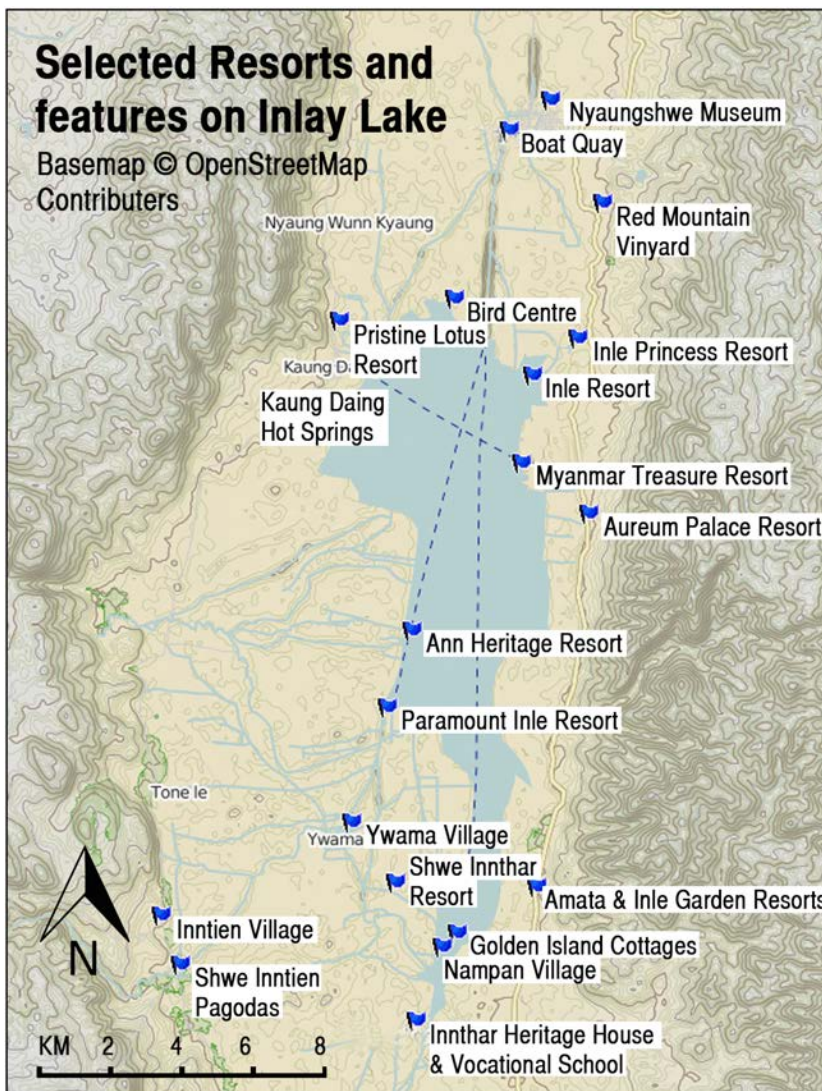


Inlay Lake is the region's key attraction. Most of the higher standard accommodation is located here and it is assumed that all visitors to the region will visit the lake at some point during their stay.

Some of the key resorts and villages are shown on both maps. One of the key activities on the lake is taking a boat trip to visit pagodas, villages and artisan craft shops.

The lake is used as an access point or hub for the wider region. The town of Nyaungshwe has developed as the tourism service centre.

Samkar Lake to the south is largely undeveloped compared to Inlay Lake, though is emerging as a destination, with longer north-south boat trips becoming part of the tourist itinerary. Samkar Lake (which itself is fed by Inlay Lake) supplies Law Pi Ta Dam, 20 km from Loikaw and produces a quarter of the total hydroelectric power in Myanmar.

### 5.5.3   Taunggyi

| Population:<br>348,794:<br>55% urban 45% rural | Area:<br>1,937 km$^2$<br>(748 square miles) |
|---|---|
| **Current Sub-Destination Development:**<br>Exploration & Involvement for most of Township.  Taynggyi City Development & Consolidation. | |
| **Main Ethnic Groups:**<br>Shan, Pa-O, Bamar | |
| **Geography:**<br>Hilly with some plateaus, Taunggyi the capital of Shan State is located at 1,400 metres (4,590 feet) above sea level | |

| **Key Tourism Assets:** | **Key Tourism Activities:** |
|---|---|
| • Kekku pagoda complex<br>• Sky lantern festival October/November<br>• Mountaintop Pagoda<br>• State Museum<br>• Gem Market<br>• Regional Market<br>• State business centre<br>• Ayetharyar Winery | • Shopping in markets<br>• Business related tourism<br>• Religious pilgrimages |



The Inlay Lake Region
Taungyyi TSP
Base map © OpenStreetMap contributors
Boundaries © Myanmar Information Management Unit

Taunggyi

0  10  20  30  40
Kilometres

At 1430m, Taunggyi provides a cool break from the heat of the plains.  The Shan State capital is today a growing trade centre for the south-western area of Shan State, and as such feels relatively distant from the tourist-oriented Nyaungshwe and Inlay Lake.  In Taunggyi, Chinese influence is visible in the architecture, with the city's essence being the main commercial thoroughfare that runs from north to south.

The city is popular with domestic tourists, who often visit the market area where many hill minorities come to sell goods.  There is also a daily gem market, the Shan State Cultural Museum and the Shan State Library. The Pa-O have established a cultural centre which can be visited, as well as the cheroot (similar to cigars) factory where visitors can learn about the trade.  In October/November, the city hosts a sky lantern (locally known as "hot air balloon") festival, which is very popular with domestic tourists.

The township is home to Kekku, a popular sub-destination, managed by the Pa-O affiliated Golden Island Cottage Group.  It receives around 8,000 visitors annually and is very popular with domestic tourists.  It is also served by a daily train linking Taunggyi.

It is the official end of the line for east-bound foreigners as permission to cross over to Eastern Shan State (Kengtung) is not obtainable.  However, should this route open, this would allow access from Northern Thailand (Chiang Rai, Chiang Mai) by road, changing tourism dynamics in the region considerably.

### 5.5.4 Kalaw

| Population: 163,174: 28% urban 72% rural | Area: 1,539 km$^2$ (594 square miles) | |
|---|---|---|
| **Current Sub-Destination Development:** Development & Consolidation for Trekking, Exploration and Involvement for areas away from these activities. | | |
| **Main Ethnic Groups:** Shan, Pa-O, Danu, Palaung, Taungyo, Bamar | | |
| **Geography:** Hilly agriculture, some forest cover | | |
| **Key Tourism Assets:** <ul><li>Kalaw Town Hill Station environment</li><li>Kalaw Heritage Buildings</li><li>Kalaw Market</li><li>Regional Trekking Centre</li><li>Good range of accommodation</li><li>Elephant rescue centre</li><li>Diverse ethnic groups</li><li>Traditional villages</li><li>Rail infrastructure</li><li>Heho Airport</li></ul> | **Key Tourism Activities:** <ul><li>Trekking in and around Kalaw Town and the trailhead for trekking the 60km to Inlay Lake: most popular are two night treks.</li><li>Train travel from Kalaw to Shwenyaung (for Inlay Lake) on heritage rail line</li><li>Elephant rescue centre</li><li>Religious pilgrimage</li></ul> | |



The Inlay Lake Region
Kalaw TSP
Base map © OpenStreetMap contributors
Boundaries © Myanmar Information Management Unit

Kalaw Town has a population of about 25,000, sitting 70 km west of Taunggyi high on the western edge of the Shan plateau at an altitude of 1320 metres. Once a popular colonial hill-station, Kalaw today is the trekking gateway in the Inlay Lake Region, also offering a variety of temples and payas. It is also home to some rich colonial architecture as well as the Tazi - Shwenyaung (for Nyaungshwe) heritage rail line. The township is home to the regional airport at Heho. There are 16 hotels and guesthouses in Kalaw: the town has an active and involved tourism stakeholder community. An estimated 15,000 trekking departures took place in the 2013.

The area is attractive due to its cultural diversity, the rugged mountain scenery and the cool climate. The trekking industry caters to all tastes and fitness levels of trekkers, from low-intensity half-day hikes to four or five-day trips to ethnic communities.

Missionary schools have been active for some time, resulting in many people being able to speak English well today. Kalaw's population includes Shan, Indians, Muslims, Bamar, Nepalis as well as other ethnic groups such as Palaung, Taungoo and Taunnyo.

The trekking industry has developed side by side with home-stays in hill towns and villages. Monastery stays are also popular. Since 2013 outside investors have been developing lodge accommodation in villages, thus impacting local involvement.

Myanmar's first Myanmar Elephant rescue centre was established close to Kalaw town in 2012, offering a combination of wildlife conservation and tree replantation for visitors.

### 5.5.5 The Pa-O Self Administered Zone: Hopong, Hsihseng & Pinlaung

| | | |
|---|---|---|
| **Population:**<br>Hopong -  99,212:  16% urban<br>Hsihseng - 139,167: 8% urban<br>Pinlaung - 162,537: 3% urban | **Area:**<br>3,200 km$^2$ (1,240 square miles)<br>2,046 km$^2$ (790 square miles)<br>3,317 km $^2$ (1,280 square miles) |   The Inlay Lake Region Pa-O SAZ Townships |
| **Current Sub-Destination Development:**<br>Exploration & a limited level of Involvement for all areas: Hopong and Hsihseng generally not open for tourism, limited access in Pinlaung | | |
| **Main Ethnic Groups:**<br>Pa-O: other minorities are present throughout the SAZ in small numbers | | |
| **Geography:**<br>Hilly and mountainous: Eastern townships of Hopong and Hsihseng are considerably less developed and remote than Pinlaung.  Some significant mountain ranges in Hopong and Hsihseng | | |
| **Key Tourism Assets:**<br><ul><li>Hten San Cave (Hopong)</li><li>Samkar Lake (Pinlaung)</li><li>Remote and undeveloped infrastructure</li><li>Remote and traditional Pa-O communities</li></ul> | **Key Tourism Activities:**<br><ul><li>Some trekking by special permission to Hopong Township</li><li>Potential for mountain-based activities</li></ul> | |

Much of the Pa-O Self Administrated Zone currently offers limited tourism access.  Much of the tourism activities are controlled by the Pa-O National Organisation through the Golden Island Cottage Group: a Pa-O commercial enterprise with a high level of community interaction and support.

The eastern townships of Hopong and Hsihseng are very mountainous and remote with poor, undeveloped infrastructure.  Prior permission is required to visit each township at time of writing and effectively no tourism activities take place outside of Hten San Cave and Kekku.  Hsihseng is currently out of bounds to tourists due to recent security issues.

Pinlaung Township is more developed as the main road linking Loikaw in Kayah State passes through.  The township is more agricultural but is also hilly.  Part of the township links with Samkar lake.  Little tourism activities take place at present.
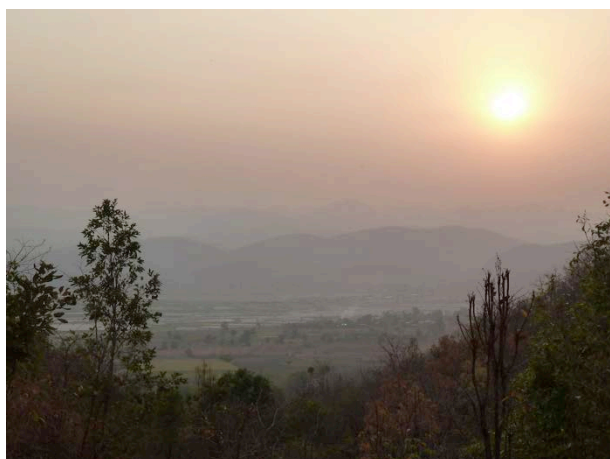


**Figure 3: Sunset over Samkar Lake from Hopong Township**



**Figure 4: Much of Hopong is very mountainous**

### 5.5.6 Pekon

| Population: 94,226: 13% urban 87% rural | Area: 2,093 km$^2$ (808 square miles) |
|---|---|
| **Current Sub-Destination Development:** Exploration & Involvement (only in Pekon Town | |
| **Main Ethnic Groups:** Shan, Pa-O, Bamar, Danu, Kayaw, Padaung | |
| **Geography:** Mountainous to the southwest, hilly in the centre and flat plateau to the east, linking with the southern end of Samkar Lake. Sparsely populated southwest. | |

| Key Tourism Assets: | Key Tourism Activities: |
|---|---|
| • Southern access point for combined Inlay and Samkar Lake visits • Samkar lake and surrounding environments • Unexplored tourism potential | • Boat access heading south to Loikaw • Currently few tourists stay as they pass through to other destinations |



The Inlay Lake Region
Pekon TSP
Base map © OpenStreetMap contributors
Boundaries © Myanmar Information
Management Unit

Pekon Township is currently undeveloped for tourism, however road infrastructure is being rapidly upgraded, along with passing trade from a small but increasing number of visitors travelling south from Inlay Lake, through Samkar and on to Loikaw: the southern end of Samkar Lake is within the township.

Pekon itself is a destination with great tourism potential due to its natural landscape and lakeside development potential. Currently there is no accommodation for foreigners and only one motel catering for Myanmar visitors.

From Pekon it is one hour by road to Loikaw, travel by rail is also possible. Most visitors currently plan their journey in advance from Nyaungshwe/Inlay, including onwards travel to Loikaw, resulting in few current tourism benefits remaining in the township. The west is sparsely populated.



**Figure 5: Much of Samkar Lake is in Pekon**



**Figure 6: Pekon Town from Samkar Lake**

## 5.5.7   The Danu Self Administered Zone: Pindaya and Ywangan

| Population:<br>Pindaya -  77,769: 12% urban<br>Ywangan - 76,933: 5% urban | Area:<br>659 km (254 square miles)<br>2,652km (1,020 square miles) |
| --- | --- |

| **Current Sub-Destination Development:**<br>**Pindaya:** Development & Consolidation, specifically within Pindaya Town and Caves, elsewhere in the township Exploration & limited Involvement<br>**Ywangan:** Exploration & limited Involvement |
| --- |

| **Main Ethnic Groups:**<br>Danu, Shan, Bamar, Palaung & Taungyo |
| --- |

| **Geography:**<br>Agricultural plateau landscape divided with a mountain range reaching up tp 1,700 metres (5,500 feet) dividing both townships |
| --- |

| **Key Tourism Assets:** | **Key Tourism Activities:** |
| --- | --- |
| • Spectacular Pindaya Caves<br>• Traditional Paper and Umbrella Craft Shops<br>• Trekking<br>• Mountain range and landscape suitable for trekking, cycling and similar activities<br>• Prehistoric archaeology (Ywangan) | • Religious pilgrimage and tourist visitation of Pindaya cave complex<br>• Trekking (mostly by package groups) in Pindaya<br>• Potential for trekking and similar activity development in Ywangan<br>• Long distance cycling |

The Danu SAZ consists of 2 townships: Ywangan and Pindaya, with Pindaya being the main tourism gateway.  The small town of Ywangan town is about two hours from Pindaya by car, the township currently offering only minimal tourism infrastructure, but with significant potential for growth and development. IID with the support of GIZ  (German Federal Enterprise for International Cooperation) has conducted significant work in the Danu SAZ, launching the Danu SAZ Development Plan in May 2014.

### Pindaya

Pindaya is about 2 hours by road from Nyaungshwe, a drive that passes through stunningly beautiful landscape.  The rolling hills have been branded locally as a 'Burmese Switzerland'.  A small number of visitors stay overnight in Pindaya, with currently five hotels catering to foreigners.  Most visitors come for a day-trip and focus on the Pindaya Cave, a Buddhist pilgrimage site featuring over 8,000 Buddha images. Other tourist activities in Pindaya include trekking to hill villages, cycling or visiting the numerous Pagodas and Temples in the surrounding area, which have become increasingly popular over recent years.  A small number of visitors trek from Pindaya to Kalaw.

The mountain range that divides Pindaya and Ywangan Townships offers great potential for nature-based and cultural trekking as the hills retain more forest cover than in Kalaw, and there are diverse minority villages.  The landscape is heavily agricultural with a focus on tea production.  In Pindaya town handicraft shops offer lessons on natural paper making and souvenirs such as paper lamp shades or umbrellas are a unique gift from the area.

### Ywangan

Ywangan is mostly undeveloped for tourism with only one hotel licenced for international guests at time of writing.  However the township offers significant potential for tourism development with a picturesque setting, with many pagodas and monasteries in a limestone karst landscape.  Additionally the Pyadalin prehistoric cave complex is of significant archaeological interest.

### 5.5.8 Loikaw

| Population: 48,404 in urban areas, assumed to be mostly in Loikaw city | Area: 95 km$^2$ (37 square miles) in the environments surrounding Loikaw city | |
|---|---|---|
| **Current Sub-Destination Development:** Exploration & Involvement | | |
| **Main Ethnic Groups:** Karenni/Kayah, Padaung (Kayan), Bwe, Geba, Manumanaw, Yantale, Zayein (Lahta), Geko, Yinbaw and Paku (Karen) | | |
| **Geography:** | | |
| **Key Tourism Assets:** <br> • Taungwa Mingalar Thiri Sacred Mountain <br> • Sawbwa Palace <br> • Taung Gwe Pagoda Thiri Mingalar Market <br> • Law Pi Ta Hydroelectric station and Dam <br> • Weaving workshops <br> • Catholic Cathedral <br> • Airport (currently limited to 5 flights per week) | **Key Tourism Activities:** <br> • Significant potential state-wide, with links to Chiang Mai in Thailand possible with new road development and improved security situation. <br> • Current activities generally limited to the small number of north-south tourists visiting from Inlay Lake. It is possible to fly out (or into) the region from Loikaw Airport. |  |

Kayah State, the smallest in Myanmar, boasts rugged mountains, rivers, streams, lakes and waterfalls. It borders Shan state in the north, Kayin State in the south and Thailand in the east. Loikaw is in the north, near the Shan border and has been included in this DMP as an increasing number of tourists visit the city on a north-south boat trip on Inlay and Samkar lakes. Currently only Loikaw and a 25 km circle around city, plus some Kayin villages (e.g. Pan Pe) are open for visitors: it is prohibited to visit the rest of the state, however as the peace process improves it is likely a visitor through route may develop, however infrastructure is poor due to decades-long conflict.

Tourism as such has only been permitted since 2011, currently there are 5 hotels registered to receive international visitors, with an estimated 1,200 international overnight stays in 2013.

Loikaw and Kayah State offers considerable tourism potential, peace and access dependent. There are many ethnic groups in the state: the Karenni/Kayah, Padaung (Kayin), Bwe, Geba, Manumanaw, Yantale, Zayein (Lahta), Geko, Yinbaw and Paku (Karen), in addition to the Shan, Intha, Pa-O and Bamar living in the north and in the surrounding hills, plus Nepalis, Bangladeshis, Indians, and Chinese.

Loikaw can be reached from Inlay Lake either by car, bus or boat. Taking the picturesque but bumpy road from Nyaungswhe to Loikaw through the hills, rice and vegetable fields of southern Shan state takes eight hours on a narrow road. From Inlay lake a boat may be taken to Pekon, then transfer by car to Loikaw. Loikaw Airport, is served by five flights per week with Myanmar Airways, to Yangon and Nay Pyi Taw.

## 5.6   Craft Production on Inlay Lake and the Region

Craft production is central to the Inlay Lake rRegion experience.  Many artisan products have been produced on and around the lake for centuries, products including highly regarded lotus thread textiles, silver jewellery, wood carvings, "cheroot" tobacco products, metalwork and the sale of minority products. On a typical lake tour, visitors are taken to workshops and souvenir stalls where production of such products can be viewed.

The reality is that craft production is leaving Inlay Lake.  Salaries for craft producers are low, and complex skills are required by craftspeople.  These skills are being lost as fewer young people enter the business: many souvenir shops and workshops admit that many products now come from elsewhere in Myanmar or China.  Many Padaung people (renown for the neck rings worn by women) have recently migrated to Inlay Lake and sell crafts and images of themselves in souvenir shops.

Not all visitors make a purchase however, and this has developed a competitive system of commissions to tour guides and boat operators, sometimes adding up to 50% of the purchase price: boat drivers rely on commissions to supplement their low incomes.

Craft production takes place throughout the region: crafts are often sold at localised 5-day markets, though some small scale boutiques and craft stalls have been set up close to attractions in Pindaya and Kekku for example.  Pindaya is renowned locally for paper umbrella production (which are still used as "living" products within the region as well as sold as souvenirs.  There is significant potential to upgrade many products to a higher standard to increase saleability as souvenirs and food products.



**Figure 7: The Region's colourful 5 Day Markets are a great tourism asset and outlet for handicraft sales**



**Figure 8: The Kalaw Market sells a variety of local products, including potential craft products that could be further developed for tourism**

## 5.7    Inlay Lake Hotel Zone

With the rapid expansion of tourism in the region over preceding years, there was considerable concern at State and Union Level over hotel capacity and construction space both on Inlay Lake itself and in the hub town of Nyaungshwe.  Thus a hotel zone was considered by authorities to meet the need for new hotel construction in the region for the foreseeable future.

The Ministry of Environmental Conservation and Forestry (MoECAF) made a submission on 12 February 2012 to the President's Office for guidance concerning the applications for permission for the construction of hotels by companies and organisations in the Inlay Lake area under a proposal from the Ministry of Hotels and Tourism.  The President gave the following guidance:

(a) Further business activity including hotels should not be allowed in the lakeshore areas, to ensure the sustainability of Inlay Lake for many years to come.

(b) Such activities can be permitted in areas that are outside the lake area but oversee its natural beauty, and have good access to the lake without negatively affecting the natural springs, streams and aquifers subject to a pledge to contribute to conservation efforts in some way.

(c) Hotels can only be within permitted in zones.
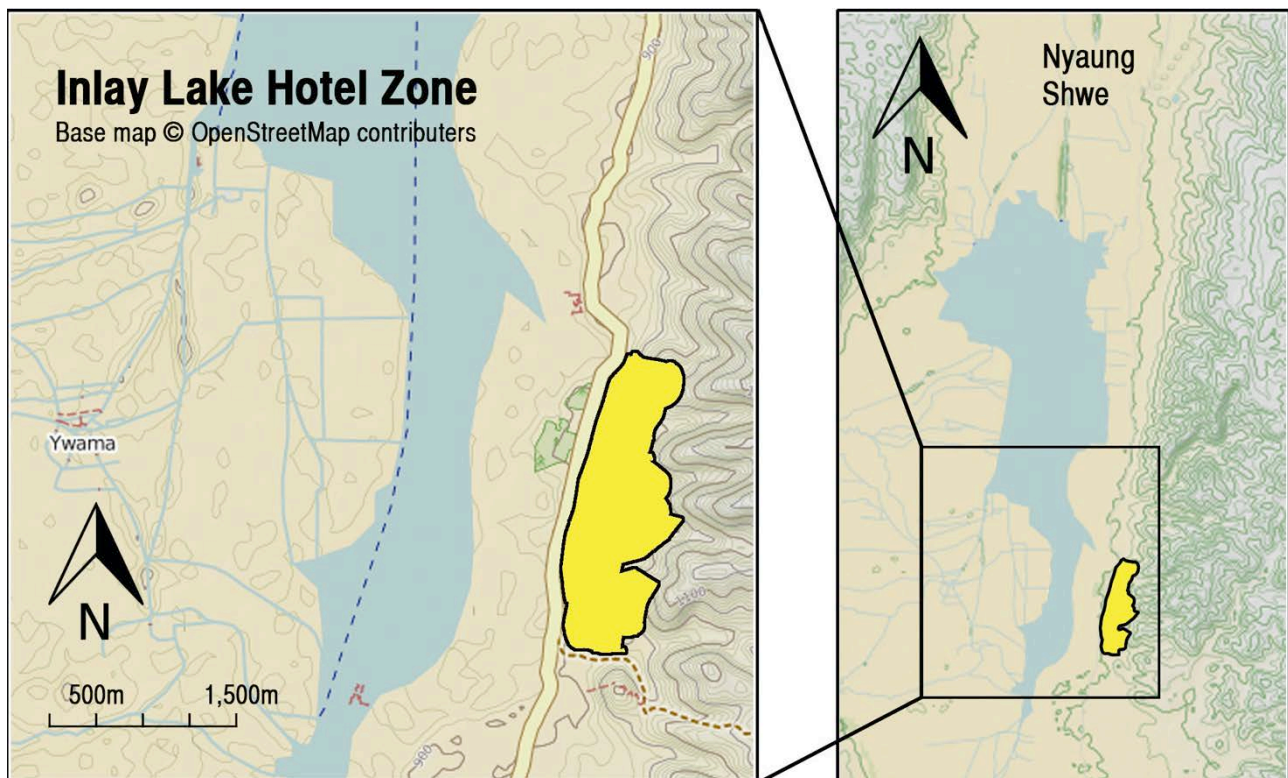


MoECAF identified 622 acres to the east of Inlay Lake as a possible zone where hotel construction can be allowed in accordance with the guidance from the President: the zone was established mid 2012 under the following criteria:

- (a)  Land should be leased to the Ministry of Hotels and Tourism by the Ministry of Environmental Conservation and Forestry.
- (b)  The initial land lease period should be 30 years, with the possibility of extension.
- (c)  The 622-acre hotel zone should be implemented as soon as possible.
- (d)  The Inlay Lake Hotel Zone Establishment Committee should be set up to address disputes.
- (e)  The land lease rate should be coordinated and a reasonable rate determined.

(f) A fund should be set up for the sustainability and conservation of the watershed areas of Inlay Lake.

(g) A separate fund should be set up for the greening of the hotel zone.

(h) A fund should be set up to handle Payment for Environmental Services (PES) and Ecosystem Services in promoting business enterprises in accordance with the Environmental Conservation Law.

(i) Waste management systems should be established to minimize impact on the environment.

## Inlay Lake Hotel Zone Master Plan
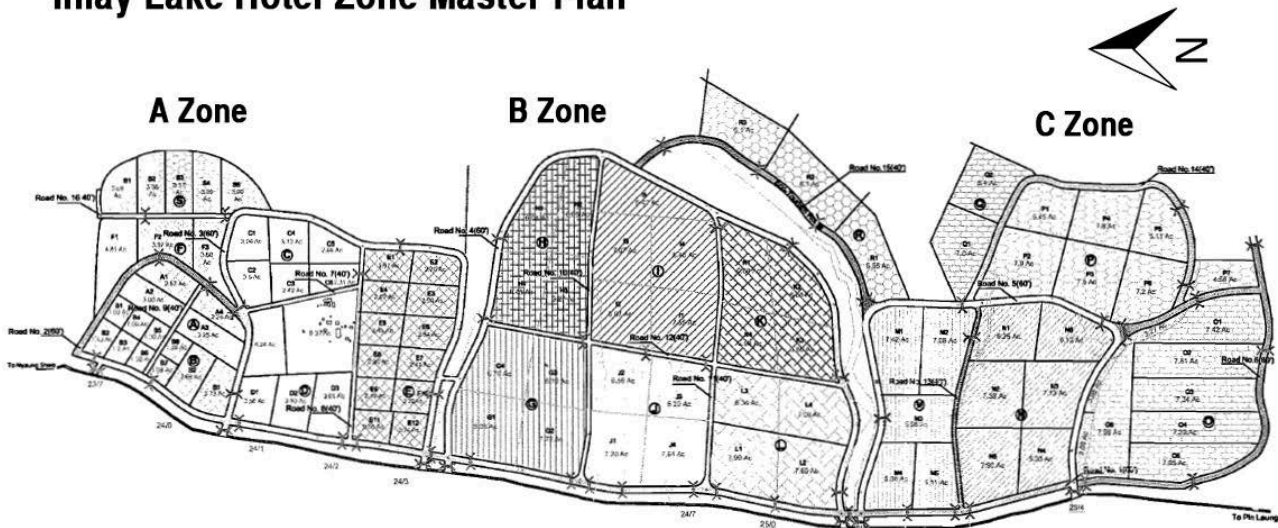


| A total of 87 plots have been made available within the hotel zone over 622 acres (252 hectares) | | | |
|---|---|---|---|
| No. | Name of Zone | Number of Plots | Area (Acre) |
| 1 | A: Reserved for regional investors | 39 | 109.52 |
| 2 | B: reserved for international investors | 22 | 171.56 |
| 3 | C: reserved for national investors | 26 | 184.42 |
| | **Total Hotels** | **87** | **465.50** |
| | **Total non-Hotel area** | | **156.5** |

**The layout plan for the hotel zone construction was developed with the following objectives:**

(a) to propose a layout plan that will enable the implementation of modern advanced hotel buildings required for the promotion of tourism that will contribute to the national economic development;

(b) to minimize the unavoidable environmental and social impacts of development work through the layout plan;

(c) to ensure cost-effectiveness in the construction of physical infrastructure consisting of roads, bridges, etc.

(d) to ensure that the needs and wants of international tourists are catered to and the interests of the local population are served in the layout plan.

**Recommendations for Hotel Development under the Hotel Zone Plan:**

(a) New applications for hotel construction may be approved only for the 622-acre hotel zone site in the reserve to the east of Inlay Lake, subject to the rules and regulations.

(b) The hoteliers should contribute to a fund for the sustainability and conservation of the watershed area of Inlay Lake.

(c) There should be a separate fund for the greening of the hotel zone.

(d) Funds should be raised to set up Payment for Environmental Services (PES) and Ecosystem Services for business enterprises in accordance with the environmental conservation legislation.

(e) Waste management systems to minimize impact on the environment should be implemented.

## Management of Hotel Zone

Shan State Government formed the Steering Committee for the Implementation of the Inlay Region Hotel Zone and the following 10 Working Committees to oversee the zone's construction and subsequent management:

1. Roads and Bridges Construction Working Committee
2. Access to Water Working Committee
3. Electricity Supply Working Committee
4. Communication and Transportation Working Committee
5. Information, Culture and Documentation Working Committee
6. Waterways Maintenance and Jetty Construction Working Committee
7. Recreation Zone and Greening Working Committee
8. Hotel Zone Survey and Compensation for Crops Working Committee
9. Financial Supervision Working Committee
10. Security Working Committee

## Electricity Supply for the Hotel Zone (Technical Data)

Electricity will be supplied from the existing coal-fired thermal power station at Kalaw and Naung Kar Hydroelectric Station with the construction of new high-tension lines to the site.

## Access

The road linking Nyaungshwe and the hotel zone follows the route of the existing village access road on the east shore of Inlay Lake.  A four-lane road is under construction at the hotel zone itself.

## Compensation

Farmers who were within the 622-acre Inlay hotel zone were to be paid compensation on the basis of the cultivated area and the type of crops.  Compensation was to be based upon three years projected production.

Rules and regulations exist for the hotel zone already: this Destination Management Plan supports the implementation and monitoring of these regulations and will aim to provide support for the sustainable development of the zone.
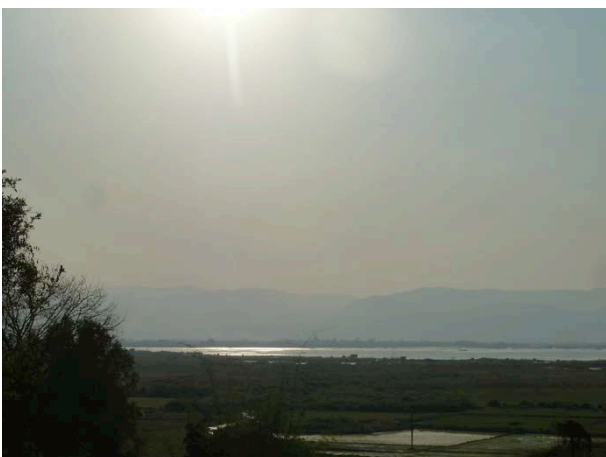

**Figure 9:  Sunset from the Hotel Zone site**


**Figure 10: Hotel Zone landscaping works from Inlay Lake**

## 5.8    Infrastructure

### 5.8.1    Transport

The Region's **transportation infrastructure**, the key factor influencing tourism growth, is under-developed for a region of its size, population and potential. In Myanmar, currently about 130,000 km of roads of all types exist, of which only 20% are paved.  In comparison, road density ASEAN-wide is five times higher than in Myanmar according to the ADB.  This has two consequences for tourism in Shan State: first, road travel between destinations is time-consuming and second, road quality in and around the destinations is inadequate, restricting visitor movement.
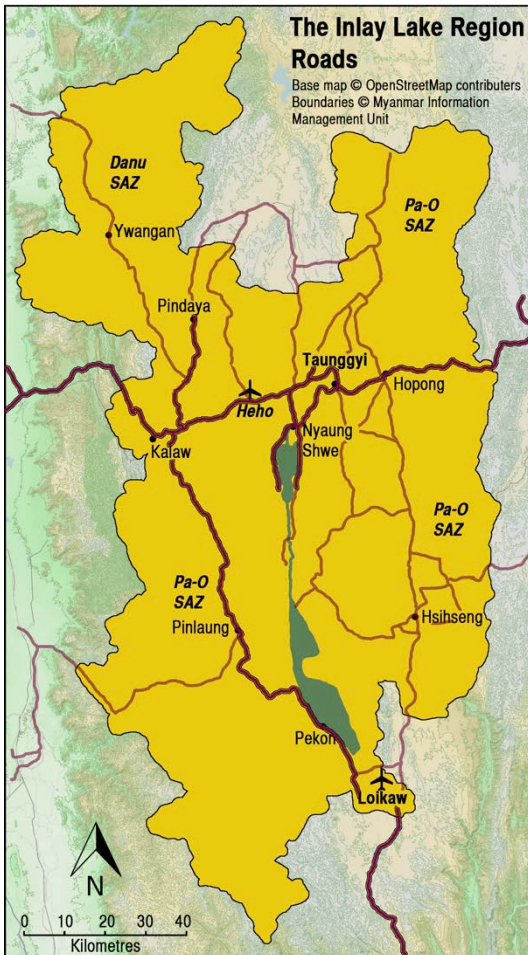


**Left:** Road infrastructure. Main access roads in good condition are shown with the heavy line. Other roads are either in poor condition, unsurfaced or single-track.

**Right:** Rail infrastructure. To the West the region is accessible from the mainline network.

**Airports** are located in Heho and Loikaw: currently Heho is the regional air hub with limited service from Loikaw.
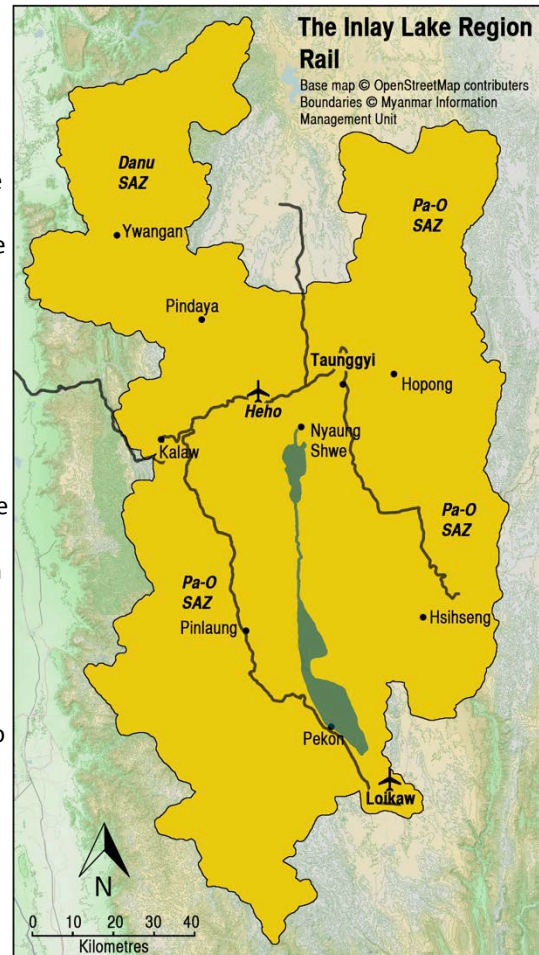
Regional **roads** are in a variety of conditions and are currently being upgraded and sealed; however the majority of roads are unsealed tracks, especially at village level.  Many sealed roads lack proper drainage and may not be considered all-weather with frequent damage in the rainy season.  The region's main access road links via Kalaw with the main Yangon - Nay Pyi Taw - Mandalay highway and links with Eastern Shan State and Thailand, though road travel east of Hopong is not currently accessible by international visitors.  It is possible to reach Mandalay via Ywangan in the Danu SAZ and Nay Pyi Taw via Pinlaung in the Pa-O SAZ.  Stakeholders stated poor roads were a key issue affecting the region.

The region is served by the domestic **airport** at Heho.  in 2013 the airport handled over 95,000 arrivals: on a typical day in March 2014 there were 18 arrival/departures (36 aircraft movements).  The airfield itself is 2,500 x 30 metres which is capable of handling mid-sized jet aircraft, however aircraft standing area is limited and there is no taxiway: the most common domestic airliner used in Myanmar is the twin-prop ATR 72.  The terminal building is small and is often at or over capacity.  It is necessary to compete internal immigration procedures upon arrival.  Heho is currently served by all 8 current domestic carriers on circular-routed flights.  In theory this provides significant flight options, in reality however many airlines duplicate routes at the same time: it is not uncommon to find 5 aircraft arrivals/departures to/from the

same destination within a one hour period.  The majority of arrivals are from Yangon, Bagan and  Mandalay in the morning, with Bagan, Thandwe and Yangon in the evening.   Heho has minimal on the ground infrastructure for refuelling and maintenance. **Loikaw airport** by contrast has only 5 scheduled departure/arrivals per week.  Airlines are currently upgrading booking systems to be online with operators throughout South East Asia.

The **rail network** comprises three lines: The main branch line linking with the Yangon - Mandalay mainline from Thazi junction through to Shwenyaung junction (just north of Nyaung Shwe) and on to Yaksauk in the north.  This is a historic line built in the early 1900s by mostly Nepalese labour during colonial times (of which communities remain in the region) and features many interesting features such as switchbacks and passing loops.  There is a branch line linking from Aungban Junction near Kalaw to Loikaw on the western side of the lakes, and another line linking Taunggyi to Hsihseng Township on the eastern side: this line links with the pagoda complex at Kekku.  At least three services per day in both directions link with the mainline, each sub-branch line having only one return service daily.  Lines, although regularly maintained, are in poor condition making trains slow and very bumpy, they do offer a potential for sustainable long-term travel in the region, as well as heritage rail options.

Regarding **water transport**, there are about 30,000 boats of all types on Inlay and Samkar lakes, of which around 6,000 are used for tourism purposes.  These are virtually all open-topped wooden canoe style powered by adapted diesel engines.  Boats designated for tourism purposes have a maximum capacity of 6 passengers.

### 5.8.2    Water
Tourists typically have higher demands for water consumption than local residents worldwide.  Increases in tourism will of course increase demands for water for bathing and drinking as well as systems for dealing with wastewater.

Currently most water used by the accommodation sector comes from on-site wells.  Increases in water consumption will undoubtedly have impacts on the water table and may affect the region's natural systems.   In the hill areas lack of water during dry season has been noted as a significant issue already, increases in tourism will undoubtedly require improved approaches to water management.

**Wastewater** is mostly treated on-site by hotels with septic systems.  Some larger hotels employ high level technologies, others use basic soak-away systems.  Improved wastewater management systems will be required throughout the region.

### 5.8.3    Electricity
The **electricity demand** in Southern Shan State is by far outstripping supply, with daily electricity outages being common, and associated problems with low voltage and brown-outs.  Less than 30% of the total Myanmar population has access to electricity despite the country's abundant resources.  In comparison, the Inlay region is relatively well connected as the lake is the main water supplier to the Law Pi Ta hydropower dam and the thermal power station at Kalaw.  The Kalaw facility burns lignite with a high sulphur content: this may contribute to the region's haze.

Other tourism destinations such as Pindaya suffer from severe electricity outages.  Many accommodation facilities possess a generator.  The impact of an increased number of hotels and other tourism related businesses will also increase the demand for electricity, adding more pressure on existing supply and increasing carbon emissions.

Currently much more electricity as well as transmission and distribution upgrades are urgently needed, as are approaches to smart energy usage.   The planned capacity additions will likely be inadequate for increased tourism demand.

### 5.8.4 Communications

Many visitors use mobile services, smart phones and **internet technology for communication** to access tourism information when travelling. However the ability to do so in Myanmar is limited: only relatively little internet exists beyond the urban centres, although this is slowly changing. Myanmar so far has a mobile penetration rate of less than 10% and only 0.03% of the Myanmar's people are connected to broadband Internet. This is to change soon, however, due to the deregulation and opening of the communications industry to international investors. Affordable SIM cards are to be expected by November 2014: currently SIM cards are expensive (250 USD) and generally not accessible to visitors, however some tourist SIM cards are occasionally available at Yangon Airport, though coverage and service is poor.

Mobile and internet coverage in Shan State is similar, with poor internet or mobile network connections. All tourist destinations have internet cafes, and some guesthouses and hotels offer WiFi connections, although connection speeds are slow. The region will likely be one of the first to benefit from improved technology due to its high density population.

As has been seen in other countries, mobile and internet coverage will likely improve rapidly, with "leapfrogging" developments possible: for example mobile phone based banking could be the way many people within the region first experience a banking service. Tourism Apps, internet marketing and so on is a significant opportunity. Now is the time to plan for such internet and mobile growth, as the region is at a communications competitive disadvantage.

### 5.8.5 Solid Waste Management

Currently there are limited facilities to deal with tourist related solid waste such as processing and recycling facilities. Much of the waste generated is transferred either for landfill or small scale burning. A waste action plan is thus a priority.

### 5.8.6 Health, Medical, Safety, Peace and Security

The **health facilities and medical services** in Inlay and surrounding areas are very poor. Only one reliable private medical hospital exists in Taunggyi. Basic clinics exist in all destinations, but these places often lack facilities and equipment. Health facilities must be urgently upgraded for the benefit of visitors as well as the local population.

There is no regular ambulance or evacuation service or system for incident planning of all scales. Emergency procedures would dictate stabilization at a local clinic before transferal to a major Accident and Emergency Unit at Taunggyi for assessment then possible further evacuation via Heho airport, however there is uncertainty of such procedures and the reality will depend upon the actions of first responders.

The recently inaugurated Tourist Police are responsible for the safety and well-being of tourists and are currently receiving on-going training and development support. Tourist Police are well motivated but under-resourced for the geographical area they cover.

Regarding **safety**, procedures have been improved with regard to boat transport, with the mandatory provision of personal floatation devices on boats. However boat drivers are not medically trained or conduct safety drills etc.

The **biggest threat to personal safety** is road transport accidents. This will likely increase as volume of traffic increases both tourism and non-tourism related. Road surfaces are generally in poor condition and narrow and lack safety features. The standard of driving is generally poor.

**Food hygiene** was not specifically mentioned as a major issue during consultations. However as a key component of the visitor economy, improved food storage and handling must be considered.

In some areas of the region **peace and security** is of concern, with significant areas effectively closed to tourism. This includes much of Hsihseng Township in the Pa-O SAZ and areas surrounding Loikaw in Kayah State. Prior permission is required before entering Hopong and Hsihseng Townships in the Pa-O SAZ, and visitors must register (and in theory be in the company of a tour guide) in Pinlaung and Pekon Townships. The issues are complex and should be monitored: Peace and security is of course key to a sustainable tourism industry as well as a necessity for the local population.

Comprehensive **risk assessment and incident planning** is required for the cross section of stakeholders involved in tourism.

## 5.9 Accommodation

The regional accommodation industry mirrors the tastes and purchasing power of the tourist market, with hotels of various size, expense and service offering capacity. A range of high-end luxury hotels to modest guest houses exist, ranging from a 3,000 Kyats per night to upwards of US$500 per night.

**Value for Money?**

Anecdotal evidence indicates that international tourists perceive low value for money in the Myanmar hotel market. The quality and price of hotel accommodation in Myanmar is often compared to that of Thailand. This is because the tourism industry in Thailand is more developed and hints at things to come (both good and bad) for the Myanmar tourism industry. Many international tourists who visit Myanmar also visit Thailand and tend to use it as a standard with which to judge other Southeast Asian countries.

A commonly heard complaint amongst tourists is that hotels in Myanmar offer poor value for money when compared to other Southeast Asian countries. However, this does not seem to be the case according to the Tourism Survey completed as part of the research for this DMP. In the survey, tourists were asked to what extent they agree to the following statement:

"Hotels and guest houses offer good value for money."

|  | Western (771) | Asian (117) | Myanmar (323) |
|---|---|---|---|
| Completely Agree | 25% | 33% | 20% |
| Agree | 36% | 43% | 29% |
| Neither Agree or Disagree | 23% | 12% | 32% |
| Disagree | 10% | 7% | 9% |
| Completely Disagree | 6% | 5% | 10% |

Only 16%, 12% and 19% of Western, Asian and Myanmar tourists disagreed with this statement. At the same time 61%, 76% and 49% of respondents from these markets answered in the affirmative. Value for money is difficult to quantify as this is a highly subjective notion with different consumers attaching different value to different hotel amenities, services and decor. It is also a relative concept. Although the survey findings would seem to indicate that tourists perceive value for money, a comparative statement might have been more revealing. For example: "Myanmar offers better value for money than Thailand."

As of 2012, 88 hotels existed in the region. The number of hotels is increasing though it is difficult to find exact numbers, as hotels only apply for official registration after construction is completed. An accommodation survey conducted as part of the research for this DMP found that nearly one-third of the hotels in the sample had been built since 2010 with most of the remaining two-thirds undergoing some kind of renovation.

Main centers of accommodation are Nyaungshwe, the regional hub, Inlay Lake with mostly higher-end resorts, as well as Kalaw, Pindaya and the state capital of Taunggyi.  The Inlay Lake Hotel Zone will provide plots for 87 hotels, with 3 under development at time of writing.  See Section 5.7 for further details.

| Township | Accommodation with Domestic-only License | | Accommodation with International Licence | | | | | | Restaurants |
| | | | Accommodation Type | | | Rooms | | | |
| | Lodging houses | Rooms available | Hotels | Guest house | Licensed total | Hotels | Guest house | Licensed total | |
| Taunggyi | 38 | 704 | 14 | 3 | 17 | 478 | 53 | 531 | 49 |
| Pindaya | 1 | 7 | 5 | | 5 | 176 | | 176 | 5 |
| Nyaung Shwe | 6 | 78 | 28 | 14 | 42 | 1024 | 197 | 1221 | 52 |
| Ayethaya | 6 | 52 | | | | | | | |
| Kalaw | 3 | 30 | 19 | 9 | 28 | 449 | 123 | 572 | 15 |
| Aung Ban | 7 | 103 | | | | | | | |
| Heho | 2 | 14 | | | | | | | |
| Pinlong | | | | 1 | 1 | | 25 | 25 | |
| TOTAL | 63 | 988 | 66 | 27 | 93 | 2127 | 398 | 2525 | 121 |

*Hotels, rooms and restaurants available 2010*

### 5.9.1    Operational Environment

The operating environment for hotels is less than optimal.  The main challenges faced by hoteliers consist of weak surrounding infrastructure, frequent power outages and water shortages.  ICT infrastructure is lacking.  The combination of these factors has led to customer complaints and higher operational costs for hotels.  It is likely that the situation will only worsen with the growth of the tourism industry as an increasing number of hotels put further strain on the weak infrastructure.



**Challenges Facing Hotels**

- Internet Connectivity 7%
- Low Staff Capacity 10%
- Other 38%
- Power Outages 14%
- Sourcing Products 6%
- Staff Management 12%
- Staff Retention 7%
- Water Shortages 6%
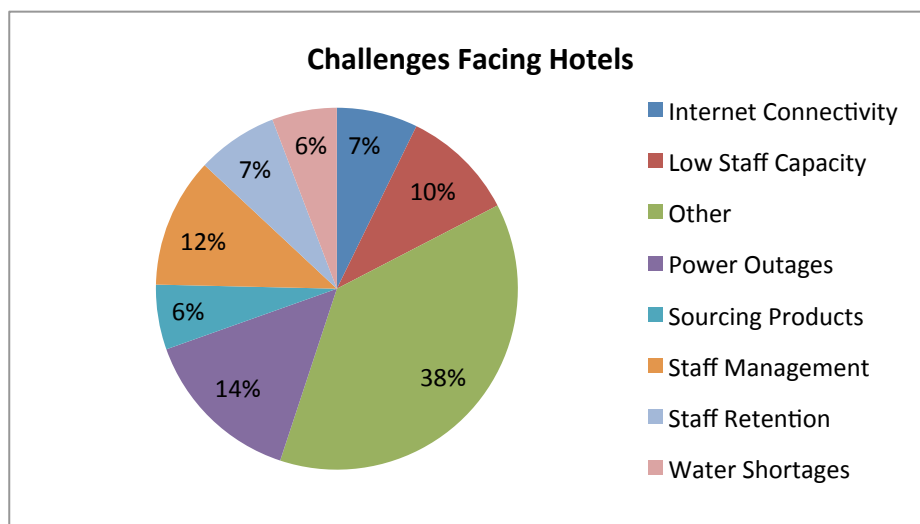
Hotels have also placed considerable strain on an already fragile ecosystem. The building of new hotels and the renovation of existing demands a considerable amount of hardwood: much of this is sourced locally, where deforestation is already an issue. Water scarcity is another serious concern, especially in the dry season.

Staff capacity is another challenge faced by hoteliers. Most hotel staff have little or no formal training, and the quality of private trainings institutes is questionable.  There is also little incentive for hotels to invest in training their staff as turnover is high.  Although turnover is high across the board, large locally-owned hotels tend to retain more staff.  They also have a higher percentage of trained staff and higher staff to room ratio than the other two hotel categories.  Despite the growing tourism market, most turnover was not due to competition for staff between hotels; the most common reason for staff turnover cited by hoteliers was staff leaving to work in other industries.

### 5.9.2 Hotel Typology

A regional Hotel Typology was developed to show the three main categories of accommodation available in the region:

| | Locally Owned | Not Locally Owned |
|---|---|---|
| **Large** | **Large Locally Owned**<br>• Average Room Price: 77,600 Kyats<br>• Average Total Rooms: 36<br>• Staff:Room ratio: 1.4<br>• Staff with formal training: 41%<br>• Spending on training per staff: 28,100 Kyats | **Large Non-Locally Owned**<br>• Average Room Price: 95,750 Kyats<br>• Average Total Rooms: 43<br>• Staff:Room ratio: 1.0<br>• Staff with formal training: 28%<br>• Spending on training per staff: 15,600 Kyats |
| **Small** | **Small Locally Owned**<br>• Average Room Price: 17,000 Kyats<br>• Average Total Rooms: 24<br>• Staff:Room ratio: 0.6<br>• Staff with formal training: 21%<br>• Spending on training per staff: 16,000 Kyats | *N/A* |

This serves to highlight a low level of training throughout all hotel typologies, and a low internal spending by management on training. Some managers referred to high levels of staff turnover as a reason for this. Interestingly when staff leave it is often to return to a village or to work in another industry as opposed to work in another hotel.

### 5.9.3 Effects on Local Communities

Local communities are most directly impacted by the hotel sector through employment. The majority of hotel staff originate from within the region, often from villages. High-end hotels do not necessarily pay employees higher salaries: In general, small locally-owned hotels pay their staff more than large non-locally owned hotels on average; however, salary is only one factor out of many which affect staff livelihoods.

Hotels also provide staff with a wide range of benefits. Some financial benefits such as service charge can be quite significant and a larger source of income than salary during peak season. There are also in-kind benefits staff members receive such as free meals and accommodation, which can greatly reduce their personal expenses. Large locally-owned hotels appear to offer staff the best all-around package to staff. They also participate more in community development initiatives than the other two typologies.

As the leader of the tourism industry and a significant employer, hotels are the key to providing tourism related livelihoods to local communities: the hotel sector must work to provide high quality and secure employment for staff, thus supporting these communities.

### 5.10 The Value of Tourism

The value of tourism is one measure of the benefits tourism may bring to an area. However looking at value alone is simplistic: tourism may generate money but where does it go? Does it stay in the region?   A

study conducted in 2012 by IID concluded the following, the though it does not answer these questions and further study is recommended:

| Estimated Annual Value of Tourism in the Inlay Lake Region | |
|---|---|
| Accommodation: | $8 million |
| Meals and Drinks: | $6 million |
| Activities: | $6 million |
| Handicrafts: | $3 million |
| Fee Revenue: | $0.5 million |
| **Total:** | **$23.5 million** |

## 5.11  Food

The region offers restaurant services to suit different tastes and budgets.  Shan cuisine is well-known and loved throughout the country and beyond.  Despite this Shan cuisine is still largely unknown and undervalued internationally.  There is much unrealised potential to market Inlay region as a destination with outstanding food, and there is plenty of potential to do so with organic and sustainable products in the future.  To meet the demands of cosmopolitan visitors, restaurants and other service facilities would greatly benefit from interventions to improve quality and choice as well as health and hygiene standards, plus development of the cuisine.

The Inlay Lake Region produces a diverse range of vegetables and is renown nationally for fertile and productive soils.  Much of this produce is utilised within the tourism related value chain.  Some food is of course sourced from outside the region, however a significant proportion is from elsewhere in Myanmar which highlights the importance of regional tourism to the national economy.

## 5.12  Handicrafts

Visitors have a wide variety of souvenirs to choose from.  Unique handicrafts on offer include locally spun and woven textiles.  Of particular interest are the special Lotus products from Inlay Lake, which are beginning to receive attention in the international fashion world.  Naturally-made paper products such as lamp shades from Pindaya, silverware, lacquer-ware, shoulder bags, marionettes, or ethnic ware are also available. Loikaw offers some good local fabric patterns and materials.  Many retail outlets in the destinations offer a wide range of local and imported products.

## 5.13  Tour Guides

At time of writing there are less than 4,000 officially licensed tour guides in Myanmar, thus the peak season typically experiences a shortage of trained guides.  In Shan State there is a hierarchy of official tour guides: Licensed guides mostly work with tour operators and accompany tour groups for the entire duration of their stay.  Regional tour guides provide regional guiding services (e.g. Shan State) and tour conductors provide a basic service at township level to assist the licensed guides.  In addition there are numerous unofficial and unlicensed tour guides of various capacity that form the bulk of the informal FIT guiding industry.

## 5.14  Tourism Associations

In Myanmar, an amalgamation of associations and committees formed the Myanmar Tourism Federation (MTF) in 2012[11] with the purpose of communicating with government in order to voice private sector

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[11] More info about MTF - http://www.myanmar.travel/index.php/about-us/36-mtf/myanmar-tourism-federation

concerns about tourism issues.  Some of the associations that make up MTF operate also in the Inlay Lake Region and surrounding area.

Key grassroots associations in the region include: Inthar Heritage House, 'Inle Speaks' in Nyaungshwe, Environmental Volunteers run out of the Shwe Innthar Hotel on Inlay Lake, the Tour Guide Associations in Nyaungshwe, Pindaya, Kalaw and Loikaw, the Shan Literature and Culture Association, the Inthar Literature, Culture and Regional Development Association, the Burma Rural Development Society in Kalaw, the Palaung Literature and Culture Committee, as well as several women's groups including the Women's Entrepreneur Association in Pindaya.  These have been identified as key in community outreach in the region.

### 5.15  Education Sector
Outside the main cities of Yangon and Mandalay educational opportunities in Myanmar are very limited, and this is also a problem in the Inlay Lake Region.  Official statistics[12] state only 8% of primary school students in Shan State reach high school.  Taunggyi University is the main tertiary institute in the entire state.  In recent times educational facilities have begun to be upgraded to colleges and two-year learning institutes.  With the exception of the small, privately operated Inle Vocational Training School, opened in 2013, there are no tourism training centres in the region.  The lack of educational facilities, teachers and skills is extremely challenging.

### 5.16  Supporting Services in the Area for Tourism
Various organisations and development actors have begun to provide workshops to different tourism stakeholders.  Such seminars are taking place throughout the region and not just limited to Inlay Lake. Organisations including MIID, Hanns Seidel Foundation, Partnership for Change, GIZ, UNDP and others have provided trainings on the impacts of tourism to government, private sector and community representatives.

Other actors such as the Myanmar Tour Guide Association have organised regional trainings on many subjects. Unfortunately such initiatives are often piece-meal or one-off trainings and may not include all stakeholders.  As international donors become active in the region there is significant opportunity to ensure donor-funded activities are coordinated.

### 5.17  The Trekking Industry
The Inlay Lake Region is home to Myanmar's leading trekking industry, currently based mostly from Kalaw, but expanding into other areas.  The region offers excellent potential to expand with diverse mountainous landscapes to fit all levels of fitness, combined with the diverse cultural heritage of minorities and the landscape.

"Homestays" are an integral part of the trekking experience in the region, however their legality is not clear.  There has been concern over the cultural appropriateness of homestays in Myanmar, with a lack of planning and control placing vulnerable communities and families at risk.  The reality is they do take place and will continue to do so: support should be made available to providers as alternatives may result in fewer direct benefits reaching communities as alternative accommodation options are opened by external investors.  This is currently taking place within the Kalaw to Inlay trekking area, where villagers have sold land to investors to construct bungalow style accommodation in villages that are staffed by non-locals.

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[12] Education Statistics - Myanmar Central Statistical Organization. http://www.etrademyanmar.com/STATS/s1701.htm

Kalaw to Inlay Lake: Main Trekking Routes
Base Map © OpenStreetMap Contributers
Created with GPSVisualizer.com



Base Map © OpenStreetMap Contributers
Created with GPSVisualizer.com
Pindaya Trekking
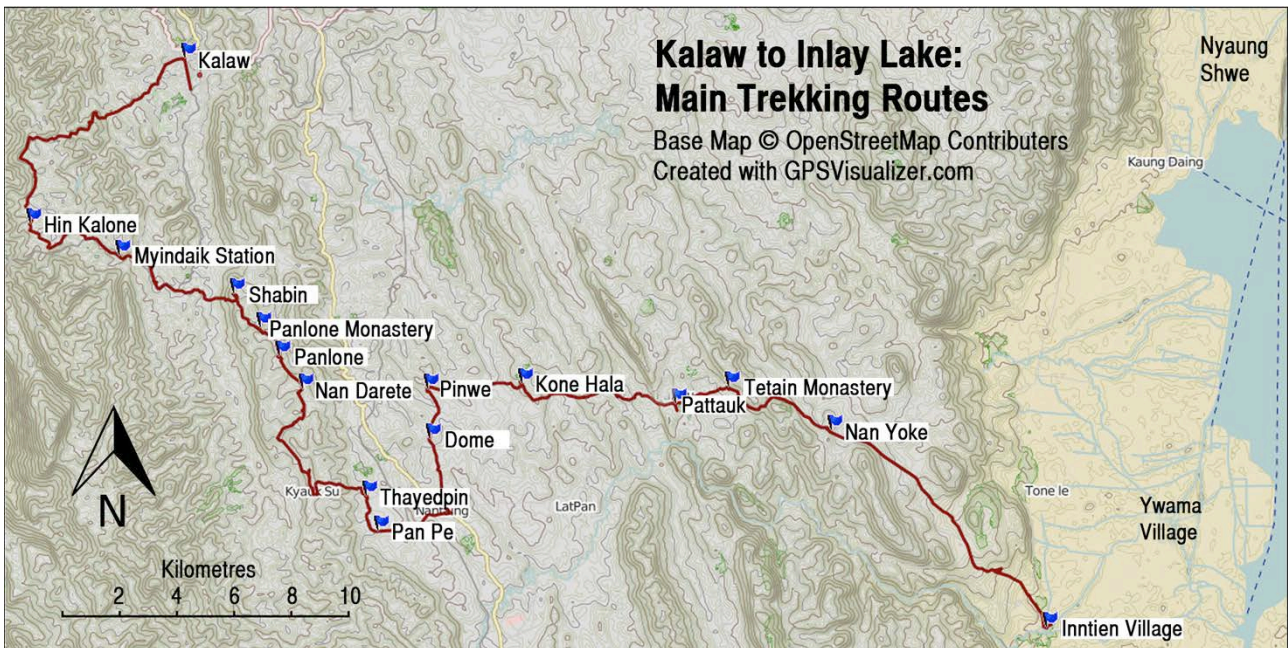
**Both maps show the primary trekking routes in the region: Kalaw to Indien Village by Inlay Lake, and the circular hill route from Pindaya, both involving overnight stays in either homestays or monasteries.**

The current industry is focused on the budget end of the market, the majority of trekking departures being from FITs who arrive in Kalaw specifically to trek. However a small but growing market of package tours is increasing to sites throughout the region in the Danu hills as well as Hopong Township in the Pa-O SAZ, organised through the Golden Island Cottage Group.

There is no formal organisation of the industry from Kalaw, with no trekking information centre or official representation. Legally the current industry is informal: trekking guides do not officially exist in Myanmar, and most guides are not official "tour guides" licensed by the government. No official trekking fees are collected. Likewise there is no formal organisation or cooperation between host communities regarding trekking.

Host communities have little power of influence over trekking in their communities and remain a passive actor in the value chain. There has been a small amount of community based entrepreneurialism to develop trekking related products (other than generic accommodation) that has included some cloth weaving and sale of refreshments, however for host communities involvement in the trekking industry is an additional income activity, with primary income generation remaining agricultural.

Potentially the region could become a renowned centre for cultural trekking, however significant work would be required to achieve this. A SWOT analysis of the Trekking Industry follows:

| Strengths | Weaknesses |
|---|---|
| • Authentic Trekking<br>• Stunning scenery<br>• Established trekking operators<br>• Accessible<br>• Physically easy trekking<br>• Easy climate<br>• Relatively long season | • Currently undeveloped product<br>• Poor community involvement<br>• Product based on low price<br>• Low development of tourism infrastructure at hubs (such as independent trekking information)<br>• Poor facilities in communities<br>• Some negative cultural impacts. |
| Opportunities | Threats |
| • Improved communication technology could introduce mobile phone based booking systems in villages and help develop a more locally controlled trekking industry<br>• Improvements in village accommodation standards would benefit the industry<br>• More funding likely to become available from donors to support sustainable development and tourism activities<br>• Growing potential market<br>• Significant potential to develop niche trekking: there are many aspects potential. | • Environmental threats such as deforestation, water pollution, agricultural erosion etc could have detrimental effect on communities and thus trekking<br>• Demand for extra resources such as water and firewood from communities<br>• Social impacts from trekking in traditional communities<br>• Waste management with increases in demand for consumer products related to trekking |

A challenge of the trekking industry is to ensure local communities receive benefits at a time where entrepreneurs from outside the region are establishing guesthouses and related services in the landscape.

There is significant potential to upscale and professionalise the industry to add value.  Host communities have considerable potential to become more actively involved and empowered in the trekking industry. There is scope for increased community involvement in the preparation and sourcing of meals, all of which can add value to the industry.  If the industry rapidly increases in size, increased impacts both culturally and environmentally will be felt in the landscape.

**Changing Times in the Hills**

Most communities have recently been experiencing a period of social and economic change.  Few families live in traditional longhouses, with numerous new-build concrete houses replacing traditional designs in many villages. Family relationships are changing, arranged marriages are declining and there is more inter-marrying between ethnic groups.  More families now tend to build their own houses after marriage as opposed to living with extended families.  Population growth had evidently expanded village size: many now have two or three distinct areas, and recently cleared (deforested) land is evident in numerous villages.

Weaving in the past was found in every community, now only one village on the Kalaw to Inlay Lake trekking route is engaged in weaving.   Cheap imports from China have eroded such practices, with cheap motorbikes revolutionising transportation of goods and services.   Traditional religious tattoos have changed to reflect westernised designs.

Communities in the hills will be at a disadvantage to keep up with tourism entrepreneurs from outside the region and are at a real risk of being excluded from tourism.  In the Kalaw trekking area some villagers have already sold land for guesthouse development.  Some employment may result from this but true sustainable development lies within community ownership and engagement.

**Financing in the Hills: The Rabbit Lady and the Village Bank**

Setting the path for self-help and encouraging communities to self-develop has become a popular concept in recent years among development organizations. Having the control right from the beginning in the hands of locals is an important criterion of successful self-development projects. However, it is often difficult for rural farmers to have access to credit in order to finance such projects. A possible solution is the concept of the village bank, owned and governed by the local villagers.

An excellent example of entrepreneurship can be found in a Pa-O village close to Nampan Village on Inlay Lake. A local woman, known as the "Rabbit Lady", got the idea of micro borrowing from a visiting UNDP representative: so why not create their own village bank? Villagers could borrow small amounts of money whilst keeping the interest rate within the village's borders instead of paying it to external people.

She gathered 15 people (mostly women) and together they created a common village fund, contributing over two years to reach a capital of over 13 million Kyats. Borrowing from the bank for less than six months incurs a small fee, after this period, the rate doubles. Interest gathered goes into a different fund, from which common projects for the whole village are financed. A village water tank is under planning as well as the possibility to offer scholarships to children from some underprivileged families.

An important condition for the success of such an initiative is the supervision by a trustworthy person, in this case the Rabbit lady. Transparency in terms of payments and credits is another important criterion. By setting up a common village bank, villagers on one hand get the possibility to save money and on the other hand have the possibility to borrow large sums in case bigger investments are needed. The concept encourages the village spirit and by using the gained interest rate for common village projects, the overall unity of the village is re-enforced. It encourages entrepreneurship on a local level and strengthens rural villages' position on their development path. Ultimately, it empowers the weakest of the country to take initiative for further self-development.



**Figure 11: The the view from "Viewpoint Cafe" near Kalaw is considered by many as a highlight of a trek**

# 6.   Visitation

This chapter provides a brief overview of visitation to the Inlay Lake region.  A significant undertaking during the development of this DMP was the conduction of a detailed Visitor's Survey that interviewed over 1,750 international and domestic visitors at key sites throughout the region.  Conducted to a high level of methodological standard, this has shaped the development of this document.  Please refer to the Tourism Survey Report for a fuller picture of visitation to the region.

## 6.1   Visitor Data

International tourism in the Inlay Lake Region is growing, with some sources predicting a doubling of arrivals by 2016.  However such optimism should be considered with caution: tourist arrivals **are** growing, but at what rate is not clear due to lack of robust data.  Myanmar is also opening up: this will see a shift from the "4 main" destinations to a much more spread out visitation countrywide: each destination within Myanmar to some extent will compete (as well as complement) each other.

**Chart 6.1 Growth in International Arrivals to the Inlay Lake Region, Ministry of Hotels and Tourism Data**

Chart 6.1 shows the growth trend in arrivals to the Inlay Lake Region: significant growth can be seen from 2009/10 at 20,000 international arrivals to over 110,000 in 2013/14. It is important to recognise that tourism dynamics fundamentally changed in 2011 due to political change: it is not wise to use this data to predict growth accurately.

**Chart 6.2 Nyaungshwe & Inlay Lake International Arrivals per Month 2013-2014**
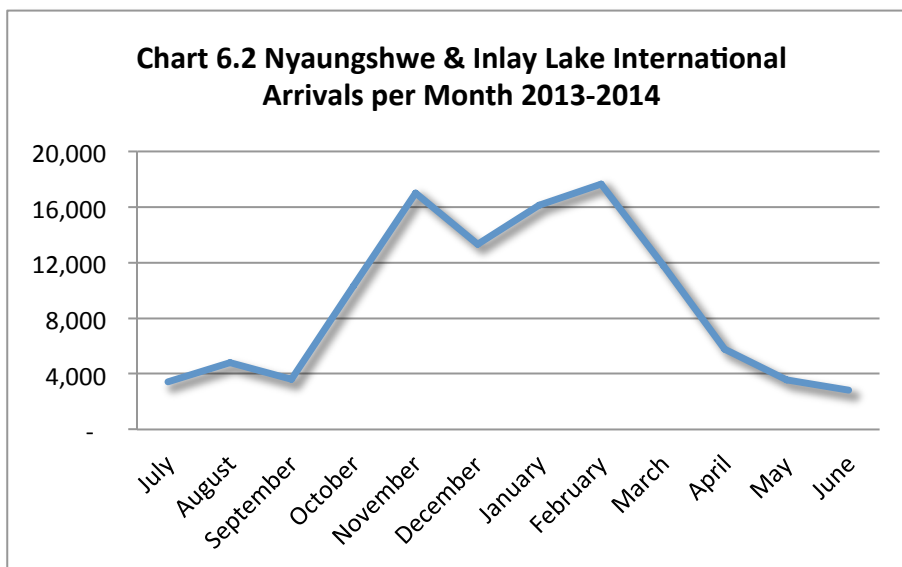
Chart 6.2 shows monthly international arrivals, clearly showing the high and low seasons.

For the 12 months July 2013 to end of June 2014 a total of 110,245 international arrivals were recorded in Inlay Lake and Nyaungshwe by the Taunggyi based Department of Hotels and Tourism.  This is based upon recorded hotel registrations, which is compulsory.  Due to lack of data it is assumed this is a representative figure to the Inlay Lake Region: the assumption being visitors to Kalaw, Pindaya, Kekku and so on stay at least one night in Nyaungshwe or Inlay Lake.

The data for domestic arrivals are unreliable as they are often not recorded and a considerable part of the market includes overnight stays in monasteries.  An estimation was made by the Institute for International Development (IID) in 2012 that domestic visitation was at least double the international level.  This assumption is used by necessity within this DMP.

## 6.2 Visitor Forecasts & Distribution

In 2012 international tourist arrivals was predicted to double within three years. This was based on an explosion of visitor growth to Myanmar, led mostly by increases in package tour arrivals. For the year 2012 IID estimated at least 100,000 international visitors and *at least* the same amount of domestic visitors arrived in the Inlay Region.

However latest 12 month data for the period July 2013 to end of June 2014 recorded just over 110,000 international arrivals: the Inlay Lake Zone fee calculated just over 90,000 for the same period.



The Inlay Lake Region
International Visitor Distribution

Ywangan

12,000
Pindaya

Taunggyi
Hopong

25,000          110,000
Heho
Kalaw          Nyaung
Shwe

Inlay
Lake          8,000
Kekku

Pinlaung          Hsihseng

Samkar
Lake

4,000
Pekon

2,000
Loikaw

N

0   10   20   30   40
Kilometres

Base map © OpenStreetMap contributers
Boundaries © Myanmar Information
Management Unit
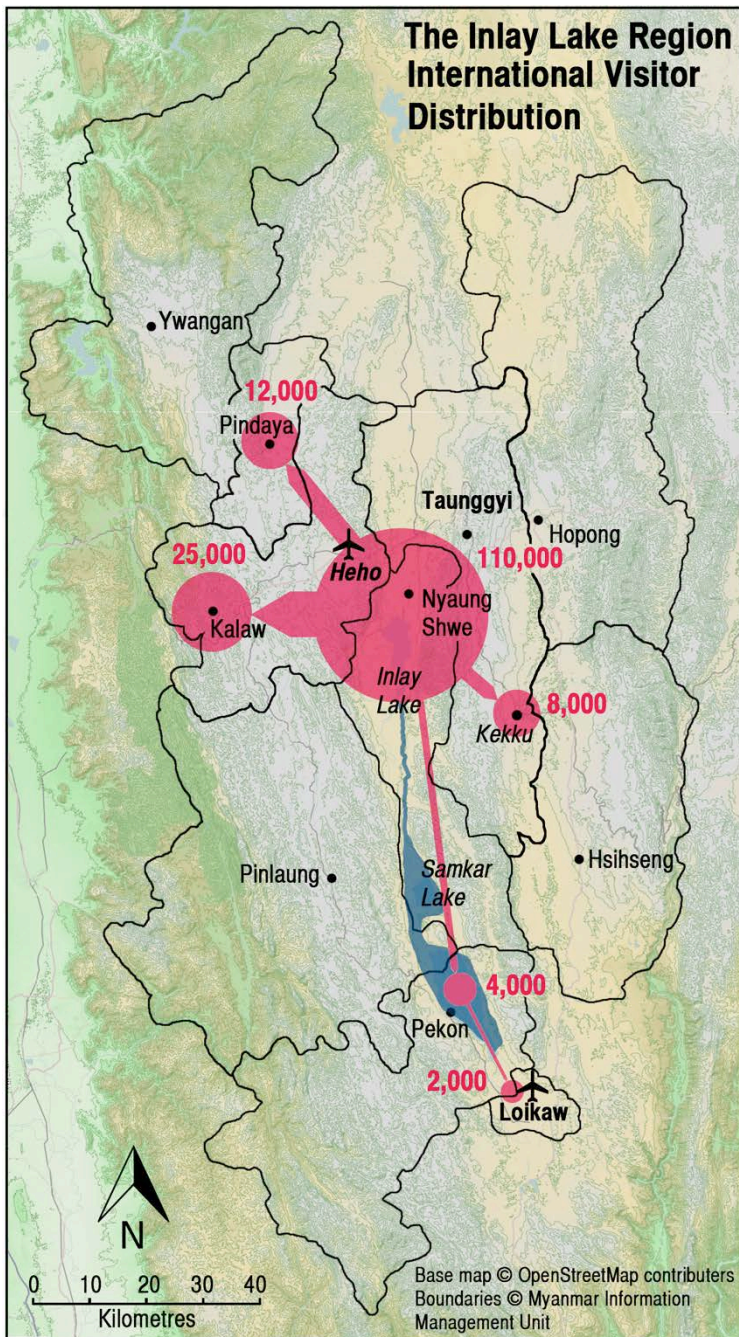
Visitor Distribution within the region is shown in the map opposite: Nyaungshwe and Inlay Lake are clearly the hubs of travel: virtually all international visitors will stay there as part of their itinerary. The next most popular destination is Kalaw.

Data for domestic distribution within the region is not available.

This may suggest that the estimation of a doubling in arrivals over 3 years was overly optimistic: consultations with private sector operators within the region and countrywide confirm that 2012 was a peak year with lesser numbers since: 2012 was also signified by a higher than normal peak season during December and January, where Nyaungshwe was at capacity with tourists resorting to sleeping in monasteries. Actual days where capacity was overloaded may have in reality been few - although remembered.

This may also suggest that the market share of the Inlay Lake Region is decreasing: international arrivals of 110,000 would suggest only 5.3 of all arrivals and 12.2% of air arrivals visited Inlay Lake, a decline from the 17% market share in 2012.

A more conservative estimate of 10% year-on-year growth, international arrivals would be well over 200,000 international visitors by 2020.

Numbers for *domestic* tourism are not reliable enough to estimate volume or develop meaningful trend models. Interviews with private sector suggested that domestic tourists would roughly make up double the number of international tourists.

There are very few long term data sources on visitor numbers, the urgent need to collect reliable statistics needs began with this project to provide data for a more robust forecast.

# 7. Environmental Assessment and Issues

Inlay Lake is under major threat – the lake could become an ecological catastrophe with turbid water, nuisance algae, polluted air, no native water plants, no native fish, very little open water, extensive water hyacinth mats and nuisance snails.

There are already many signs that the balance is tipping towards catastrophe, with rubbish, polluted water and declining ecosystem health.
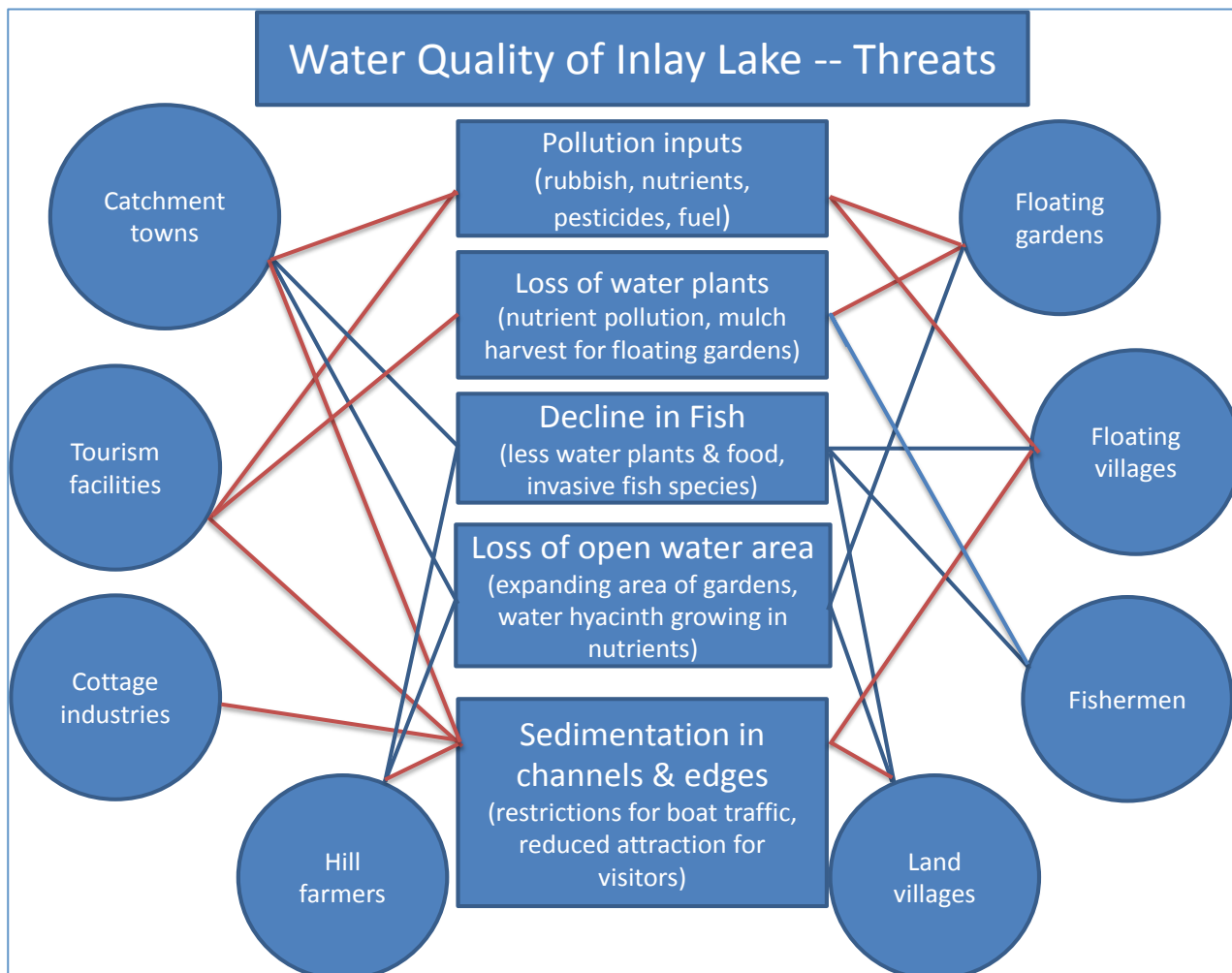


Without a healthy lake, local communities will not thrive and the attraction of the Inlay Lake region as a tourism destination will decline. Action can be taken now to ensure more open water, clean water, clean air, healthy water plants and healthy fish stocks, so that local communities and tourism development will thrive.

## 7.1 Key Environmental Threats

The key threats to the health of Inlay Lake include:

- surface area of open water reducing due to floating gardens
  (32.4% surface area lost from 1936 to 2000)
- over-harvesting of key water plants, leading to native water plant communities and fish stocks declining, and threatening the lake food chain
- bacterial pollution due to poor sanitation (more than 60,000 people live over water on and around the lake)
- shading of water column and lake bed by water hyacinth and floating gardens
- increased nutrient levels in water due to human waste and the use of chemical fertiliser
- increased mobilisation of silt out of deltas into lake littoral zones

- land use changes and forest degradation in erosion 'hotspots' causing sediment flow onto deltas and marshes  (hills only 30% forested, only 6% dense healthy canopies).
- loss of fringing marshes, conversion to floating gardens
- over-fishing of native fish species, including loss of native fish (Nga-Phein)
- disturbance of fish nursery areas and bird feeding zones by fishermen beating the water, boat traffic and noise.
- increasing fish biomass of introduced species, eg *Tilape,* common carp, and danger of hybridisation of native fish species with introduced species
- impacts of increasing boat traffic ( pollution, disturbance, oil and fuel spills).

## 7.2    Opportunities

Expanding tourism offers opportunities for better management of pressures on Inlay Lake.  Tourism products need to support conservation of Inlay region, including:

- keeping native water plant (large '*algae*') communities healthy
- keeping water clear and clean
- increasing area of open surface water
- maintaining native fish and birds
- improving air quality
- supporting livelihoods of local communities
- maintaining and promoting local culture

**The environment of Inlay Lake: Sustainability or Disaster?**
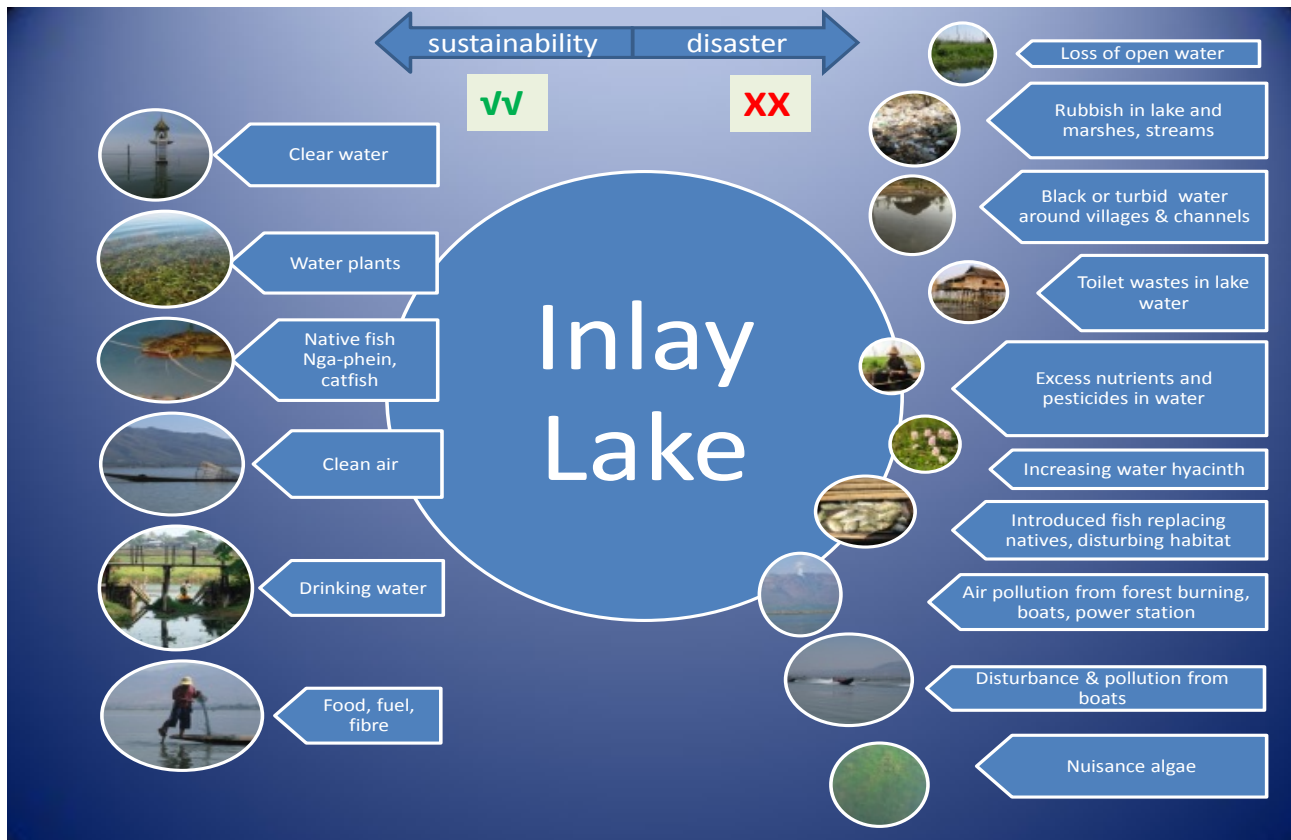
# 8. Key Issues Facing Development of the Regional Tourist Economy

The **biggest assets** to wider area are the **natural environment** and the **cultural heritage of the people** who live here. These are both vulnerable, if they are damaged by rapid, unmanaged increases in tourism and other impacts.

## 8.1 What are the most important issues?

### 8.1.1 Lack of Integrated Planning

**There is no coordinated approach to tourism management for the Inlay Lake Region.** Many different government departments (rightly) cover different aspects of management such as irrigation, forestry, hotel operation, transportation, infrastructure and so on. Also many private sector organisations lack a common promotion forum for their businesses. The proposed Inlay Lake Conservation Authority, supported by a **Destination Management Organisation** would help coordinate such management agencies and work together to promote tourism in the best ways, provide education and training, and encouraging the best business practices.

As the socio-economic benefits from tourism are powerful and tourism development looks attractive, many advocates look at tourism as a remedy for solving the region's development problems. This view is sometimes unrealistic as the benefits may be accompanied by detrimental consequences.

**Integrated planning** can reduce the disadvantages from tourism development and increase the advantages. **Appropriate planning of the physical, legal, promotional, financial, economic, market, management, social and environmental aspects** will help to deliver the benefits of tourism development to a wide variety of tourism stakeholders in the area.

Integrated planning and development will provide the framework for raising the living standard of the people through economic benefits of tourism, will provide recreation facilities for visitors and residents alike and it will ensure the types of developments within visitor centres and resorts are appropriate to the purpose of those areas. Establishing a Destination Management Organisation to coordinate visitor economy related development consistent with the cultural, social and economic philosophy of the government and the people of the host area will optimise visitor satisfaction.

### 8.1.2 Tourism Arrivals and Distribution

**Tourist arrivals are increasing.** This is good as people want to visit the area, however increasing visitors have impacts, such as increased traffic in Nyaungshwe and increased boat traffic on Inlay lake. More hotels are being built in Nyaungshwe to accommodate tourists, however there may be a point when there are too many tourists, so alternative locations for accommodation should be investigated.

**Tourism is focused in only a few areas.** As tourism grows there will be more pressure on these, it may be better to seek ways of spreading the benefits of tourism further throughout the wider region. This will help reduce impacts and increase potential benefits to communities currently not involved with tourism.

**Local communities in the hill areas do not always benefit from tourism**, either directly (for example by working as a tour guide) or indirectly (for example selling food at a better price to a restaurant or by working in hotel maintenance). Some businesses reportedly find it difficult to find trained staff, also many handicrafts are being produced elsewhere. There is a need for vocational tourism training that local communities can access and find employment in tourism.

### 8.1.3 Rubbish management and pollution.

Many people raised issues with rubbish management and how it is creating a negative image of the area. Of biggest concern is the use of plastic (bags and bottles). Ways of reducing the use of these and using environmentally friendly alternatives must be investigated. Increased numbers of tourists and people

living in and around the lake also increases the amount of sewage produced, which can harm both the environment and human health.  Fires in the hill areas also contribute to haze and air pollution and damage catchment habitat. Methods to reduce these impacts must be sought.

**Engine noise from boats** as well as fuel, oil and bilge spillages on the Lakes is a key concern by many.  Using low-cost technology it may be possible to reduce noise, this should be investigated.

### 8.1.4  Medical and emergency
Medical and emergency facilities need upgrading and support needs to be given in risk assessment and incident planning to relevant public and private sector stakeholders.

### 8.1.5  Potential Oversupply of Hotel Rooms
There is a surge of demand during the peak season, with hoteliers reporting 90% occupancy rates.  This has resulted in significant price increases without a corresponding rise in service or standards and a **perception of low value for money** within the accommodation sector.

As a result there is a boom in hotel construction.  Hotel construction throughout the region is in a variety of architectural styles that may or may not be in-keeping with traditional styles of the region.  Inappropriate hotel style may result in an erosion of the heritage and thus regional tourism.

**Oversupply of rooms** may also become an issue as tourism growth stabilises.  An estimated additional 5,000 hotel rooms could potentially become available within the region by 2017.  At time of writing Nyaungshwe Town has up to 20 hotels under construction, with a further 6 large developments in and around the lake shores, excluding those planned within the Inlay Lake Hotel Zone.

### 8.1.6  Lack of Tourism Technical Skills and Lack of Awareness on Sustainability
Various stakeholders consulted (public, private sector, local communities) **requested assistance in capacity building on technical and vocational training**.  This could be complemented by sharing what sustainability means, not only in the tourism private and public sector, but in particular with the local communities.

While some members of the accommodation sector and other local initiatives are doing their best to put sustainability into practice, **most tourism stakeholders show little awareness about the environmental impact of their enterprises**, be it a tour operator, boating business, trekking guide or a small guesthouse. Offering sustainable solutions to the energy shortages (e.g. solar) and the sewage and sanitation system in the fragile lake area (e.g. sustainable toilet systems) can lead an improvement business practices.

## 8.2  Community and Stakeholder Perceptions and Priorities
A key feature of this DMP is the level of consultations that have taken place during research from a variety of methods.  Key community issues and wishes included:

- **Infrastructure** should be upgraded in a way that is not overwhelming with the landscape.  Roads should be improved as to construction type and drainage to ensure all-weather capability.

- **Employment** should be targeted for local people from Shan State and the Inlay Lake Region as a priority, though it was recognised that external expertise may be necessary for strong development.

- Intangible **Cultural Heritage** was recognised as something important to be protected in the Inlay region, with minimising negative impact.

- The region's **Landscape** was considered to be of value, however the need for development to provide services for tourists was recognised. A view for the future included low-rise buildings as opposed to tall buildings and heavy urban development.

- Stakeholders were not unanimous in the types of **New Hotel** design. It was clear that large hotels were not generally considered suitable and that bungalow style hotels would be more fitting. However land ownership issues were a key issue.

- Tangible cultural heritage, specifically **Existing Buildings** were recognised as having some value, however only if such were in good condition and restorable, otherwise they should be replaced with new-builds.

- Appropriate **Activities** for the area focused upon "quiet enjoyment" such as trekking and mountain biking, with issues such as access to hospitals being raised. There was little support for activities such as casinos.

- Managing **Visitor Numbers** sustainably was supported, no stakeholder wished the area to be swamped with visitors, at the same time tourists were recognised to be an important contributor to the economy.

- **Visitor Type** should be targeted at tourists that were both interested in and sensitive to the needs and wishes of local communities.

- A healthy and clean natural **Environment** was seen as very important for the region. This included wastewater management, solid waste management, regulation of forestry activities and a control of burning in the hills.

- A **local model for appropriate homestays** should be developed to ensure more benefits go directly to local communities, these should include guidelines for trekking operators

- **Young people need more knowledge, skills and education across all sectors**, not only guides but feeder industries as well

- **Medical emergencies** need better regional planning, at present some local hospitals feel they are unable to treat foreigners in emergencies

## 8.3    Cultural and Natural Heritage:

**The importance of all forms of heritage is often overlooked and underestimated, especially during times of rapid development and change.** "Heritage" defines who we are and our "sense of place". Heritage that is lost now is difficult to recover in the long term with a potential for society to suffer.

Protection and celebration of tangible and intangible built, cultural and natural heritage throughout a period of change, economic development and rapid exposure to other cultures will be necessary to ensure the long term sustainability of a high-quality tourism product in Inlay Lake Region that competes on quality and cultural integrity. Stakeholders and developers typically do not fully understand such issues, looking simplistically at issues such as income growth more important than the intangibility of heritage.

Many countries during such rapid periods of change loose important parts of combined cultural heritage: buildings that may not be seen as attractive or modern by local developers are lost, prices rise in towns and villages where tourism is focused, with the traditional population being forced out due to price inflation. At the same time communities often lack the entrepreneurial skills required to benefit from tourism. Traditions may be viewed by many as "backward" and are lost within the pace of development.

**Intangible Cultural Heritage:** young people lose their traditions as they are exposed to rapid change. This affects intangible and difficult to measure aspects such as personal and cultural identity, links to land and specific areas (for example the Innthar peoples of Inlay Lake risk a loss of intangible cultural heritage if they do not become equitably involved with tourism growth).

**Tangible Heritage:** buildings and original town plans are lost as they are demolished to make way for new constructions. It is relatively easy to preserve the buildings of a town, but more difficult to preserve the communities that live within a town as property prices rise resulting from tourism related inflation, thus causing outward migration.

**Natural Heritage**: the natural environment is damaged due to increases in tourism numbers that put increased pressures on natural resources (such as water: one tourist typically uses six times the amount of water than a local), and increase in demand for electricity (carbon emissions) as well as space for hotel construction etc. Waste management is a huge issue for both "solid" waste (such as plastics and waste water: specifically sewage).

**Inclusion of community level stakeholders** (that may or may not be involved in tourism) is vital. As tourism grows, many wider benefits may be felt due to phenomena such as the multiplier-effect. However not everyone will and can benefit from tourism: tourism must be part of an overall comprehensive and diverse economic development. Developers and planners must be aware of this.

**Steps must be taken to ensure tangible heritage such as buildings and town plans are conserved throughout the region.** Buildings may be maintained for aesthetic purposes with sensitive change of use to ensure they do not lie empty. Areas with historic buildings must have "conservation plans" developed.

**Traditional communities must be protected and included in tourism development to maintain links to land and urban areas.** It is difficult and challenging to achieve this, for many the temptation to sell property for quick gain is often too great and it is difficult for many to become entrepreneurs and service sector orientated rapidly. Nonetheless the tourism industry must take responsibility to provide training to communities in tourism and ensure communities can be involved directly and indirectly through employment at all levels.

**Local communities must be integrated into tourism value and supply chains.** The tourism industry has a responsibility to ensure that cultures are celebrated sensitively and not exploited, as well as ensuring local products and services are actively engaged equitably.



Figure 12: A girl wearing Thanaka on her face: an unique part of Myanmar's cultural heritage

## 8.4 SWOT Analysis of Inlay Lake Region

A SWOT analysis is a useful tool that helps to summarise internal and external factors that are favourable and unfavourable to an "industry". In this case the "industry" refers to the Inlay Lake Region Visitor Economy:

| Strengths | Weaknesses |
|---|---|
| • Tourism is a priority sector for government<br>• Increasing tourism arrivals<br>• Outstanding natural and cultural heritage values<br>• Excellent food<br>• Friendly and open people, well matched to the needs of a visitor economy<br>• New destinations emerging throughout the region<br>• Good basic infrastructure<br>• Stakeholder commitment to conservation and development | • Serious environmental issues on Inlay Lake and in the surrounding hills<br>• Lack of trained and skilled tourism resources<br>• Insufficient infrastructure, public service, financial systems, mobile and technology support<br>• Weak regulatory environment<br>• Insufficient coordination among key stakeholders<br>• Security issues in some areas (Pa-O, Kayah)<br>• Seasonality |
| **Opportunities** | **Threats** |
| • Accessible by air, strategic location<br>• Robust market demand<br>• Increase in foreign investment<br>• Potential for deepening regional cooperation<br>• Job creation and poverty reduction<br>• Skills and technology transfer<br>• Intercultural exchange | • Negative environmental, socio-cultural and environmental impacts of tourism<br>• Inactivity could result in ecological catastrophe<br>• Speed of liberalisation too fast for sustainability<br>• Socio-cultural: loss of authenticity, loss of traditions, evolution of new values of youth, generation divide<br>• Religious unrest<br>• Inaccurate tourism measurements<br>• Global economic instability, climate change |

## 8.5 Key Issues Facing the Inlay Lake Region:

- **Lack of coordination at the planning and management level of tourism and the visitor economy**

- **Low levels of tourism and visitor economy related Education & Training: a significant competitive disadvantage**

- **Environmental Vulnerability**

- **Poor infrastructure of all types**

- **The challenge of ensuring all of the region's people, especially poorer and disadvantaged minorities have opportunities and life chances to benefit equitably from tourism.**

# 9. Shaping Management of the Destination: Inlay Lake Region Strategic Directions

The Inlay Lake Region is a flagship destination of Myanmar, home to outstanding landscape, cultural and natural heritage values, diverse communities and stunning nature. It is home to an established tourism industry, in some cases dating back to colonial times. It is however a region that is experiencing rapid change both in the visitor economy and culturally as Myanmar develops rapidly developing resulting from recent political changes.

The region is an area with some significant difficulties that face the sustainable development of the visitor economy, as infrastructure, planning authorities and human resources are lacking to ensure development of the destination in a way that is competitive and attractive to visit.

Chapters 9 and 10 highlight key strategies and actions to tackle these issues. Of key importance will be the creation of an **Inlay Lake Region Destination Management Organisation** with the responsibility of coordinating much of the strategies, actions and recommendations contained within this DMP.

It must be recognised that the Inlay Lake Region as a destination competes on the international scale. Steps must be taken to ensure the region develops as a **Competitive and Sustainable Destination** that is a **great place to live, work and visit**. To achieve this, the following factors are critical:

- Local communities must benefit from tourism, both directly and indirectly. Employment must be prioritised for local communities and entrepreneurship must be encouraged and actively supported for people developing visitor economy related enterprises within the region.

- The natural environment must be maintained and repaired where necessary: a productive and sustainable environment is paramount to the sustainability of tourism and indeed the viability of the region.

- The distinct and diverse heritage of the region, the landscape, traditions, ways of life, buildings, religious practices and buildings, handicrafts, food, clothing and so on must not only be protected but actively celebrated.

- The large and diverse range of stakeholders, the Government Ministries and Departments, Civil Society Organisations, Labour Unions, Land Owners, Private Sector Operators, national and International Non-Government Organisations and the International Donor Community must work together.

The Inlay Lake Region is a huge, multi-use area with a diverse agricultural economy, and is the home to over 1.4 million people from diverse backgrounds and cultures. If conscientiously managed the region can indeed be a great place not just to visit, but to live and work as well.

## 9.1 Core Strategic Directions

Tourism in the Inlay Lake Region must celebrate the diverse, vibrant and beautiful cultural heritage landscape and peoples that make this such a unique place to visit. Where possible tourism should be low-impact, targeting a market that appreciates minority cultures and the natural environment, and who wish to play a part in its sustainable development. Tourism should serve to strengthen religious, ethnic and racial tolerance.

**Activities** should be based around low-impact enjoyment, such as boat trips, trekking, heritage tourism and respect for the natural environment and the peoples that make it their home.

**Accommodation** should be in-keeping with the natural beauty and culture of the area and remain in designated zones, being constructed and managed to the highest possible environmental standards.

**Infrastructure** should be appropriately upgraded and managed with a key consideration of reducing carbon impacts: improvements in tourism related infrastructure must bring benefits to local communities.

The region should be marketed as an all-year destination. The regional climate is conducive to tourism throughout the rainy season where the climate is cooler and the landscape greener. Rain is limited to less than two hours per day. Improvements in road infrastructure will need to be upgraded to facilitate this.

## 9.2   Objectives of Tourism in the Inlay Lake Region

All tourism activities taking place within the Inlay Lake Region must:

- Focus on delivering a high quality, high value for money product that encourages great visitor reviews and repeat visits.

- Have minimal negative environmental and social impacts.

- Contribute to strengthening the Inlay Lake Region Brand.

- Generate greater economic benefits for people living within the region and enhance the well-being of communities, improving working conditions and access to the tourism industry.

- Involve all communities living within the Inlay Lake Region in decisions that affect their lives and life chances.

- Make positive contributions to the conservation of natural and cultural heritage.

- Provide more enjoyable experiences for tourists through more meaningful connections with local people, and create a greater understanding of local cultural, social and environmental issues.

- Be culturally sensitive, engender respect between tourists and hosts, and build local pride and confidence.

## 9.3   Key Target Markets: Current and Proposed Targets

The global tourism industry is, as always, changing. Key to sound destination management is the understanding of the actual and potential markets for a destination, and how these inevitably change over time.

Currently significant markets include European, North American, Japanese and Australasian. These markets may grow or remain stable within the lifetime of this DMP, however bulk markets will most likely see the rise of neighbouring markets develop.

The region is on the doorstep of the world's largest and fastest growing outbound tourism markets: the neighbouring ASEAN countries, China and India. In the long term these will be the largest potential markets in terms of volume. These markets are changing in dynamics. Initially lead by budget high volume package tours, such markets will inevitable become more demanding and dynamic, seeking "authentic" experiences at good value.

Not to be underestimated is the domestic market, which is currently going through rapid changes. Myanmar people from all over the country are beginning to travel for leisure as the economy improves and

an increasing number of people experience disposable incomes and time to travel. The mainstay of domestic tourism, religious pilgrimage is also growing. Improved infrastructure including roads and bus services have facilitated this. It is important to mention that in uncertain times the domestic tourism is more reliable as it is not affected by issues such as air travel issues, international terrorism or recession in other parts of the world.

| International | Domestic |
| --- | --- |
| *Primary* <br><br> *Western Pre-Booked (package tour) visitors, on "cultural" visits that include tours countrywide, mid to high standard.* <br><br> *Higher budget Free Independent Travellers that use online booking engines and source their own transport upon arrival, occasionally using the services of guides.* <br><br> *Lower budget Free Independent Travellers, the "backpackers" who come specifically to trek, and make up a significant part of the market: A rapidly developing region of origin is China.* <br><br> *Eastern Pre-Booked (package tour) visitors, from South East Asia and China: a large volume, lower value market but will be the reality of the region's growth.* | *Primary* <br><br> *Increasingly "upwardly mobile" visitors from cities, who are beginning to explore their country, and willing to spend money to do so.* <br><br> *Religious pilgrims are owners of their country's heritage and must be catered for even if their economic contribution is minimal. Access to religious sites must be guaranteed.* <br><br> *Business travellers, particularly to Taunggyi.* |
| *Secondary* <br><br> *Special Interest Visitors, such as bird watchers, rail enthusiasts, anthropologists and so on.* <br><br> *Increasing numbers of NGO/Development agency workers and specialists.* | *Secondary* <br><br> *Day visitors moving about the region for recreational, leisure and religious purposes.* <br><br> *School and other educational groups from around the country.* |

People are changing in the way they travel. More people now travel independently or through the use of online travel agencies. The rise of social media has seen websites such as Tripadvisor grow, and with sites such as Facebook "word of mouth" has taken on a different meaning.

## 9.4 Tourism Growth Scenarios

For the Inlay Lake Region and indeed Myanmar it is difficult to use historic trend data to predict future markets as the fundamental nature of the industry altered due to political changes in 2011 and the country's shift to democracy. Much of the current tourism development is taking place on the very likely assumption that tourism will increase and is thus to an extent speculative. Due to the low numbers involved, tourism *will* increase, the Inlay Lake Region is fortunate in having an opportunity to shape this change and attract visitors that will appreciate its fundamental assets and uniqueness.

**Chart 9.4 Simple Growth: Year-on-Year % Increases for Domestic International Arrivals with Logarthmic Trendlines**
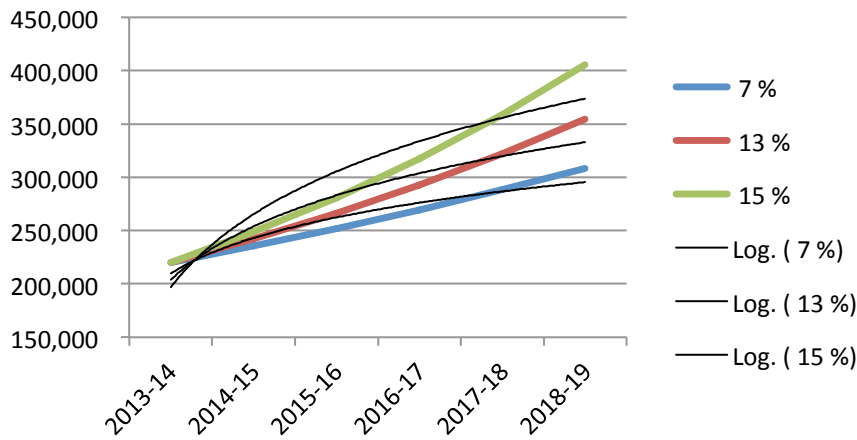
Chart 9.4 displays 3 potential growth scenarios.

Using simple growth extrapolations based on the latest July 2013 to June 2014 international registered hotel arrival figure of 110,000 (and using the assumption of a 1:1 ration of international to domestic arrivals) the following may be estimated as growth scenarios for the following 5 year period until 2019.

| Rounded Growth Scenarios for 2018-19 Season | | | | | | |
|---|---|---|---|---|---|---|
| | **7% Growth** | | **13% Growth** | | **15% Growth** | |
| | **Total** | **Int./Dom** | **Total** | **Int./Dom** | **Total** | **Int./Dom** |
| Year on Year Growth | 305,000 | 152,500 | 350,000 | 175,000 | 400,000 | 200,000 |
| Logarithmic Trendline | 300,000 | 150,000 | 335,000 | 167,500 | 375,000 | 187,500 |

The 3 scenarios are conservative estimates of 7% year on year growth, 13% as suggested nationally within the Myanmar Tourism Master Plan and a top end of 15% year on year growth. Logarithmic trendlines have been added as these allow for stabilization of growth over the period. It must be emphasised this is for both **domestic and international arrivals**, under the **assumption** that domestic arrivals roughly double international. The reality is that more reliable data is not available.

It will be very **important to review these figures** annually as more data is gathered. Growth and under capacity during the 2012-13 season was anecdotally a "surge year", normal in the effective re-opening of "closed" destinations. A specific action is described with this DMP to address data collection.

### 9.5 Room Capacity

Room capacity is a much discussed concern. The Chart 9.5 is a simple representation of room occupancy over projected increases in the number of rooms available, total potential room nights and a calculation of



**Chart 9.5 Room Capacity Growth Compared to Growth Scenarios**
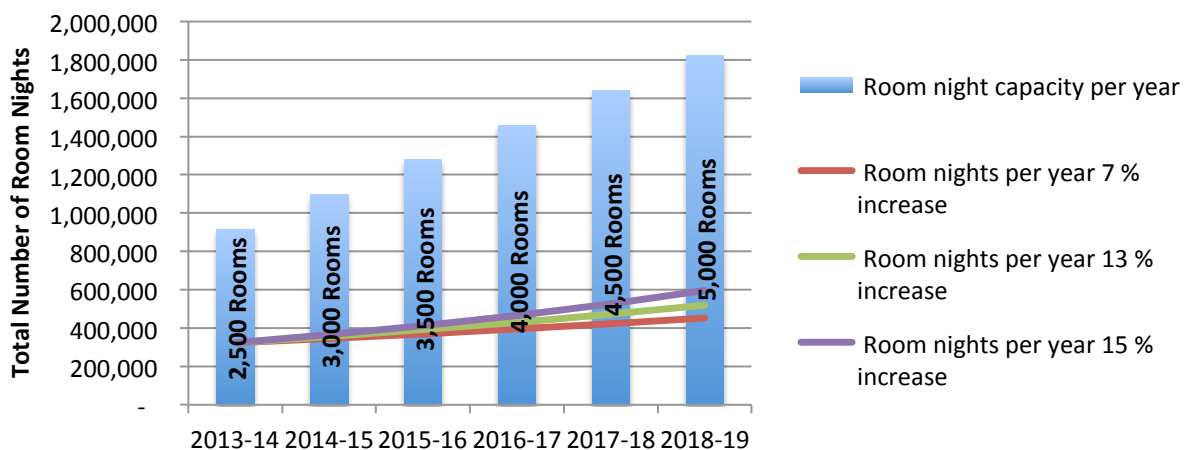
total current and projected number of actual visitor room nights (based on an estimated average stay of 2.5 nights with a room occupancy average of 1.7 people per room). In percentage occupancy terms currently this equates to a maximum 35% room occupancy rate. The reality is of course that tourism is seasonal and of course this does not reflect room quality or standard.

With the same scenario, capacity at any one time would be:

| Number of rooms | 2,500 | 3,000 | 3,500 | 4,000 | 4,500 | 5,000 |
|---|---|---|---|---|---|---|
| Capacity | 4,250 | 5,100 | 5,950 | 6,800 | 7,650 | 8,500 |

Room capacity obviously must be higher than average occupancy rates to cope with seasonal demands, thus the recommendation to market a reorientation of the Inlay Lake Region to an all year destination.



Figure 13: A Hotel under construction in Nyaungshwe



Figure 14: A Nyaungshwe Heritage Building



Figure 15: The Cassiopeia Hotel in Nyaungshwe. Very different architecture styles are employed, and there are no current regulations as to style.

# 10. Proposed Strategies and Actions

The Destination Management approach is through a set of intervention strategies. 9 strategies are presented, key to successful implementation will be the establishment of a **Destination Management Organisation,** as highlighted in Strategy 1. Strategies are arranged in broad themes, however they are complementary to each other and some rely on others for implementation.

Each strategy is divided into a number of actions: these range from strategic management level to more focused local interventions. Again many actions are complementary to each other within the same strategy, as well as others. Implementation of such actions will depend upon relevant agencies, however overall coordination would ideally be made through the proposed DMO. Most actions will require allocation of financial and labour resources, where possible sources are highlighted, however it is expected that donor funding will play a significant part, including for private sector support and coordination.

For all strategies it is important to emphasise they are not static and must be constantly reviewed and changed. Myanmar and the Inlay Lake Region are developing rapidly, and things do change: what may be relevant now may become irrelevant in a year or two for a variety of reasons. Strategies must be therefore viewed as somewhat "fluid" and should be reviewed periodically, at the end of each year - or sooner if the situation is necessary.

The reality of the region is that infrastructure is poor and lacking many services, infrastructure and facilities of comparable destinations. Myanmar is designated by the United Nations as a Least Developed Country and thus lacks significant government funds to pay for activities. Implementation capacity is low, as is coordination between agencies. Many of the strategies involve feasibility studies and outlines to develop further plans. The sustainable and equitable development and management of the region will not be easy and many challenges lie ahead. Nonetheless such strategies will be needed inevitably: some with more urgency than others. Myanmar is in a favourable position over the next few years as a donor recipient: these strategies are designed to maximise this opportunity, as well as to focus donors and development organisations.

All actions relating to community involvement must take place at appropriate times in the community calendar (not during busy harvest seasons for example) and be participatory in nature. Time will be needed to develop trust in communities and great thought must be put into any per-diem or payment for training attendance.

Competency based trainings should be considered where appropriate, with locally appropriate vocational assessment. This can give trainees targets to work towards and can be more effective that certificate of attendance based training. Likewise care must be taken in selecting appropriate candidates for trainings, as well as suitable organisations to develop and deliver curricula to best practice.

Strategies and actions have been endorsed by the Project Advisory Committee in Nay Pyi Taw on 1st September 2014, and by Regional Stakeholders in a Consultation Workshop in Taunggyi on 2nd September. Strategies are presented in order of priority as discussed in these meetings and discussions.

Chapter 11 provides a simple prioritisation framework and suggested lead/involved parties for each strategy and action.

Some recommendations involve introducing new technologies or infrastructure. Care must be taken during any implementation to ensure community or individual ownership: this may involve encouraging community members to purchase equipment (such as fuel efficient stoves, for example) as opposed to receiving them free. This increases the likelihood of long term success of such initiatives through increased stakeholder ownership.

## 10.1 Strategy 1: Planning, Management, Sustainable Development & Heritage Conservation

The Inlay Lake Region is a flagship destination of Myanmar, but is lacking in overall coordination and management at destination level. Achieving solid destination management of the region's visitor economy development will be vital in ensuring a vibrant, sustainably managed and competitive destination.

**Objectives:**

To ensure the Inlay Lake Region is managed sustainably where tourism benefits the local population, heritage values are celebrated and is a model for Destination Management throughout Myanmar.

### 10.1.1 Set up a Destination Management Organisation

Fundamental to the sustainable development of the Inlay Lake Region will be the creation of a Destination Management Organisation (DMO).

All major, well managed destinations globally benefit from some type of DMO, and there are many types available ranging from Unitary Planning Authorities taking full responsibility for all aspects of management to Chamber of Commerce style organisations that provide a coordination role. The type of DMO appropriate and suitable for the context of Myanmar and the Inlay Lake Region must be discussed thoroughly by stakeholders. A separate document: **Options for a Destination Management Organisation for The Inlay Lake Region** provides suggestions for the structure, funding and functions for a DMO. The DMO need not be a large organisation or another layer of government: this runs the risk of repeating functions of other planning authorities and being unresponsive to private sector demands. Often smaller, "lightweight" DMOs that focus on coordination of activities and act as a stakeholder forum are most successful.

A DMO would require a comprehensive and detailed training and development plan for staff. It would likely be set up as a project with donor funding as seed money before being sustainably financed operationally.

Whatever the final structure, a DMO should coordinate the different agencies involved with tourism management, for example Hotels, Transport Infrastructure, Tourism Businesses and so on, to provide input into strategic management. It should also provide regional promotion and marketing, tourism guidelines, a focus for training and development and business support. A DMO would be responsible for coordinating the implementation of strategies and actions within this plan.

### 10.1.2 Manage tourism based upon tourism zones



Example Tourism Zonation: All zones to be discussed further, Biodiversity Zone not marked

Legend:
- Urban (red)
- Hotel (yellow)
- General (dark green)
- Water (blue)
- Biodiversity
- Emerging (light green)

Base map © OpenStreetMap contributors
Boundaries © Myanmar Information Management Unit
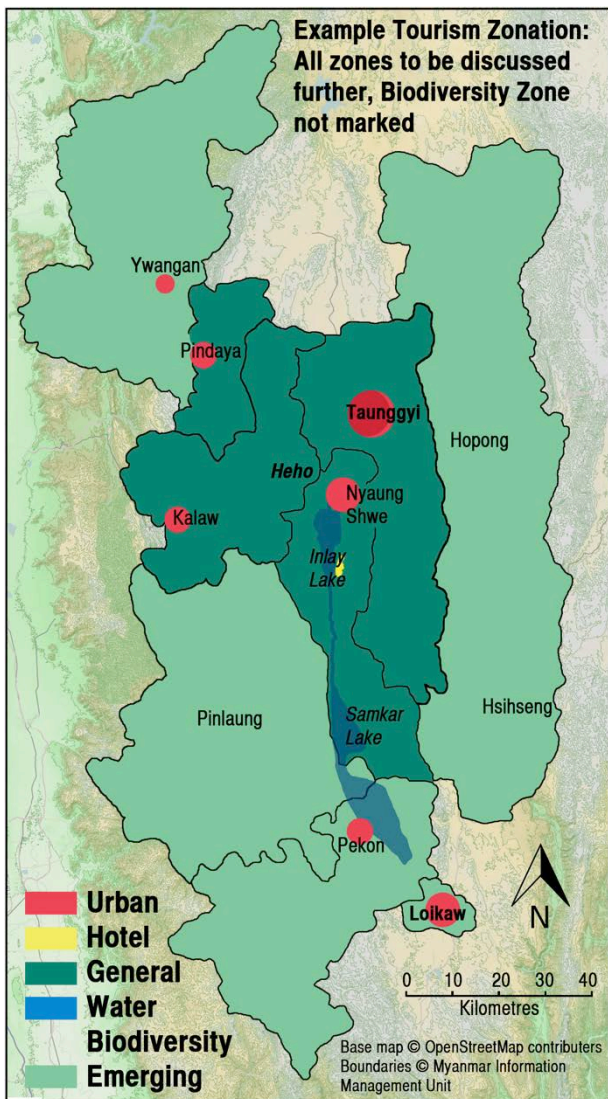
The Inlay Lake Region is diverse and sometimes complex both geographically and ethnically. It represents many hundreds of years of culture and unique human-landscape interaction. Tourism has the potential to bring rapid change, one method of managing such complex regions is through planning zonation: Overall development guidelines are provided for geographical areas, which should change over time.

Zonation has been expressed by many stakeholders as a suitable method for managing tourism in the region, and as such, this action provides a baseline for discussion on developing a detailed zonation plan for the region.

Suggested zonation is presented below as an example for discussion within this DMP context. Full zonation will require further consultation and more detailed mapping than is possible under this DMP. Zonation demarcation, policies and guidelines are complex: these should be discussed regularly and supportive of the actions within this DMP and related policies.

Comprehensive zonation will require detailed mapping work and elaboration of guidelines under each zone, and incorporation into legal guidelines for management. This could be the first task undertaken by a DMO.

| Zone and Regulation | Typical Permitted Options |
|---|---|
| **Urban Zones**<br><br>Based around the existing urban centres. New constructions must take place subject to strict regulations and heritage management. Zones to remain primarily for the benefit of local populations, and should be monitored to ensure tourism does not negatively impact daily life. | *General tourism support services including:*<br><br>• Hotels<br>• Retail Outlets<br>• Visitor Centers<br>• Guesthouses<br>• Cafés, Restaurants and Bars<br>• Tour Operators and services |
| **Inlay Lake Hotel Zone**<br><br>All new buildings to meet stringent environmental protection measures, designs to be aesthetically appropriate to the landscape. | *Specifically related to the Inlay Lake Hotel Zone:*<br><br>• Large Hotels<br>• Resorts<br>• Cafés, Restaurants and Bars<br>• Large Retail Outlets |
| **General Tourism Zone**<br><br>Tourism is managed to maintain the cultural and natural heritage integrity of the area, all new structures must be in-keeping with the | *For those who wish to explore and understand the Inlay Lake Region's landscape and cultures:*<br><br>• Free access to explore by visitors on designated routes<br>• Trekking and mountain biking on designated routes to agreed |

| Zone and Regulation | Typical Permitted Options |
|---|---|
| landscape and traditional building style, all activities must be deemed appropriate for the Inlay Lake Region, matching branding and core strategic directions of the Destination Management Plan. Local communities must be the prime beneficiaries of tourism and supported as such. | guidelines and standards<br>• Exploration by vehicle on designated roads to heritage sites and attractions<br>• Special activities (by permit only), including rock climbing in non-sensitive areas: new activities subject to approval<br>• Visits to villages, farms and community infrastructure.<br>• All new buildings, activities and infrastructure to be in-keeping with the aesthetics of the Inlay Lake Region |
| **Water Zone**<br><br>Tourism is managed for the safety of visitors, environmental protection of lakes and watercourses, and the cultural well-being and inclusion of the local population. | *For those who wish to explore and understand the culture and environment of Inlay and Samkar Lakes:*<br><br>• Tourist Boat Trips<br>• Existing Accommodation and Restaurant Facilities<br>• New tourism businesses to be related to local villages and subject to detailed approval<br>• Limitation of boat power and noise<br>• Sub-divided into no-wake zones and quiet engine-running zones around villages, hotels and conservation areas. |
| **Biodiversity Conservation Zone**<br><br>For specific designated biodiversity conservation areas throughout the region. | *For those who wish to explore and understand the biodiversity of the Inlay Lake Region:*<br><br>• General wildlife watching<br>• Visitation using minimal noise and disturbance<br>• This zone may include prohibited zones for tourism to specifically allow for biodiversity recovery and conservation |
| **Emerging Zones**<br><br>Areas where currently no tourism activities take place and as such are more vulnerable as populations have little understanding or engagement with tourism or outside cultures. | *For areas where there are either no current tourism activities or limited potential for activities:*<br><br>• Tourists can only visit in the company of appropriately trained guides and authorities<br>• New tourism activities must be discussed fully in a way local communities can understand<br>• All activities must celebrate local culture and be in-keeping with the landscape, and designed specifically to be low-impact and to benefit the host population |

### 10.1.3  Management Plan for Nyaungshwe

Tourism related development is rapidly changing the fabric of the main tourism service towns in the region, specifically for Nyaungshwe and Kalaw and this may also take place in Pindaya and Loikaw as the situation improves and tourist numbers increase.

Nyaungshwe as the region's main tourism hub and service town has seen rapid hotel and restaurant development since 2012, with over 20 new hotel constructions and numerous other renovations.

Nyaungshwe is also Inlay Lake's commercial service town, where the lake's main tomato and fish products are landed, packaged and sold on. It will be important to manage the balance and the need between tourism and commercial requirements.

Currently there is no architectural style or regulations concerning aesthetics in place: some recent constructions include styles from around the world. All of these remove some of the charm of the region. Likewise the demand for building plots has put the local Shan architecture and housing under threat, as is the town's colonial architecture.

Nyaungshwe is also becoming saturated with tourists, especially during the high season. The town has few sidewalks and has no effective traffic management systems: tour buses block the narrow streets and the port area becomes congested with the mix of tourism and commercial traffic.

A detailed management plan for the town is urgently needed, and should be conducted by a team consisting of town planner, architect, heritage professional and tourism management specialist. In addition to existing rules and regulations a management plan should address:

- Pedestrianisation of the tourist boat quay and introducing a counting system for departing tourists.

- Restricting tourist bus traffic out of town and developing options for transfer by rickshaw, tuk tuk or walking route, with luggage transfer by handcart or similar (depending upon location).

- Re-routing of commercial traffic away from the tourist boat quay.

- Developing improved sidewalks throughout the town.

- Managing traffic flows where deemed appropriate, this may include one-way streets to increase areas of sidewalk available, and limiting delivery times of commercial traffic.

- Designating "Heritage Buildings" to selected historic properties throughout the town, providing local bylaw protection against their demolishment. Change of ownership for such buildings must be on the condition of renovation: change of use should be encouraged wherever possible, such as renovating art-deco warehouses for hotels, galleries or restaurants. Funding options to support this should be investigated.

- A maximum hotel density for the town. Where possible new hotels should focus on renovation of existing plots.

- Introducing an architectural style for the town to ensure new and renovated hotels are in-keeping with the Inlay Lake Region image, traditional architectural values where possible, appropriate height restrictions and so on.

- Introduce strict environmental guidelines for energy usage, water consumption, wastewater management and solid waste management.

- A long term plan should investigate centralised sewage management and waste treatment systems.

Responsibility for implementation of the plan would ultimately be the Nyaungshwe Township Development Committee (which would require training and development support in Town Planning). A review process would be required to assess the suitability of new buildings and development. This would likely be a function of a Destination Management Organisation.


### 10.1.4  Management Plan for Kalaw

The once colonial "hill station" of Kalaw is a key attraction of the region and the secondary hub as the focus of the trekking industry. Much in the way of Nyaungshwe, Kalaw is developing and changing rapidly with the growth of the tourism industry. Kalaw is home to a high number of colonial heritage buildings and infrastructure, as well as colonial-era hotels, and heritage religious structures. It is also on the Thazi to Shwenyaung rail line, constructed in the early 20th century. This infrastructure and architecture is at risk of being lost with the pace of development.

A detailed management plan for Kalaw Town is urgently needed, and should be conducted by a team consisting of town planner, architect, heritage professional and tourism management specialist. The geographical area should include the external environments of the town that include the "heritage" hotels. In addition to existing rules and regulations a management plan should address:

- Improving bus arrival/departure facilities with a shelter and information

- Designating "Heritage Buildings" to selected historic properties throughout the town, providing local bylaw protection against their demolishment. Change of ownership for such buildings must be on the condition of renovation: change of use should be encouraged wherever possible, such as renovating art-deco warehouses for hotels, galleries or restaurants. This should also include the heritage hotels outside of the main town. Funding options to support this should be investigated.

- Improving the Kalaw Railway Station buildings and infrastructure.

- A maximum hotel density for the town. Where possible new hotels should focus on renovation of existing plots, especially heritage buildings.

- Introducing an architectural style for the town to ensure new and renovated hotels are in-keeping with the Inlay Lake Region image, traditional architectural values where possible, appropriate height restrictions and so on.

- Introduce strict environmental guidelines for energy usage, water consumption, wastewater management and solid waste management.

- A long term plan should investigate centralised sewage management and waste treatment systems.

Responsibility for implementation of the plan would ultimately be the Kalaw Township Committee (which would require training and development support in Town Planning). A review process would be required to assess the suitability of new buildings and development. This would likely be a function of a Destination Management Organisation.


### 10.1.5  Set-up System to Forecast Tourism Growth & Overhaul of the Inlay Zone Entrance Fee

Current visitor recording systems require improvement in order to be able to record accurate statistics on growth and movement behaviour within the region. The key issue is data collection: systems need to be put in place that record accurate data with regard to tourism arrivals and length of stay.

The current system of entrance ticket collection at point of entry in Nyaungshwe and Indien is inadequate for recording tourism arrivals and is open to corruption: currently tickets are sold at these locations to international visitors only, and there is no requirement for checking of tickets throughout the Zone Area. The ticket system could and should be overhauled to extract number and movement data from visitors as follows:

- All tourists whether domestic or international who wish to travel on Inlay Lake must purchase a ticket (the assumption is all visitors to Nyaungshwe will take a trip on Inlay Lake). Using a dual pricing system, internationals would pay the existing US$10/10,000 Kyats with domestic visitors paying an administrative charge of 500 Kyats. The ticket would be valid for a period of 7 days after purchase. Sales of the ticket could be as is done presently via the sales booths at the entrance of Nyaungshwe and Indien port. Ticket sales would be recorded as normal.

- Tickets must be checked at point of entry to Inlay Lake (the boat quay) by an agency separate from the ticket sales. Tickets should be "validated" by removal of a perforated section which can be

counted at the end of a working day.  Visitors that lose their tickets may purchase new ones at point of entry or possibly hotels.

- Ticket sales and ticket entries should be tallied at the end of each month by each agency and submitted to the DMO.

This system should improve accuracy of lake visits by having two independent organisations involved in ticket sales, and include domestic visitors.  Local residents would be exempt from ticket purchase.

The simplest type of ticket would be printed paper, recorded manually at point of sale and entry.  Ticket design would have perforated portions that can be removed and kept for counting at the end of a ticket collector's working shift.  Technologically advanced ticketing is commercially available, where data is recorded with the use of scanners and smart tickets.  However given lack of electrical power in the region this may be too complicated for the region at present.

Options would be available to develop the ticket system further, such as an attraction based ticket: the ticket could have a range of attractions as perforated tabs.

At point of entry an information pack should be included with ticket purchase, this should include the map/booklet suggested in 10.4.5, as well as a locally woven bag see 10.7.8.

Cost of implementing such a system would be relatively small, with key costs being printing of improved tickets and hiring a limited number of ticket validator staff at entrance points, and a responsible designated data collector.  Any agreements with the existing ticket selling franchisee may need renegotiation.

In addition to ticket overhaul, a system of recording tourism data should be implemented throughout the region.  A simple format should be developed that records:

- Total number of visitors
- Domestic/international
- Place of origin/abode
- Age group
- Length and place of stay in the Inlay Lake Region.

This basic data is vital to compile accurate and robust tourism forecasting and monitoring tourist profiles and movement within the region.

The Tourism Survey undertaken as part of the development of this DMP should be repeated annually to monitor changes in tourist perceptions, preferences and motivations over time.

The DMO would have ultimate responsibility for tallying results and incorporating them into this plan for the monitoring of numbers visiting Inlay Lake.  This data can be used to develop accurate visitor recording over time series and be used for long term monitoring and forecasting.  A DMO would require a data management and tourism forecasting training programme as part of wider capacity development.


**10.1.6  System to Review Tourism Investment and Proposals**
A system to review for new tourism activities, investments and proposals is required.  In addition to the guidelines set within this plan, all new investments must adhere to the Myanmar Responsible Tourism Strategy and the Myanmar Community Involvement in Tourism Policy.  This should include comprehensive Environmental Impact Assessment where appropriate, and linked to the new upcoming Environmental

Impact Assessment Procedures currently being developed by MoECAF under the Myanmar Environmental Conservation Law.

This would be a key function of a DMO to coordinate a review committee comprising respected regional stakeholders, and link to community consultations as highlighted in Strategy 6.

### 10.1.7 Heritage Site-Specific Management Plans

The Inlay Lake Region is comprised of a significant number of heritage sites that combined make this one of Myanmar's most unique, diverse and attractive destinations. Currently there are no or limited tourism management plans for these heritage sites, which are thus at the risk of damage from tourism. Sites prioritised for management plans include:

- Pindaya Caves
- Kekku Pagoda Complex
- Indien Pagoda Complex (issues include debate over restoration or ruin consolidation)
- Samkar Pagoda Complex (suffering from water damage to foundations)

This list is not comprehensive: there are many smaller heritage sites including waterfalls, lakes, small religious sites, colonial heritage buildings and so on that would benefit from management.

Management Plans Should Address:

- Visitor flow management
- Visitor access
- Parking and vehicle management
- Concession (i.e. food stall and souvenir shop) management and financing
- Gathering of visitor data
- Infrastructure plan (such as access footpaths, bridges etc)
- Waste and sanitation management
- Site security
- Maintenance planning
- Restoration advice and planning
- Interpretation and site explanations
- Sustainable financing options

It is recommended that a **Heritage Site Management Team** conduct detailed site assessments across the region, initially working with site managers at the Pindaya Caves, Kekku, Indien and Samkar Pagoda sites to create site specific management plans.

### 10.1.8 Visitor Management support to Religious Sites and Buildings

Inlay Lake Region's diverse range of religious structures include working monasteries, pagodas, payas, mosques and churches and other sites, each integral to the area's diverse cultural heritage. This plan should not impose management structures over religious heritage, but should seek to support it where possible and required.

Religious buildings and sites make up one of the region's key tourism assets and are under the responsibility of the appropriate religious authority and the Ministry of Culture for their management and maintenance.  Many visitors to such sites are visiting for religious reasons, others are not.  Such sites would benefit from visitor management expertise.

A system to support visitor management at religious sites should be investigated and implemented upon the wish of existing management authorities.  The initial step would be to contact each site and discuss with management the visitor management issues they face, and what type of support would be required.  When this is understood a system of support can be designed.  This should be linked to Action 10.1.7.


**10.1.9   Development of Sustainable Management Practice in Tourism Developments**
Sustainable development is a key theme of this DMP.  Currently many of the existing tourism properties and those planned for future development have minimal environmental mitigation features.  These need to be factored in to new developments.  "Green Audits" of businesses are commonly available that conduct assessments of existing businesses and properties to reduce environmental impacts.  Likewise guidelines for new buildings exist.

Guidelines should be developed that include a code of practice for hotels, businesses and public facilities for the following:

**New Building Design**
- Incorporate low-energy designs, such as use of low-energy and low-water use technologies and natural ventilation systems.

- Use solar water heating and solar electricity panels.

- Use smart design to orientate building as best as possible to deal with over-heating from sun.

**Electricity Usage**
- Use fixtures and fittings that minimise electricity use.

- Inform visitors of Myanmar's electricity shortage crisis.

- Ensure unused systems in hotel rooms, such as room fridges and extra lighting are switched off when not in use.

- Minimise use of generators where possible.

**Water Resources**
- Internal water efficiency programs and water-saving technology in rooms, facilities and attractions.

- Encouraging minimal use of detergents in tourism businesses and investigating "environmentally friendly" alternatives.

- Recycling of grey water should be included, and rainwater harvesting systems encouraged.

- Each facility should have tertiary treatment of black water, and wetland treatment of any water being discharge back to the lake or watershed streams.

**Cooking Fuel**
- Minimise the use of fuel wood and use gas where possible.

It is proposed that an **Environmental Auditing Team** conduct an energy and water use audit of hotels and restaurants in the regions, and develop practical, region specific solutions to operators. Environmentally smart technologies must be built into new properties, and guidelines should be developed for this. This could be part of a "Green Inlay" campaign where best operators are awarded for their environmental efforts.

### 10.1.10 Support to Operate the Inlay Lake Hotel Zone Within Existing Legal Framework

The Inlay Lake Hotel Zone is an ambitious project aimed at solving the needs of future development of the hotel sector for the long term. Design of the hotel zone has included various environmental and social safeguards: resources should be allocated to support the sustainable development and management of the hotel zone to fulfil its regulations and guidelines.

The DMO should liaise with the Inlay Lake Hotel Zone Coordination Committee to provide support and advice, and target support from the international level. If required a specific **Inlay Lake Hotel Zone Support Project** could be designed.

Key areas of support should include:

- Involving local communities in the zone through employment and training support for hotels and maintenance.

- Developing a regionally appropriate architectural design brief and guidelines.

- Developing any compensation systems to international standard.

- Designing systems to ensure water and electricity supply includes capacity for additional supply to nearby villages.

- Designing sanitation systems and tertiary waste treatment process ending in wetland filtration stage, water clean enough for irrigation or return to lake.

- Designing a waste management to incorporate organic recycling (products returned to nearby farmers), recycling of containers, landfill and incineration with additional capacity for local floating villages without sufficient suitable land (including cremation service).

- Designing landscaping to promote local native plants, protect against erosion, plant profitable boundaries with species available for food, fibre, fuel use by hotels and adjacent villages.

### 10.1.11 Boat Traffic Management Plan

Boats are a key feature of the Inlay Lake experience, however boat traffic is growing rapidly (with over 4,000 boat movements per day in the Namlet channel serving Nyaungshwe) and requires improved management for a world-class destination. Current technology is old, polluting and noisy. Boat drivers are poorly paid and trained, often relying on commissions from souvenir shops and restaurants to supplement daily incomes of 2,000 Kyats.

Boat construction remains an on-lake industry which should be preserved. However the demand for wood will increase with boat operations, therefore options to source sustainable managed wood should be sought.

Other boat related issues to be tackled include:

- Separation zones on lake (maintain no-motor zone in Wildlife Reserve Core Zone), designate boat corridors to reduce disturbance to wildlife and local traffic, designate quiet areas for a bird watching zone

- Fuel, oil and bilge management procedures and facilities should be developed at port locations to ensure minimal spillage and related pollution

- An investigation into upgrading boat engines should be carried out, the specification being:

    o Same HP output

    o Reduced Noise either from exhaust mufflers or intake bafflers

    o Improved engine type at same cost and maintenance requirements

    o Near-silent engine motor options

    o Alternative technology engines

- Boat speed limits should be encouraged in villages and near conservation areas (no-wake zones)

- Boat drivers to receive training on best practice operating procedures, including safety, emergency procedures, basic language and environmental mitigation.

- Encourage operators to turn off motor and allow passengers to enjoy a quiet moment

Authorities should also consider developing an Inlay Lake rescue service. The DMO should oversee this action with relevant water transport authorities.



Figure 16: Busy (and noisy) boat traffic on Inlay Lake

## 10.2  Strategy 2: Infrastructure Development

Tourism, the visitor economy and local communities all require significant improvements in the present level of infrastructure in order to sustainably develop the Inlay Lake Region as a world class destination. Current infrastructure is poor and in many cases inadequate compared to similar destinations: developing the infrastructure of the Inlay Lake Region is a significant challenge.

Infrastructure development is a long term requirement, requiring allocation of significant financial resources.  Development of power stations typically may take up to ten years from conception to first production of electricity, and thus there will be a time lag for such infrastructure to be developed and come on-line.  This does however, allow for the early implementation of climate-friendly technologies and to reduce consumption requirements from enterprise.

### Objectives

To sustainably develop and manage the Inlay Lake Region's infrastructure maximising the use of low-carbon technologies whilst providing excellent services to the regions businesses and communities.

### 10.2.1  Create a Detailed Inlay Regional Transport Plan

A detailed integrated transport and infrastructure upgrade plan is required for the region.  The following actions highlight the key components that should be included:

#### Road

The region's road network is currently being upgraded as a priority.  Most trunk routes are sealed, with upgrade programmes on the main lakeshore road surrounding Inlay Lake.  Throughout the region numerous road developments are taking place in the hill areas, linking isolated communities.  Most of the rural network is unsealed, hard-pack road.

Technology is limited in construction: roads are mostly hand built with labour from outside the region, however many rural roads are built using village labour.  Salaries for road constructors are low and conditions difficult: most live in roadside camps during construction.

Most roads have minimal foundations, lack drainage, have minimal use of concrete, metal reinforcement and bitumen, and are in general poorly constructed with minimal safety features.  This results in poor ride quality, longer travel times and frequent washouts during bad weather.  Roads therefore require significant amount of maintenance.

Feasibility studies should be conducted into improving the quality of road construction to improve ride quality, durability and strength.

#### Rail

The region is unusually well covered by a rail network, linking Kalaw, Heho, Shwenyaung (12km from Nyaungshwe), potentially Taunggyi, Pinlaung, Loikaw and Kekku.  Current standards of the track are poor. Rails on the Kalaw to Shwenyaung line date from1955 Japanese war reparations, with management systems and points original from the 1920s.  The newer lines linking Koikaw and Kekku are in a similar poor state.  Tracks are very bumpy and as such have many speed restrictions in place, currently the journey between Kalaw Shwenyaung takes almost 3 hours compared to 40 minutes by road.

Rolling stock is of reasonable condition, with many locomotives dating from the late 1990s to late 2000s received from China, however coaches are in a poorer condition though Myanmar Railways has an upgrade programme.

Myanmar Railways has an ongoing maintenance and upgrading programme, currently upgrading wooden sleepers with concrete and consolidating track bed.  However much of the work is carried out without

technology, and many of the rails themselves are warped or worn out. Myanmar Railways lacks the technology and financial resources to upgrade track to modern standard.

Upgrading rail lines would be a multi-million dollar project, however rail transport does offer the potential for long-term sustainable transport development and would be worthy of an upgrade feasibility study. This should include a 12 km extension from Shwenyaung linking Nyaungshwe.

*Air*

Heho Airport terminal is currently often at or above capacity. This has much to do with aircraft operations: Myanmar has 8 domestic route operating airlines, however they all tend to serve Heho airport at the same time: there are two peak periods, morning and late afternoon, where it is not uncommon for the airport to handle 14 aircraft movements within an hour, leaving the airport inactive for a significant part of the day. This also limits visitor flexibility to other destinations within Myanmar.

Airlines should be contacted to discuss options of spreading arrivals throughout the day to extend capacity of the airport during high season and improve visitor flexibility.

The airport runway is sufficient for foreseeable demand, however in the medium term it would benefit from a taxiway and increased aircraft parking. An upgraded terminal, appropriate for the region should also be considered. Increased demand would likely require upgrades in the airport's air traffic management systems and emergency services.

## 10.2.2 Electricity Supply

Long term solutions will need to be sought to solve the region's long term electricity requirements. This will ultimately require the construction of new electricity generation plants in the long term, and feasibility studies should be conducted as to the most appropriate type. Any works should involve extensive stakeholder and community consultations as well as detailed Environmental Impact Assessment.

In the short to mid-term the reality will be a lack of electricity to maintain accommodation at international standard from the power grid: new hotel and related developments will require the use of mobile generators. Hotels should incorporate best practice use of such, including regular maintenance and servicing to ensure good fuel economy as well as systems for smart energy usage.

Where possible private sector should research renewable fuel options such as solar and wind as appropriate. All new developments should utilise smart technology that reduces electrical consumption.

**A detailed energy use strategy for the region is required.** As part of this a system of auditing the use of electricity in buildings throughout the region should be investigated. Energy saving expertise is available and should be utilised. As part of this a visitor awareness campaign highlighting the realties of the electricity situation should be included.

## 10.2.3 Water Supply

Groundwater and supply from the region's watershed are limited. A **detailed water capacity assessment** should take place to fully understand the needs of water for the next ten years. Water management advice should be made available to hotels and displayed to customers.

## 10.2.4 Communications Technology

Telecommunications and internet access is currently poor in the region, however the situation is developing rapidly with the deregulation of the mobile communication network and upgrading of internet services by private sector. Communications companies should be contacted to ensure new masts are erected in suitable locations for the wider community to utilise.

### 10.2.5 Regional Bus Services

Investigation should be made into the feasibility of regional bus services to improve connectivity for independent travellers and remoter accommodation. Feasibility studies should be conducted on the following routes for commercial viability:

- **Inlay Lake Bus Service:** Linking lakeside resorts to Nyaungshwe, particularly in the evening. This would provide guests with the opportunity of visiting Nyaungshwe in the evening to make use of restaurants and other evening activities. This would link to the Inlay Lake Hotel Zone when completed.

- **Nyaungshwe to Pindaya**

- **Kalaw - Nyaungshwe - Taunggyi - Kekku**



Figure 17: Weaving in one of the workshops on Inlay Lake. Fewer young people want to become weavers: salaries are low and conditions can be difficult

## 10.3 Strategy 3: Human Resource Development

Tourism is a service industry and by its nature is "people focused": indeed the people of the Inlay Lake Region are its greatest asset and should receive the education, training and support they deserve in this flagship destination. Trainings where possible should incorporate Training of Trainers to ensure a wider uptake of such and maximise action outreach.

**Objectives**

To provide a motivated and well trained visitor economy workforce that is competitive, knowledgeable and able to meet the demands of a world-class destination.

### 10.3.1 Risk Assessment and Incident Planning Training

The health, safety and wellbeing of visitors is of key concern to the Myanmar Government and vital to a competitive and sustainable destination. **Risk Assessment** is the process of analysing activities and scenarios to evaluate what could go wrong, how severe it could be and how to mitigate such risks. **Incident Planning** is preparation for when things do go wrong: inevitably with a destination receiving over 100,000 visitors annually there will be accidents, injuries and deaths. Planning for such situations will help reduce risks and allow for smooth and rapid responses to incidents, saving lives.

Risk Assessment and Incident Planning is crosscutting: every business involved in tourism should be able to conduct a risk assessment: to be able to identify where things can go wrong, and to be able to effectively plan and manage for an "incident": knowing what to do when things go wrong.

Likewise emergency services and local authorities need to know what to do in case of incidents affecting visitors, and have a clear procedure for what to do in a variety of scenarios and train for such situations: lives depend upon this.

Two programmes of risk assessment and incident planning should be developed, one for private sector (and other related) operators, another for local police and emergency services:

**Private Sector (& CSO, NGO etc.) Risk Assessment and Incident Planning Training**

Private sector operators, local CSOs, community organisations and NGOs should be offered risk assessment and incident planning training. This will be especially important for organisations that lead tourists into remoter areas, but is still very relevant for in-town and close to town visits. Training should include at a minimum:

- Identification of potential hazards
- Understanding risks
- Mitigating risks
- First Aid and in-field emergency medical training
- Planning for incidents
- Communication Systems
- Maintaining and understanding an accident book to record accidents and near accidents

**Emergency Service Risk Assessment and Incident Planning**

In addition to existing plans, training should include:

- Medical stabilisation and evacuation procedures: which hospital to visits first, maintaining a list of regional first response providers
- Response time calculations from a variety of locations to regional hospitals
- Evacuation of casualties from remote locations
- Dealing with multi-casualties
- Dealing with a variety of scenarios including road traffic, rail and air accidents as well as terrorist attack.

- Liaison with travel insurance companies for international travellers.

For both of the above appropriate trainers need to be contacted. For emergency services it may be appropriate to liaise with civil defence force experts from neighbouring countries; private sector could be supported by commercial training providers. Regular practice and drills are essential and must be built in to planning systems.

An assessment of first responders and related medical facilities should take place as part of this assessment ad feed into wider improvements to regional medical facilities.

### 10.3.2 Develop an Inlay Lake Region Technical and Vocational Education and Training (TVET) School

As a flagship destination, a Tourism (Visitor Economy) training school would be a vital asset to the region.

A locally based establishment would encourage local communities from the Inlay Lake Region to become involved within the tourism industry and wider visitor economy, and reduce the risk of "outsiders" taking jobs that could be sourced locally, thus providing sustainable livelihoods for the region.

Skills training provided must be relevant and match the needs of local industry form all levels: key to success will be private sector liaison and involvement from the outset. Training provided should be certificated and valuable, with protection against corruption. Courses should reflect all levels of ability and literacy, with curriculum designed for those who already work, require continued professional development or skills enhancement. As a visitor economy focused establishment, training may include:

- All aspects of hotel operation
- Restaurant skills, cooking and food handling
- Financial management
- IT and social media usage
- Carpentry skills
- Electrical and Mechanical Skills
- Vehicle Maintenance
- Tour Guiding
- Driving for tourism
- Physical therapies and beauty treatments

Many models for such establishments exist, however a focus on vocational: i.e. skills based, job specific training would be most beneficial. As a flagship destination it may be possible to target international donor funding for such an establishment.

A detailed feasibility study for such an establishment should take place that would include liaison with potential donors and sponsors. Such an establishment would be a significant undertaking requiring recruitment of staff, training, curriculum development and sustainable financing.

### 10.3.3 Develop a Mobile TVET Unit

Outreach of the TVET establishment to remoter communities will be a key function: geographic disadvantage is a key issue in the region, with few people from hill communities able to travel to central locations to receive training. Many remote locations worldwide have overcome such issues by providing mobile training facilities where trainers travel to communities to provide block release or day release style vocational training.

A mobile TVET unit would be an integral part of the regional TVET School (Action 10.3.2) and should be incorporated into its feasibility study.

### 10.3.4  Sponsorship for Inlay Lake Region residents to receive managerial level training

Developing higher quality employment for the regional population will be vital to developing local higher quality employment to the region, creating career paths and goals for entry level staff.  A fund should be developed that provides financial resources for mid-level managerial positions upward, reserved for residents and ethnic minorities from the region, to study higher-level courses outside the region/country. This should be on the condition of return to implement skills.

### 10.3.5  Training for Regional Government Departmental Managers on Destination Management

Public sector staff will require significant skills upgrading to manage change and implement action described under this DMP.  Destination management is complex and requires specialist skills.

A comprehensive public sector skills needs assessment should take place, and training developed around such needs.  Target skills will likely include:

- Integrated Destination Management
- Computer literacy
- Cross sectoral communication
- Town planning
- Public sector resource management
- Resource allocation
- Participatory Rural Appraisal
- Monitoring and evaluation
- Data processing, analysing and management

As part of this, local government departments will require support in upgrading of infrastructure and facilities, particularly with introducing technology and computers.

### 10.3.6  Communications Technology

Telecommunications and Internet access is currently poor in the region, however the situation is developing rapidly with the deregulation of the mobile communication network and upgrading of Internet services.  This will present significant opportunities for regional operators to join with the modern communication age, however the region is at a significant competitive disadvantage.

It is proposed to develop a regional communications training programme, focusing on use of computers, Internet, email and social media.  This could be developed to provide training on smartphone app design and be linked to the marketing and interpretation plans.

## 10.4 Strategy 4: Marketing and Promotion

Marketing is the process of communicating the value of the Inlay Lake Region with the objective of selling the region's products and services to potential visitors. It is the process of matching what the region has to offer with people who are genuinely interested in visiting to experience the region's cultural and natural heritage. Marketing will be a key function of a Destination Management Organisation.

**Objectives**

To attract visitors that wish to celebrate the beauty and diversity of the Inlay Lake Region's cultural and natural heritage and contribute positively to the region's visitor economy.

### 10.4.1 Develop an Inlay Region Brand

As an iconic flagship destination it will be important to develop a strong destination brand. This should begin with the design of an Inlay Lake Regional Logo. This could be developed as a school or commercial competition, but would ultimately require high quality logo design/marketing company to process designs to a professional standard. The logo should encompass the cultural diversity and natural beauty of the region. This will require input from a Destination Marketing Specialist.

### 10.4.2 Develop an Inlay Region Marketing Plan

A marketing plan should be developed based upon criteria set within this DMP. The objective of the plan would be to create an identifiable image and branding campaign, targeting the key market segments identified in this DMP. Marketing is an activity that should utilise professional marketing experience. Central to a marketing strategy will be to define the following:

**Market Positioning:** As a flagship destination, the Inlay Lake Region competes with other flagship mixed cultural and natural heritage landscapes.

**Target marketing:** Rather than applying a generic message to all markets, target marketing will develop a specific message tailored to the needs and aspirations of certain market segments.

**Communicating the right message:** The region's key assets must be targeted in the right way to the identified target markets.

The marketing plan should include the following components:

- **Introduction**: sets the context, time span, methodology, addresses the key issues and defines the region's key selling points
- **Vision:** a summary of how the region should be at the end of the plan timeframe
- **Target markets:** how the region fulfils the needs and aspirations of each targeted market
- **Objectives:** clear marketing objectives stated, based upon this DMP
- **Strategies:** strategies and actions designed to meet the objectives, each clearly costed.
- **Implementation:** a timetable of actions to be implemented
- **Monitoring:** a system designed to monitor the marketing plan's effectiveness
- **Budget:** detailed budget including potential sources of funding

An appropriate design brief should be developed upon this criteria and a Destination Marketing Specialist be sought to lead the process.

### 10.4.3  Develop an Inlay Lake Region Website

An Inlay Lake Regional Website is essential to the modern marketing of the destination.  A webpage design team should be contacted to design an appropriate website based upon this DMP.  This should include the integration of social media including twitter, facebook, renren and sina weibo.

A website would be the responsibility of a DMO: training in its maintenance and operation should be included within this action.

### 10.4.4  Provide Marketing Support to Private Sector and Attractions

A key function of a Destination Management Organisation would be to support marketing of private sector enterprises, attractions and other facilities and services.  The possibility of developing a commercial marketing service, linked to the sustainable funding of a DMO should be investigated.

### 10.4.5  Tourism Map and Booklet

A high quality tourism map and incorporated tourism information booklet, linking products and services is required as a priority for the Inlay Lake Region.  The publication should also include some basic interpretation of the region and act as a basic but high standard map.

Many different map/guidebook styles exist and the appropriate style must be investigated and developed, however at many destinations these are commercial publications that are professionally managed, for example the "Pocket Guide" series used in Siem Reap and Phnom Penh in Cambodia.  Initial maps and design could be developed with the source of donor funds, with the publication self financing after through advertisement and sponsors.  The publication should be a periodical, perhaps twice per year that will include guest articles.  It should be distributed at point of Inlay Zone Fee ticket sale.

A design brief should include:

- Fold out regional tourism map, displaying key attractions, heritage sites and overall regional plan.

- Sub-maps of some of the key tourism areas, including Nyaungshwe Town, Kalaw and Pindaya. Other areas could also be included.

- Basic up to date travel information: i.e. how to travel from Nyaungshwe to Kalaw for example

- Safety and emergency contact details of Tourism Police and Medical facilities

- Introductory interpretive chapters to the region: a guide to the lake, ethnic diversity, environmental features, key attractions.

- Guide to the 5 Day market

- One or two relevant short articles each issue, such as community involvement work or CSO activities.

- Inlay Lake Region Specific Dos and Don'ts

- A current directory of tourism providers divided by category and geography where appropriate:
  - Accommodation
  - Restaurants
  - Souvenir Shops
  - Activity Providers
  - Tour and Trekking Operators

- High standard use of advertising space and corporate sponsorship.

Content management could be overseen by a DMO, however a private sector media company should be selected with a design brief to manage and run the publication as a franchise. A system of advertising and sponsorship will be integral to the booklet design.

### 10.4.6  Upgrade Inlay Lake Zone Fee Ticket Design

Currently the Zone Fee system is not fully understood to its purpose by stakeholders, including visitors. The ticket offers an opportunity to rectify this by explaining what fees contribute towards. Fee expenditure information should be published and made available at ticket sales offices



**Figure 18: Boat processions form an integral part of Innthar Culture.  Credit: Jannick Christensen**

## 10.5 Strategy 5: Business Development & Support

Private sector establishments provide the face of the visitor economy and must be supported in their activities: the Private Sector must be nurtured and encouraged to develop responsibly as the backbone of the Inlay Lake Region's development.

**Objectives**

To support private sector businesses to be competitive, deliver a high quality service and facilitate access to high quality training, business development support and marketing.

### 10.5.1 Establish an Inlay Region Business Forum

A key function of a DMO would be to act as a Chamber of Commerce for local business. The Inlay Lake Region Business Forum would be a network of local businesses with the specific objective of developing and furthering business interests, providing an opportunity for business issues to be implemented into policy, and form a key management and advisory role to the DMO. It would also provide a conduit to deliver training and support suggested within this DMP. The forum should link closely with the Myanmar Tourism Federation.

The Business Forum should be divided into township based chapters and meet regularly on an agreed basis. Membership should consist of key private sector operations including accommodation, restaurants, souvenir shops and tour operators/activity providers. The forum must work together by sharing information, providing sustainability trainings and assist in marketing and promotion of sustainable MSME (Micro &, Small to Medium Sized Enterprise) business group members.

A constitution should be developed and with management committee. Its role would include distribution of information and liaison with a DMO and relevant authorities, as well as focusing training and development support and being a voice for business.

Such forums are typically created on a voluntary membership basis, funded by member fees appropriate to turnover/profit. Numerous business associations exist in Myanmar already, however the Inlay Lake Regional Forum would be different as it specifically influences the management of the destination.

### 10.5.2 Entrepreneurial Training

Entrepreneurship training is designed to help inspiring entrepreneurs with business ideas as well as established enterprises looking for opportunities to expand and improve their business. Such training has become a popular and useful addition to donor-funded business support programmes, with pilots having taken place in the Inlay Lake Region during early 2014 with positive feedback.

It is proposed to develop a regional entrepreneur training programme on demand to private sector and business start ups. This will require an initial survey of potential trainees and development of an implementation plan. Feedback from training would be fed back into the Business Forum and DMO.

### 10.5.3 Supporting MSME Development Services

The DMP should seek to provide support to existing and potential businesses, for both upgrading services and business start-ups including specific support to Micro and Small to Medium Sized Enterprises (MSMEs). This would likely fall under the remit of a DMO, but may also be a stand alone project. Support to business should include:

- Market access
- Financial management
- Business planning

- Business start up Support
- Investment advice
- Business registration advice

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## 10.6  Strategy 6: Community Empowerment

A primary goal of this DMP is to seek ways of maximising the benefits local communities receive from tourism and the visitor economy.  Myanmar has developed comprehensive community support and development policies regarding tourism, this DMP seeks to maximise and encourage their implementation.

**Objectives**

To ensure the equitable participation of host communities in the tourism development decision making process and to ensure benefits of tourism reach them.

### 10.6.1  Encourage Implementation of the Myanmar Responsible Tourism (RT) Strategy and Community Involvement in Tourism (CIT) Policy

Myanmar is unique in ASEAN in having developed and implemented the above RT Strategy and CIT Policy after extensive research and stakeholder consultation.  Both provide frameworks, position statements, guidelines and criteria regarding sustainable and responsible tourism development that aims to benefit host communities and encourage responsible business operation.

All tourism activities taking place within the region must adhere to these policies.  It would be the responsibility of the DMO to coordinate implementation with relevant authorities.

### 10.6.2  Establish Localised Community Tourism Committees

Throughout the region there is significant potential for greater community involvement in tourism.  Some communities, such as in Nyaungshwe and the villages of Inlay Lake have greater exposure to tourism than others in the more hilly areas.

Local communities must be adequately represented as key stakeholders in the region's visitor economy.  Localised Community Tourism Associations (CTCs) should be created to represent the interests of communities throughout the region, organised by geographical location.  Developing such CTCs will be challenging to achieve effective and genuine community representation, however local communities are key stakeholders and must have a forum to provide input into the decision making process.  Great care and attention to detail must be taken during initiation: members must be supported by community members and represent gender and income equality.  CTCs would provide a conduit for community level training and project implementation.

Key functions of CTCs would include:

- Setting and enforcing tourism related codes of practice, policies and strategies
- Review and approve tourism related development in the landscape
- Provide links to existing or potential businesses and local entrepreneurs
- Target community level donor support and resources
- Target project related training
- Support community based tour guides

Creation of regional CTCs would be a significant undertaking, however once operational should provide a framework for ensuring tourism benefits more people over a larger area.  They could likely fall under existing village/town management committees.

A detailed feasibility study should take place including financial costing and sustainable financing to implement this action.

### 10.6.3   Tourism Awareness and Gender Training

Understanding the needs of the tourism industry is vital to maintaining an economically sustainable and vibrant tourism industry in Inlay Lake Region, and to assist in the entrepreneurship of communities and individuals.  A training programme should be implemented for participants covering the following:

- basic details about the tourism industry,

- Principles of ecotourism and sustainability

- market differentiation

- environmental awareness activities,

- best business practices

- entrepreneurship and business opportunities

The training must be delivered at the convenience of local communities, potentially through the proposed Community Tourism Association under the coordination of the DMO.

Gender issues are a significant factor affecting equitable development of the region.  Attitudes to women's empowerment vary throughout the South East Asia but Myanmar lags significantly behind in woman's rights and equality.  Gender equality needs to be integrated as a crosscutting issue and as such, a Mobile Gender Awareness Team (GAT) should be created to promote women's issues throughout the region.

Tourism awareness training must incorporate Gender issues, specifically as women provide a key role to tourism development.

A training plan should be developed that targets both women's groups and also provides gender input into all strategies and actions affecting communities across the region, and should provide an advisory role to the DMO.

### 10.6.4   Set up a Land Use Forum

A Land Use Forum comprising the existing DMP Project Advisory Committee, members of government (National, State, District, Township), tourism private sector (hotels, tour operators, transport), NGOs, development partners and Inlay region representatives should be created.

This forum should bring together a variety of Inlay region tourism stakeholders and knowledgeable speakers to provide updates on tourism planning issues.  Across the region communities are grappling with change.  Rural communities struggle to balance their traditional roots in the face of a changing economy.  Set against the backdrop of increased risks associated with climate change, the land use forum could begin embracing the challenges by learning innovative ways about how other countries are building more resilient, equitable and vital communities.  The theme could be how to meet the many challenges of the future while better addressing issues of social and environmental justice.

The forum would also explore the tools and business models that help tourism planners, developers and communities to move forward wisely.  The forum would be closely linked to CTCs and the DMO.

### 10.6.5   Implement Language Improvement Programme in Communities

Language has been highlighted as a key issue in improving host communities' interactions with both guides and tourists.  Language training in English should be supported in target communities.  For communities who do not speak Burmese (Myanmar) language, Burmese language support could be offered.

Language training should be tourism focused. Language training using phonetic language guides has been developed and implemented to some success in rural Cambodia.

A non-verbal communication guide should be developed, this will be particularly helpful in rural accommodation, eateries, shops and other service facilities.



Figure 19: Young people are the future of sustainable development in the hill areas

## 10.7 Strategy 7: Environmental Management

A healthy and sustainable environment is vital to maintaining a vibrant destination: if the environment collapses the visitor economy and tourism industry will follow. A well managed environment adds huge value to the destination as well as providing essential ecosystem services.

**Objectives**

To ensure environmental management best practices within the Inlay Lake Region, providing a healthy and productive landscape that is able to support the needs of future generations.

### 10.7.1 Establish an Environmental Task Force to Tackle Immediate Issues

Sustainable tourism requires operations which address the following priority issues, as applicable for floating villages, riparian villages, hotels, restaurants, shops, markets and watershed towns and villages.

An **Environmental Task Force** should be created with the task of resource allocation for such priorities. These may be included as part of a proposed Inlay Lake Conservation Authority, the creation of which is being discussed at time of writing. This Authority would coordinate specific environmental actions regarding the lake and the relevant agencies involved.

To date there have been Environmental Management Plans created by IID, UNDP and UN Habitat. In August 2014 the Ministry of Environmental Conservation and Forestry established the **Environmental Conservation Department** in response to environmental pressures. An Environmental Task Force must work together to create synergies with the large amount of previous, current and future environmental projects that have and will take place in the Region.

First Priority actions to manage sustainable tourism include:

- Introduce rubbish management for communities throughout the watershed, and particularly for floating and riparian villages, following the international principles of 'avoid, reduce, re-use, recycle', with a particular focus on recycling organic wastes into compost for re-use in agriculture, replacing plastic bags with cloth bags or biodegradable bags, and recycling plastics into other products.

- Improve sanitation to maintain water quality in the Lake, with first priority for floating villages and riparian villages, for example with wetland pod systems.

- Develop systems for treatment of grey water and storm water before discharge to watershed streams, particularly for Kalaw and Taunggyi.

- Secure water supplies of adequate quality for visitors and local communities.

- Develop controls for air pollution, including diffuse sources (landscape burning) and point sources (power station, incinerators).

- Develop controls to manage boat traffic, to minimise air and water pollution and disturbance of wildlife.

- Manage accommodation facilities to appropriate construction and operating standards, including water and energy conservation, and use of sustainable services and food sources.

- Introduce measures to ensure hygienic conditions for visitors and for local communities, to minimise risks to health.

In addition to the actions identified above, consideration for the long-term management of the watershed ecosystem should include:

- Halt and reverse the expansion of floating gardens across the surface of the Lake, particularly the westward expansion from Indein Delta and Kalaw Delta, which is encroaching on the southern basin between Nam Pan and Thar-Lay village.

- Maintain native water plant communities to filter lake water and provide the basis of the natural lake food chain, to support fish and waterbirds, and reduce harvesting pressure on water plants by finding alternative sources of mulch for tomato gardens.

- Control expansion of water hyacinth pest plants by introducing hyacinth weevils, and reducing nutrient inputs from fertilisers.

- Reduce use of chemical fertilisers and pesticides in tomato gardens, to reduce nutrient and pesticide inputs to the Lake, through training of farmers in more sustainable farming techniques, such as use of recycled organic mulch, as well as re-training for employment in other sectors such as tourism.

- Reduce sediment flows into the Lake from Namlet Chaung through re-meandering the channel from Nyaung Shwe, reduce sediment re-suspension in boat channels around Ywama and Thar-Lay villages through vegetation of exposed earthen banks, and manage identified erosion 'hot spots' in the watershed.

- Maintain motor-free boat zones to protect fish and waterbird nursery areas in the Inlay Wildlife Zone.


### 10.7.2  Inlay Lake Factsheets

A series of simple factsheets have been produced as part of the environmental research conducted as part of the research to develop this DMP.  10 factsheets have been produced to date and discussed within stakeholder workshops for relevance and content.  These factsheets are designed for use by the local population to manage environmental issues in simple and cost-effective ways.

There are 3 types of factsheet:

1. Information for local communities
2. Information for tourists
3. Information for researchers

Funds should be sourced for the printing and widespread distribution of these factsheets.  It may be possible to scale-up such factsheets to include a wider resource to share the considerable amount of data and information that has been gathered concerning Inlay Lake and the Region, which often remains within the researching organisation.


### 10.7.3  Options for Green Technologies in Sustainable Management

The introduction of "Green Technologies" should be seen as a research priority for the region.  The Inlay Lake Region could become a centre for the implementation of such technologies in Myanmar and be used as marketing asset.  Where possible such research should be integrated into local schools and the education curriculum.

Areas for research should include:

- Use recycled organics for mulch
- Alternative boat propulsion technologies
- Introduction of high and low-tech solar power systems
- Alternatives to plastic bags
- Methane power and biogas

### 10.7.4   School Environmental Education Programme

The development of an environmental outreach and curriculum support programme is a priority to ensure long term local understanding of environmental issues in the Inlay Lake Region.

Curricula should be developed for both lake and hill areas.  An education programme could support the establishment of a network of young environmental volunteers and be a method of active engagement in community participation.

A curricula and teacher training programme should be developed and implemented.  Where appropriate the programme should be developed in minority languages.

### 10.7.5   Environmental Education Boat on Inlay Lake

Schools should be actively involved in the environmental monitoring process.  In similar destinations boat-based environmental education programmes have been developed, such as the "Magic Eyes" boat on the Chao Phraya river in Bangkok or the "EcoBoat" in Ha Long Bay.  Local schools can be involved in environmental data collection and implementation of environmental projects, and support the creation of school volunteer groups.

A project feasibility study should take place that examines corporate sponsorship and appropriate scale of the project.  Schools from elsewhere in Myanmar and surrounding countries could utilise the boat as part of field studies, offering a potential source of funding.

### 10.7.6   Establish Community Environmental Action Teams

Local communities can provide significant resources to implement actions throughout the Lake watershed.  As key stakeholders local communities should be actively involved in both the environmental decision making and implementation processes.

Such teams should be formed at the village level, based upon environmental priority.  Teams should be linked to local schools and be on a voluntary basis, they may also be used for information dissemination.

### 10.7.7   Investigate the Introduction of Fuel-Efficient Stoves or Improved Firewood Management

Use of firewood for cooking is a significant issue across the region in both hill areas and within the main tourism hubs of Nyaungshwe and Pindaya.  Increased use of firewood has been a leading cause of deforestation in the region, and subsequently has had a negative effect on soil erosion, loss of topsoil and humus layers in soil and has contributed to stream and lake siltation.

In the tourism service towns the use of gas for cooking should be encouraged as a replacement for firewood with priority.

In hill areas, access to a sustainable source of firewood for cooking is a key issue.  Current practices involve burning of harvested logs on open fires.  A variety of fuel efficient stoves are available and could be introduced to communities.

Improved firewood management systems should be investigated using regionally appropriate technology.  Native crab apple trees have been pollarded on a non-crop system throughout the landscape.  The trees have traditionally been used as a source of firewood and appear to pollard well, with useable regrowth after 3 to 4 years.  Crab apple (or other native tree) pollards could be upscaled either commercially or on an individual level in communities, managed on a rotational basis.  Pollards would likely be preferable to coppice due to the presence of livestock and lack of stock fencing.

### 10.7.8  Removal of Plastic Packaging from the Inlay Lake Region

Plastic bags are a significant problem in the region, being unsightly and a danger to wildlife.  As a petrochemical product they also have a carbon footprint.  Technologies must be investigated to replace plastic bags from the landscape: this offers an opportunity for including further products in the value chain.



Figure 20: Sustainably managed bamboo can provide a great solution for packaging needs whilst supporting local skills and employment

Souvenir shops and similar should utilise traditional bamboo baskets and handmade paper bags where possible.  These utilise sustainably managed local products: bamboo and mulberry bark as well as traditional skills in their production, and have the benefit of providing an additional souvenir in themselves as well as supporting local employment.

The use of traditional packaging methods, including baskets and crates for agricultural products should be encouraged.  A suitable bag could be provided as part of the entry-fee bundle (see 10.1.5).

In markets, alternative technologies should be sources, for example bags made from corn-starch are manufactured in Thailand, and the use of reusable bags be reintroduced.

Steps should be made to introduce "plastic bag free zones" as have been implemented in Bagan.  This action is closely linked to 10.8.1.

### 10.7.9  Local Knowledge and Beliefs Study

Many previous projects have attempted to address issues such as improved sanitation with little or no success.  For effective implementation, it is essential to engage local communities in understanding why action is needed, and how to make potentially sensitive and taboo issues such as toilet systems and hygienic actions effective.   For example, local communities need to understand the cause-and-effect relationship between toilet wastes and illnesses such as dysentery and diarrhoea.  Local misconceptions include beliefs that rainwater and pork are the cause of these illnesses.

Conservation of the Inlay Lake requires some significant changes in human behaviour across many sectors, improvements to human hygiene practices, floating gardens agriculture, handling livestock effluent, land use in the upper slopes of the watershed and food management/catering for tourism.  Experience in introducing changes in human hygiene in Myanmar and many similar areas in SE Asia strongly indicate that it usually very difficult to achieve such change without a clear understanding of the beliefs and customs that lie behind present practice.

It is proposed to undertake a Beliefs and Behaviours Survey of residents in each major sector of the watershed and lake environment to provide guidance for tailoring responses to different ethnic groups and geographical areas to bring about changes in present practice where necessary for conservation.

## 10.8 Strategy 8: Product Development - Improving the Visitor Experience

To maintain a competitive and sustainable destination existing products require improvement in some cases and there are some considerable opportunities to develop new activities in which the Inlay Lake Region is particularly suitable.

**Objectives**

To provide the visitor to the Inlay Lake Region with a world-class experience, maximising the sustainable use of the region's outstanding beauty and resources in a responsible and culturally appropriate manner.

### 10.8.1 Tourism Information & Heritage Centre in Nyaungshwe

Nyaungshwe is the gateway and tourism hub to the Inlay Lake Region. Virtually all visitors will either stay, eat, shop or pass through the town at some part of their stay. However there is no central location where independent and reliable tourism information is available, and there is no central location to celebrate the region's diverse cultural and natural heritage. This presents a great opportunity to develop a combined tourism information centre and heritage centre, worthy of a country's flagship destination.

Location of such a centre would be key: ideally a location close to the boat quay would be ideal, as this would allow easy access for visitors that are on tighter schedules. Conversion of heritage buildings could be considered for this.

The objective of the centre would be twofold:

First to provide visitors with any tourism information they may require concerning their visit to the region (similar to Tourism Information Centres worldwide)

Secondly to provide a rapid introduction to the cultural and natural heritage of the area, focusing on life in villages on the lake and in the hills, the environment and celebrating local diversity. The centre should be linked to local schools and provide an education style service to keep it "living" with an exhibition gallery showing local culture.

The centre could also serve as a location to house the Destination Management Organisation.

The centre could be run on a semi-commercial basis using a combination of advertising fees, corporate sponsorship, a designated portion of the Inlay Lake Zone Fee and any commercial activities of the DMO. A detailed financial and business plan will be required: it is recommended a **feasibility study** be carried out to develop the centre.

### 10.8.2 Interpretation Plan

Interpretation is a vital part of how people experience the places they visit. Interpretation is primarily a communication process that helps people make sense of, and understand more about, a site or area[13]. Interpretation is core to communicating messages of sustainable development and telling the story of a destination, but is often both misunderstood and overlooked.

Good interpretation will bring meaning to a site, enhancing visitor appreciation and promoting better understanding. As a result visitors are more likely to care for what they identify as a precious resource. Additionally, it enables communities to better understand their heritage, and to express their own ideas and feelings about their home area.

An interpretation strategy would highlight key assets of the Inlay Lake Region and present them in a coordinated way to reserve users and residents. It would likely be delivered through a combination of:

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[13] as defined by the Association for Heritage Interpretation

- site maps,

- interpretive panels,

- publications and leaflets,

- tourism maps

- electronic interpretation through smartphone apps and tablets etc.

It is recommended that an **Interpretation Plan** be developed for the region. This should be developed by professional Heritage Interpreters. The Interpretation Plan should be integrated into marketing and brand management. This should be the coordination of the DMO.

An initial priority would be to design and place outdoor panels (signs) that orientate people at key locations, providing basic information such as how they should behave and why that place is important. Technology exists to develop signage that is resistant to the harsh tropical climate of heavy rain and sunshine that reduces the life of signage. Initial locations should include:

- Nyaungshwe Boat Quay

- Kalaw Town Centre

- Pindaya Town Centre

- Kekku Pagodas

- Indien Pagodas

- At the entrance of key religious sites visited by tourists

The world of communications is set to change fast in Myanmar, and this Electronic Interpretation will provide many additional tools for both domestic and international travellers. Internet communications provide capacity for quick and targeted communications. It is also easier to receive quick feedback and monitor and assess use. Content will remain critical. It may also be possible to link up with commercial developers to trial new technologies.


### 10.8.3 Development of Fair Trade Handicrafts and Sustainable Development of Artisans

Handicrafts are an integral part of the Inlay Lake Region experience and offer a great opportunity for spreading tourism benefits to poorer communities and maintaining skills that are being rapidly lost. The issue is becoming critical as fewer local residents choose to become involved in the production of handicrafts for a variety of reasons, one of the most significant being low wages.

Creating an Inlay Lake Region Fair Trade brand and system should be investigated including:

- Developing regionally appropriate fair-trade criteria

- Identifying an appropriate "living wage" for artisans

- Identifying key industries and crafts to be included

- Developing a skill improvement and upgrading training courses and workshops

- Developing an Inlay Fair Trade brand

- Designing a Fair Trade certification system

- Promoting fair trade practices among handicraft sales outlets and markets

### 10.8.4 Maximise Local Value Chain and seek Value Added Products

A significant quantity of products both agricultural and handicraft are produced in the Inlay Lake Region. Wherever possible businesses should integrate local products into their value chains:

- Ensure food and drinks are sourced locally. Produce should be purchased from local farmers, drinks from local shops, wholesalers etc.
- Local people are contracted for services (and not "outsiders") as much as possible.
- Tourists have the opportunity to visit local shops, cafes, artisan producers and so on (specifically for tour groups and operators).

Various products are currently produced in the region that are for local consumption but could be upgraded into saleable tourist products.  A non-exhaustive list includes:

- Tea (for drinking)

- Tea pickle

- Rice wine

- Baskets

- Woven products

**A Product/Handicraft Upgrading Assessment** should take place within the region, providing detailed assessment on the feasibility of packaging products for tourism services, including detailed market analysis, business planning and potential returns.

### 10.8.5 Investigate development of mountain biking routes in the landscape

Mountain biking is an activity growing in popularity across all markets that is culturally low impact, and has the added benefit for visitors of being able to cover larger distances than trekking in an environmentally friendly in-landscape experience.  The Inlay Lake Region is well suited to development of mountain biking at various levels of strenuousness.

For the region to develop successfully as a mountain biking destination trails will need to be developed that provide connectivity, such as circular routes and link to attractions and heritage sites.  This will require a route infrastructure requirements survey.

All routes should be developed to include interactions with attractions and private sector opportunities, especially to encourage spend in village shops and other community level facilities.  Interpretation should be provided, and trail leaflets could be developed.  There would also be options for private sector guides.

Long distance cycling already takes place within the region, with routes indicated in Dutch cycling guidebooks, frequented by independent cyclists.  Development of an Inlay Region cycle route package could be developed, a longer distance trail that again interacts with local business.

Private sector operators would need to provide good quality machines for the experience: some operators already offer better quality bicycles in Nyaungshwe, however this would require improvement.

A feasibility study should be conducted to assess the suitability for developing short and longer distance cycle rotes within the region as part of an overall Inlay Lake Region Cycle Trail.  The study should examine:

- Route design and infrastructure assessment
- Links to accommodation, attractions and other private sector opportunities

- Comprehensive risk assessment and incident plan

- Private sector investment study

- Options to finance local operators with good quality mountain bikes

- Maintenance and repair training and system

Mountain biking could become a significant activity in the region: options for launching and promoting new routes with international competitions or events should de researched as part of the feasibility study.

### 10.8.6 Upgrade Museum in Nyaungshwe

Linked to the Tourism Information and Heritage Centre the current Cultural Museum in Nyaungshwe requires investment and upgrading. A heritage building, formerly the last Sawbwa's Palace is in a relatively poor state of repair, though is currently being upgraded. It is an important and vital part of the region's history and should be developed as a museum of excellence.

Development of the museum should be best practice, with Museum and Heritage Professionals involved in a participatory manner with local stakeholders to ensure a high class product is developed.

The museum would likely be linked to the Tourism Information and Heritage Centre, however due to its location it would be unsuitable for the centre itself.

### 10.8.7 Heritage Rail & Museum

Heritage rail travel and interest in infrastructure is a significant niche tourism market. The Thazi to Shwenyaung (12 km from Nyaungshwe) rail line is a heritage line built in the early 20th century and has many features of specific interest to heritage rail enthusiasts, as well as using many original features. Currently there are around three services in each direction per day.

A feasibility study should be conducted to develop this line, especially the section from Kalaw to Shwenyaung section as a heritage railway. Significant upgrades of infrastructure would be required as current the line is substandard. There may also be potential to develop a rail museum in Kalaw, telling the story of the line's construction and how the town's population is closely related to it.

When infrastructure on the Thazi to Nyaungshwe line is upgraded, heritage features should be retained for possible museum use.



**Figure 21: Original infrastructure from Burma Railways**



**Figure 22: Rail has a significant tourist appeal**

## 10.9  Strategy 9: Improving the Trekking Industry

The Inlay Lake Region is home to Myanmar's largest trekking industry.  The industry has been established for over 15 years and focuses on trekking in a hilly, cultural and natural heritage landscape that is primarily agricultural.  Of key attraction are homestays in Pa-O, Palaung and Danu Villages as well as monastery stays and a perceived high level of authenticity from visitors.  Kalaw town is the hub of departures and has been developing into a trekkers trailhead town.  Pindaya has developed a small trekking industry and there are numerous routes throughout the region used by individual operators.

Much of the industry is informal, with non-registered guides, little insurance, risk assessment, incident planning and overall industry guidance.  The legality of homestays is unclear, however the industry is here to stay and as a key component of the Inlay Lake Region should be supported, as many operators are willing and enthusiastic to improve quality of their operations to involve communities to best practice.

**Objectives**

To transform the Inlay Lake Region into a centre of cultural and natural heritage trekking excellence, with Kalaw becoming the leading trekking destination in Myanmar.

### 10.9.1  Trekking Operator Forum

There is significant mistrust within industry competitors (Kalaw based Trekking Operators), and an uncertainty that change may negatively affect business.  Trekking is also territorial: trekking operators tend to keep their own routes and departure points.

A trekking forum should take place between operators in Kalaw to improve relations: trekking operators do understand there is a need for change as increased arrivals will likely increase and pose a threat to environmental and cultural sustainability, and thus the financial sustainability of the trekking industry.  There is also a noted rise in visitors trekking without a guide.

The forum should focus on discussing key issues facing the local trekking industry and seek ways to build trust.  The forum should develop into regular meetings possibly held through the proposed Trekking Information Centre (see Action 10.2.2 below), and include stakeholders from Nywangshwe.

### 10.9.2  Trekking Information Centre Kalaw

There is currently no formal organisation of trekking tourism either in the hubs of Kalaw or in communities.  The trekking hub of Kalaw is undeveloped as such, without a central information or booking system.  It is not always easy for a trekker to know what to expect, or what to bring on a trek.  It is recommended that the establishment of a central booking system and Trekking Information Centre be investigated, located in Kalaw.   Any interventions should aim to work with existing operators in Kalaw, and also seek to engage stakeholder communities on trekking routes.

A trekking fee structure should be investigated and developed at an appropriate amount based on days and nights spent in the trekking landscape.  Fees collected should be used to fund the Trekking Information Centre.

### 10.9.3  Improve Trekking Operator Standards and implement Guidelines and Codes of Practice

There are around 6 main trekking companies, with many more smaller operations and independent guides.  These operators need to work together to improve significant issues and mistrust amongst one another.  A business association or similar should be created to ensure all work together for the benefit of host communities, the natural environment and employees.

A **Trekking Operator Code of Practice** should be implemented to ensure fair employment practices and good conduct by guides and porters.  This should build upon the Myanmar Community Involvement in

Tourism Policy. Trekking in such a cultural and natural heritage landscape should follow the best international practices, based on minimal impact to environment and culture.

All tour operators working in Kalaw to Inlay Landscape must ensure that they commit to the following guidelines[14]:

### Contribute to the local economy
- Cooperate with local communities to minimise revenue that "leaks" out of the local area.
- Train and recruit members of the local community.
- Work with or source products from local suppliers.
- Encourage customers to visit and purchase from local operators.

### Respect cultures and invest in social capital
- Respect local cultures and preserve existing social structures.
- Guests are educated about social practices, locally culturally acceptable behaviour, etc.

### Promote local guided tours and activities
- Seek approval, feedback and raises awareness of locals.
- Support community development projects such as education, health and infrastructure.

### Efficient use of resources
- Monitor use of natural resources, such as fuel, electricity, water.
- Conserve energy and water, and use recyclable material.

### Responsible Waste Management
- All waste (solid, sewage, etc) is disposed of responsibly.
- Prevent pollution and toxic waste disposal.
- Recycling of waste material is practised and promoted.

### Commit to protecting the local environment
- Conserve biodiversity and indigenous natural heritage.
- Protect endangered wildlife, native vegetation, natural water flow and landscapes.

### Develop capacity for continual improvement
- Designated staff or committees oversee all Responsible Tourism initiatives.
- Participate in benchmarking programmes such as (e.g. Green Globe 21)
- Participate in tourism certification programmes that help improve performance with regards to environmental and social responsibilities (e.g. ISO 14001, Green Globe 21, etc.)

These guidelines should be discussed further and developed with local operators and communities, an opportunity to do this would be under Action 10.2.1. These guidelines should also apply to guesthouse construction by outside investors who must involve host community members equitably in their operation.


**10.9.4  Development of Differentiated Trekking Products Dependent upon Route and Activity**
A system of different trekking routes and trek styles should be investigated and implemented. There is significant opportunity for expanding trekking in the landscape to spread more benefits. A trekking grading system should be created. This need not be complicated and can be based upon many international grading systems already in place. Example treks could include:

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[14] Developed from WildAsia Responsible Tour Operator Guidelines. See www.wildasia.org

- **Rapid Trekking:** the focus is on physical trekking, covering a higher (20 to 30km) per day. These routes can incorporate more natural landscapes where possible, but still use villages as a base for eating and sleeping

- **Slower Trekking:** as above but for those less willing to trek longer distances

- **Cultural Exchange Trekking:** the focus is on engaging with communities and spending time looking in more detail at village life

- **Specific Interest Trekking:** there is huge potential to develop trekking based around niche interest markets, using improved heritage interpretation to add value. A non-comprehensive list includes:

    o   The Palaung ethnic group have their own script, language and religious texts.

    o   Myindaik Station could be of interest to railway enthusiasts as much of the infrastructure and equipment dates from pre-World War II from long-closed UK based manufacturers.

    o   Traditional medicine and herbal cures. The village "shaman" interprets informally (and for no charge) at Dome Village.

    o   The beliefs around Nats (spiritual beings that inhabit virtually every part of life)

### 10.9.5   Food Preparation Training Programme in Communities
The provision of food by community members would be a good way of up-scaling community involvement in the trekking industry, and adding value to the trekking product in communities.

A food for trekking training course could be developed and delivered to host community members, with menus developed that maximize local produce and reduce cooking fuel impacts. This is a good opportunity to introduce more traditional foods into the industry.

Support could be provided to community members wishing to develop food provision for trekkers. This would represent a significant change in the current trekking product, and must be implemented in coordination with trekking operators. As communications improve (specifically mobile phone access), bookings could be made for lunches and dinners in advance. Such a system would be a longer term objective as it would require more planning on behalf of trekking operators and guides, and have potential negative impacts to cooks and porters.

### 10.9.6   Develop Practical Standards for Accommodation Providers and Basic Infrastructure Assistance
Accommodation in communities requires standardization and clarification legality. The Myanmar CIT policy provides detailed standards for B&B accommodation and a future plan for homestays. These standards are high and it will be some time before such accommodation can be provided in villages. Interim standards or milestones should be developed and supported.

For both homestay and monastery accommodation, basic sanitation guidelines should be implemented. This applies to both toilet and cooking facilities.

Funds could be sourced to help homestay providers upgrade toilet and other facilities. If managed sensitively such improved facilities should not detract from the authenticity of the trekking product. Highlighted infrastructure includes:

- Improved squat toilets (with an investigation of composting systems)

- Screened changing area inside accommodation

- Screened area for washing, with good drainage and place to hang clothes. These could be constructed from bamboo using existing skills.

- Designated area to hang wet towels etc.

Training will need to be provided to ensure standards are met, this could be delivered through the potential community association as suggested above. Trainings should include basic sanitation, guidelines on cleaning bedding, toilets and washing areas.

### 10.9.7 Trekking and Tourism Training for Existing Guides and Local Communities

Training in tour guiding and leading groups into remote locations should be provided to identified participants. Training should be divided between interpretation (i.e. focused upon explaining the location and project to guests) and logistical management. As a minimum, training should include:

- Excursion Planning
- Risk Assessment
- Emergency Scenario Planning
- Best Practices in Campsite Management

- Understanding Guest's needs
- Interpretive Planning
- Working with Tour Operators
- Best Practices in Wildlife Watching

Training should be on going and reflect the realities of working in rural communities, designed to be timed around less busy times of year and day.

### 10.9.8 Implement a Trekker's Charter

All visitors to the Inlay Lake Region should follow the following guidelines to help ensure tourism is a positive experience for everyone, both host communities and tourists alike. This could be developed into a **Trekking Code of Practice Leaflet** handed out to trekkers prior to departure:

- Always make sure you keep to designated routes, and never walk across cultivated farm land.

- Leave gates and barriers as you find them.

- Always make sure you have enough water and appropriate clothing and weather protection for your planned visit.

- Make sure you are well briefed about your itinerary and the conditions that you are likely to expect.

- Make sure that someone responsible knows where you are and what time you will be back.

- Make sure your guide is properly trained and suitably experienced in leading a group into remote environmentally and culturally and sensitive areas.

- Always act in a respectful manner towards the local population – How would you feel in their position? Remember you are visiting someone's home community and that their culture (their way of life and "doing things") may be very different from your own.

- Always strive to purchase local and sustainable products.

- Strive to learn something about the area that you are visiting, both the natural environment and about the communities that make it their home.

- Never drop litter – even if you see locals doing so.

- Be careful what you purchase – never buy products made from wild and especially endangered wildlife or plant life.

- Make sure your guide treats the local hosts respectfully. Ask your guide to translate your questions to local hosts and hear their story – do not solely rely on your guide's explanations.

- Never urinate or defecate directly into a water source. Be aware of your environment: use designated toilet facilities where possible. If not, urinate 50 metres from a water course as a guideline. Defecation should be buried. Do not leave toilet paper exposed – bury or bring it back with you.

- Use biodegradable "trekking" toiletries when washing in open water sources, even if locals do not.

- Try to make your whole trip as sustainable as possible, using the least carbon intensive travel methods, stay in locally owned accommodation and use locally based tourism operators.



**Figure 23: A Pa-O Lady presents a piece of her craftwork. Weaving is a skill that is slowly dying out within the region due to cheap imports of cloth from China, however some local entrepreneurs have developed their skills for the tourist market.**

# 11. Implementation Plan

| Strategy 1: Planning, Management, Sustainable Development & Heritage Development | | | | | | |
|---|---|---|---|---|---|---|
| **Action** | **Priority** | **Approximate Timeline** | | | | |
| | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **1.1: Set up a Destination Management Organisation** | High | ━━━ | ━━━ | ━ | | |
| **1.2: Manage Tourism Based on Zones** | Medium | | ━━━ | ━━━ | ━ | |
| **1.3: Management Plan for Nyaungshwe** | High | ━ | | | | |
| **1.4: Management Plan for Kalaw** | Medium | | ━ | | | |
| **1.5: System to Forecast Tourism Growth** | High | ━ | | | | |
| **1.6: System to Review Tourism Investments and Proposals** | High | ━━━ | ━━━ | ━━━ | ━━━ | ━━ |
| **1.7: Heritage Site Specific Management Plans** | High | ━━━ | ━ | | | |
| **1.8: Visitor Management Support to Religious Sites** | High | ━━━ | ━ | | | |
| **1.9: Development of Sustainable Management Practices in Tourism Businesses** | High | ━━━ | ━━━ | ━━━ | ━━ | |
| **1.10: Support to Operate the Inlay Lake Hotel Zone Within Existing Legal Framework** | Medium | ━━━ | ━━━ | ━━━ | ━━ | |
| **1.11: Boat Traffic Management Plan** | Medium | | ━ | | | |

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| Strategy 2: Infrastructure Development | | | | | | |
|---|---|---|---|---|---|---|
| **Action** | **Priority** | **Approximate Timeline** | | | | |
| | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **2.1: Create Detailed Inlay Region Transport Plan** | High | ━━━ | ━ | | | |
| **2.2: Study to Improve Electricity Supply** | High | ━━━ | ━ | | | |
| **2.3: Study to Improve Water Supply** | High | ━━━ | ━ | | | |
| **2.4: Plan to Improve Communications Technology Access** | Medium | | ━━ | ━ | | |
| **2.5: Investigate Regional Bus Services for Tourists** | Low | | | | ━ | |

## Strategy 3: Human Resource Development

| Action | Priority | Approximate Timeline | | | | |
|---|---|---|---|---|---|---|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| **3.1: Risk Assessment and Incident Planning Training** | High | ■ | ■ | | | |
| **3.2: Develop an Inlay Region Technical and Vocational Training School** | High | ■ | ■ | ■ | ■ | ■ |
| **3.3: Develop a Mobile TVET Unit** | Medium | | | ■ | ■ | ■ |
| **3.4: Investigate Sponsorship for Inlay Region Residents to Obtain Scholarships** | Medium | | ■ | ■ | | |
| **3.5: Training for Regional Departmental Managers in Destination Management** | High | ■ | ■ | | | |
| **3.6: Training in Communications Technology** | Medium | ■ | ■ | | | |

## Strategy 4: Marketing and Promotion

| Action | Priority | Approximate Timeline | | | | |
|---|---|---|---|---|---|---|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| **4.1: Develop Inlay Region Brand** | High | ■ | ■ | | | |
| **4.2: Develop Inlay Region Marketing Plan** | High | ■ | ■ | | | |
| **4.3: Develop Inlay Region Website** | High | ■ | | | | |
| **4.4: Marketing Support to Private Sector** | Medium | | ■ | ■ | ■ | ■ |
| **4.5: Develop Tourism Map and Booklet** | Medium | ■ | | | | |
| **4.6: Upgrade Zone Fee Ticket Design** | Low | | | ■ | | |

## Strategy 5: Business Development & Support

| Action | Priority | Approximate Timeline | | | | |
|---|---|---|---|---|---|---|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| **5.1: Establish an Inlay Region Business Forum** | Medium | | ■ | ■ | ■ | ■ |
| **5.2: Entrepreneurial Training** | High | ■ | ■ | ■ | ■ | ■ |
| **5.3: Supporting MSME Development Services** | High | ■ | ■ | ■ | ■ | ■ |

## Strategy 6: Community Empowerment

| Action | Priority | Approximate Timeline | | | | |
|---|---|---|---|---|---|---|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| 6.1: Implementation of Responsible Tourism Strategy & Community Involvement in Tourism Policy | High | ▬ | ▬ | ▬ | ▬ | ▬ |
| 6.2: Establish Local Community Tourism Committees | Medium | | ▬ | ▬ | ▬ | ▬ |
| 6.3: Tourism Awareness Training and Gender Training | Medium | | ▬ | ▬ | ▬ | ▬ |
| 6.4: Set up a Land Use Forum | High | ▬ | ▬ | ▬ | ▬ | ▬ |
| 6.5: Implement Language Improvement Programme | Low | | | ▬ | ▬ | |

## Strategy 7: Environmental Management

| Action | Priority | Approximate Timeline | | | | |
|---|---|---|---|---|---|---|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| 7.1: Establish an Environmental Task Force to Tackle Immediate Issues | High | ▬ | ▬ | ▬ | ▬ | ▬ |
| 7.2: Inlay Lake Factsheets | Low | | ▬ | | | |
| 7.3: Develop Options for Green Technologies in Sustainable Development | Medium | | ▬ | ▬ | | |
| 7.4: School Environmental Education Programme | High | ▬ | ▬ | ▬ | ▬ | ▬ |
| 7.5: Environmental Education Boat Project | Medium | | | ▬ | ▬ | |
| 7.6: Establish Community Environmental Action Team | Medium | | ▬ | ▬ | ▬ | ▬ |
| 7.7: Investigate the Introduction of Fuel Efficient Stoves | Medium | | ▬ | ▬ | | |
| 7.8: Removal of Plastic Packaging from the Region | Medium | | ▬ | ▬ | ▬ | ▬ |
| 7.9: Local Knowledge and Beliefs Study | Low | | | ▬ | | |

## Strategy 8: Product Development - Improving the Visitor Experience

| Action | Priority | Approximate Timeline | | | | |
|---|---|---|---|---|---|---|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| 8.1: Tourism Information & Heritage Centre Nyaungshwe | High | | ▬ | ▬ | ▬ | |
| 8.2: Interpretation Plan | High | ▬ | ▬ | | | |
| 8.3: Fair Trade Handicraft Development | High | | ▬ | ▬ | ▬ | ▬ |
| 8.4: Maximise Local Value Chain | Medium | | ▬ | ▬ | ▬ | ▬ |
| 8.5: Investigate Mountain Biking Routes | Low | | ▬ | | | |
| 8.6: Upgrade Museum in Nyaungshwe | Low | | | ▬ | ▬ | ▬ |
| 8.7: Heritage Rail & Museum | Low | | | ▬ | ▬ | ▬ |

## Strategy 9: Improving the Trekking Industry

| Action | Priority | Approximate Timeline | | | | |
|---|---|---|---|---|---|---|
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| 9.1: Trekking Operator Forum | High | ▬ | | | | |
| 9.2: Trekking Information Centre Kalaw | High | | ▬ | ▬ | ▬ | ▬ |
| 9.3: Improve Trekking Operator Standards and Implement Code of Practice | High | ▬ | | | | |
| 9.4: Development of Differentiated Trekking Products | Medium | | ▬ | ▬ | ▬ | ▬ |
| 9.5: Food Training Programme in Communities | Low | | | ▬ | | |
| 9.6: Develop Practical Standards for Community Accommodation Providers | Medium | | ▬ | ▬ | ▬ | |
| 9.7: Trekking and Tour Guide Training | Medium | | ▬ | ▬ | ▬ | ▬ |
| 9.8: Trekkers' Code of Conduct | Low | | | ▬ | | |

# 12. Appendices

## 12.1 Appendix 1: Project Advisory Committee and Members

| No. | Name of contact Person | Position | Organization |
|---|---|---|---|
| | Chairman | | |
| | HE U Htay Aung | Union Minister | Ministry of Hotels and Tourism |
| | Vice Chairman | | |
| 1 | HE Dr Tin Shwe | Deputy Minister | Ministry of Hotels and Tourism |
| 2 | HE Dr Sai Kyaw Ohn | ‖ | ‖ |
| | Secretary | | |
| 1 | U Tint Thwin | | Director General, Department of of Hotels and Tourism Development, Ministry of Hotels and Tourism |
| 2 | | | IID/ICIMOD |
| | Union Level Ministries | | |
| 1 | U Bo Ni | Director | Ministry of Environmental Conservation & Forestry |
| | U Min Maw | Assistant Director | |
| 2 | U Tin Htun Aung | State Officer | Ministry of Livestock and Fishery |
| 3 | U Nyi Nyi Htwe | Deputy Director | Ministry of Home Affairs |
| 4 | U Win Htay | Deputy Director | Ministry of Agriculture and irrigation |
| 5 | U Chon HaYae | Director | Ministry of Social Welfare Relief and Resettlement |
| 6 | Dr. Kyi Lwin Oo | Deputy Director | Ministry of Health |

| No. | Name of contact Person | Position & Organization | |
|---|---|---|---|
| | State Level Ministries & Representatives | | |
| 1 | U Win Myint | Minister for Innthar Affairs | |
| 2 | U Yan Aung | Shan State Ministry of Hotels and Tourism | |
| 3 | U Kyaw Kyaw | Pa O SAZ Representative | |
| 4 | U Htoo Ko Ko | Danu SAZ Representative | |
| 5 | Daw Nyunt Nyunt Khaing | Taunggyi Ministry of Hotels and Tourism | |
| 6 | U Soe Myint Thein | Taunggyi District Ministry of Environmental Conservation and Forestry | |
| | Private Sector | | |
| 1 | Daw Kyi Kyi Aye | Myanmar Tourism Federation | |
| 2 | Dr Aung Myat Kyaw | Orchestra Travel | |
| 3 | Daw Su Su Tin | Exotissimo | |
| 4 | Daw Yin Myo Su | Innthar Heritage House and Vocational Training School | |
| 5 | Daw Anne Tin Tin Yee | Shwe Innthar Hotel | |
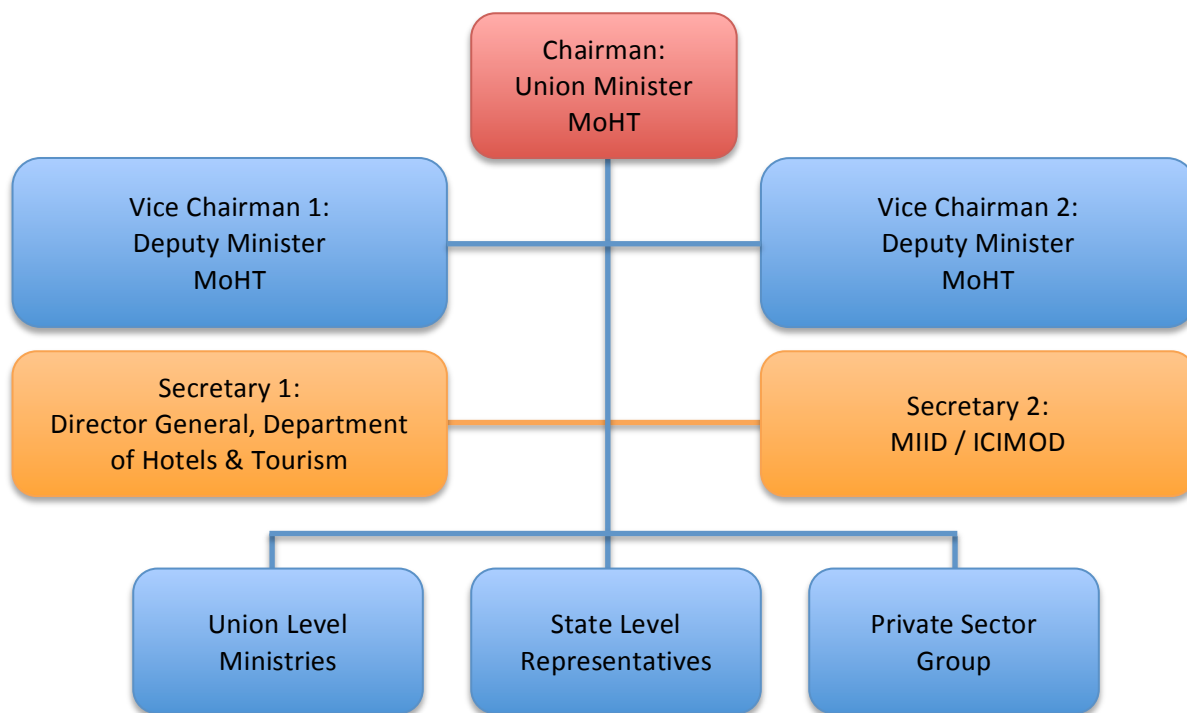
## 12.2 Appendix 2:Myanmar Foreign Investment Law 1988 and 2012 & MIC

The Union of Myanmar Foreign Investment Law was promulgated on 30 Nov 1988. In 2012, the Government of Myanmar issued a new Foreign Investment Law, applicable to tourism[15]. This new law does not overrule the law from 1988; instead the rules of the 1988 Foreign Investment Law still apply if they are not contrary to the 2012 Law. As no case law exists of the 2012 law, it is not clear what constitutes contrary to the 2012 law. Therefore it is necessary to review both, the 1988 Investment Law and the new 2012 Foreign Investment Law.

Operating in Myanmar can be carried out through one of the following business organisations: partnerships, companies limited by shares (joint venture companies, local companies, foreign companies), branch or representative offices of a foreign company, or associations not-for-profit. Partnerships are based on the Partnership Act of 1932, in which the number of partners is limited to 20. A partnership firm may be registered, but registration is not compulsory. All partnerships will be dissolved when all partners are willing to do so. A company limited by shares is the most common method of doing business in Myanmar, and they are required to register. A limited company for example could be a company registered in Myanmar as branch office or representative office of a company formed outside Myanmar. The governing law for limited companies is the Myanmar Companies Act 1914, and a company with share contribution of the State will be registered under the Special Company Act 1950 as well as the Myanmar Companies Act 1914. According to the Foreign Investment Law 1988, foreign investors can set up their businesses either as a wholly foreign-owned company, or a joint venture with any partner (an individual, a private company, a cooperative society or a state-owned enterprise). When setting up joint ventures, the minimum share of the foreign party is 35% of total equity capital. The minimum capital requirement of foreign capital to be eligible under the Foreign Investment Law is $500,000 (for industry), and $300,000 (for a service organisation). The Myanmar Investment Commission (MIC) stressed that economic activities allowed cover 'almost all sectors of the economy'. Interestingly, the tax incentives under the old Foreign Investment Law included that a tax rate of 30% is applicable, and exemption from income tax for three years of the beginning of operations was guaranteed. The MIC could also grant relief from income tax on

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[15] Myanmar Ministry of Hotels and Tourism Guide for Investors, available at
http://www.myanmartourism.org/aboutus/guide_to_investment_and_doing_business.htm

profit that is reinvested within one year, and relief from income tax up to 50% on the profit from exports. Any businesses operating under the Foreign Investment Law had the guarantee of the State against nationalisation and expropriation.

Myanmar's 2012 Foreign Investment Law was signed by His Excellency President U Thein Sein on 2 November 2012. The new law lays down objectives and principles and any activities that promote them. Objectives include resource exploitation, infrastructure development, human resource development, job creation and educational development. Principles include the promotion of exports, import substitution, large investment projects, the development of advanced technology, energy saving, the development of modern industry, environmental conservation, the exchange of information and technology, improving knowledge and technical know-how, developing banking services, promoting modern service provision and securing energy resources.
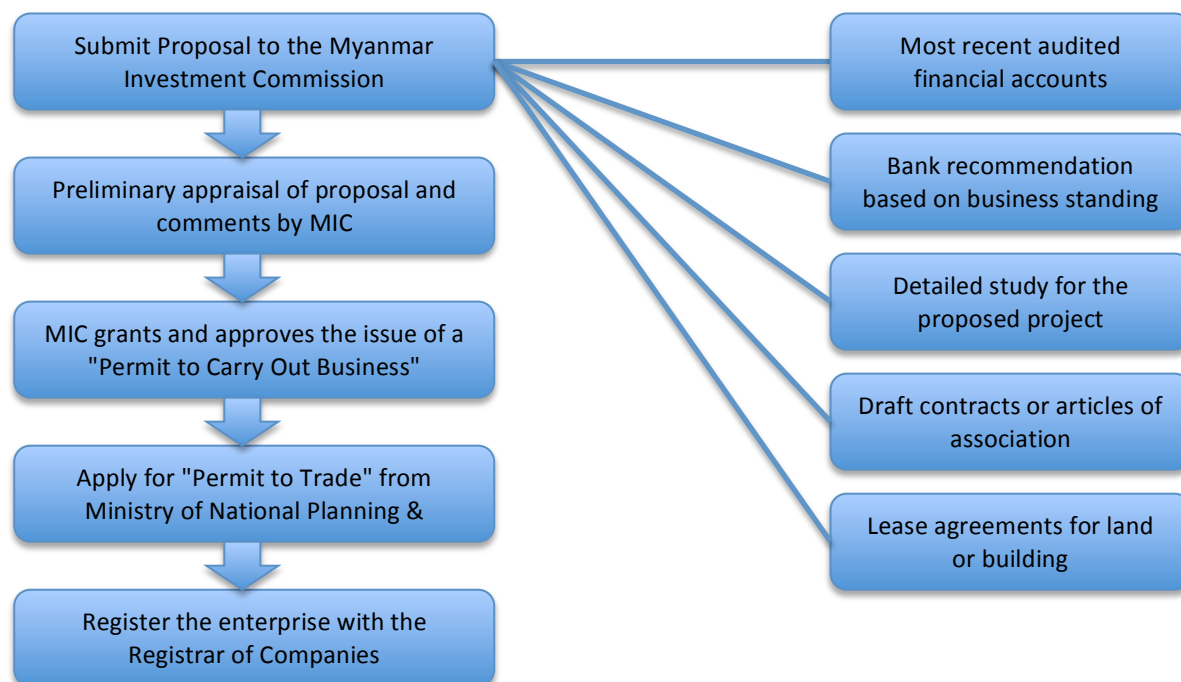
**The Myanmar Investment Commission**

The Myanmar Investment Commission was re-established in 2011 as a 16 member committee to review economic proposals. The Myanmar Investment Commission (MIC) has the discretion to set the minimum investment amount, which depends on the nature of the business activity, with the approval of the Union Government. Similar to the 1988 law, the 2012 law contains a guarantee against nationalisation. The new law also stipulates a dispute-resolution procedure. It will be attractive for investors to know that the new law includes a five-year tax holiday, and that other forms of tax relief may be available. Foreign investors will be able to lease land from the government or from authorised private owners for a period of 50 years, with an additional 20 year extension possible.

Certain activities are restricted or prohibited, and MIC may only permit with special permission of the Union Government. These activities include amongst others "any that would adversely affect public health or the environment...".

If a company wishes to invest in Myanmar, they must submit a proposal in prescribed form to the Myanmar Investment Commission (MIC). The proposal must include documents supporting financial credibility, bank recommendations regarding business standing, and detailed calculations relating to the proposed project (estimated annual net profit, estimated annual foreign exchange earnings, recoupment period, prospects of creating employment, prospects of increase in national income, and an estimation of local and foreign market conditions). If a company is 100% FDI financed, a draft contract is to be executed with an organisation determined by the Ministry concerned. If it is a joint venture, a draft contract is to be entered between the foreign investor and local counterpart. If the joint venture is in the form of a limited company, draft MoUs and Articles of Association as well as a draft contract between the foreign and local investors is to be drawn up. Any promoter may apply for the exemptions and reliefs from taxes stated above.

## Myanmar Investment Procedures[16]

```
Submit Proposal to the Myanmar        →    Most recent audited
Investment Commission                      financial accounts

        ↓                                  Bank recommendation
Preliminary appraisal of proposal and      based on business standing
comments by MIC
                                           Detailed study for the
        ↓                                  proposed project
MIC grants and approves the issue of a
"Permit to Carry Out Business"             Draft contracts or articles of
                                           association
        ↓
Apply for "Permit to Trade" from           Lease agreements for land
Ministry of National Planning &            or building

        ↓
Register the enterprise with the
Registrar of Companies
```

Reforms for the Myanmar investment law include a proposal to transform the MIC from a government appointed body into an independent board, which would bring greater transparency to the process of issuing investment licenses. Currently the key positions are held by senior government officials. In June 2014, His Excellency U Htay Aung, Union Minister for Tourism was appointed to the new position of commission vice chair, while Deputy Minister for Finance HE U Maung Maung Thein and Deputy Minister for National Planning and Economic Development HE Daw Lei Lei Thein were also both added to the body. HE U Aung Naing Oo was appointed secretary in place of Minister for Finance HE U Kan Zaw.

## 12.3  Appendix 3: Myanmar Tourism Federation Members

*Members at time of writing:*

| Name | Description |
|------|-------------|
| Myanmar Hoteliers Association | 600 members & 11 chapters formed according to zone |
| Union of Myanmar Travel and Tourism Association | 400 members, mostly in Yangon |
| Myanmar Restaurants Association | 4 Chapters |
| Myanmar Tourism Transport Association | 2 Chapters in Yangon and Bagan, 9 others to be formed according to zone |
| Myanmar Souvenir Shops Association | -- |
| Myanmar Domestic Tour Operators Association | 40 members, mostly based in Yangon |
| Myanmar Tourist Healthcare and General Services Association | 5 members in 4 zones |
| Myanmar Tour Guides Association | 3,353 members in 4 chapters, 7 more chapters will be formed according to zone |
| Myanmar Tourism Human Resources Development Association | Members based mostly in Yangon, chapters in Yangon and Mandalay |
| Myanmar Marketing Committee | Yangon based, comprised of large hotels and Union of Myanmar Travel Association |
| Note: MTF is organised into 11 membership zones that do not necessarily conform to state or regional boundaries | |

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[16] For more information
http://www.oecd.org/daf/inv/investmentfordevelopment/Investment%20Policy%20Reform%20Myanmar%20%282%29.pdf

## 12.4 Appendix 4: Roles of Government Agencies and MTF in select priority actions of Myanmar Responsible Tourism Strategy[17]

| | Lead Role ● | Advisory Role ♦ | Liaison Role ✳ |

| Priority Actions | MOHT | MONPED | MOCUL | MOECF | MOAI | MOC | MOFR | MOIP | MOCON | MOFA | MOE | MOIN | MORA | MOT | MOCIT | MOHA | MOEP | MOCOP | MOBA | MOH | MOLESS | MOSWR | MOLF | MORT | MOST | UAGO | MTF |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ensure integrated tourism planning. | ● | ♦ | ● | ● | ✳ | ✳ | ✳ | ✳ | ✳ | | | | ✳ | ♦ | ✳ | ✳ | ♦ | | ♦ | ✳ | | ✳ | ● | ✳ | ✳ | ✳ | ♦ |
| Promote tourism investment processes that embrace responsible tourism development guidelines. | ♦ | ● | ✳ | ✳ | | ✳ | ♦ | ✳ | | ✳ | ✳ | ✳ | | ✳ | ✳ | | | | ♦ | ♦ | | ✳ | ✳ | ✳ | | | ✳ | ♦ |
| Establish more tourism and hospitality training facilities and programs with standardized courses. | ● | ● | ♦ | ✳ | ✳ | | ✳ | ♦ | | ♦ | | ● | | | | | | | | | | ✳ | ✳ | | | ● | ♦ |
| Establish tourist information centers and promote visitor safety. | ● | | ✳ | ✳ | | | ✳ | | ✳ | | | ✳ | ✳ | | | | | | ✳ | | | | | | | | ● |
| Integrate domestic tourism as an important component of the tourism economy. | ● | ✳ | | | | ✳ | ✳ | | | | | | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | | ✳ | ✳ | | ✳ | ✳ | ♦ |
| Collect and monitor consistent and robust tourism data and statistics. | ● | ✳ | ♦ | ✳ | ✳ | ✳ | ● | ✳ | ✳ | ♦ | ✳ | ♦ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ♦ |
| Train local guides in responsible tourism and natural and cultural heritage interpretation. | ● | | ♦ | ♦ | | | ✳ | | | | ♦ | ✳ | ♦ | | | | | | | | | | | | | | ● |
| Ensure contract compliance and fair pricing for tourism services. | ● | | | | ✳ | ✳ | | | | | | ✳ | | | | ✳ | ✳ | | | ✳ | | | | | | ♦ | ● |
| Establish a comprehensive national accommodation rating system consistent with ASEAN standards. | ● | | | | | | | | ✳ | | | | | | | ✳ | | | | | | | | | | ✳ | ● |
| Enable and support community based tourism activities that benefit local communities. | ● | | | ♦ | ♦ | ✳ | ✳ | ✳ | | | | ✳ | ✳ | ✳ | | ✳ | ✳ | ✳ | | ✳ | ✳ | ✳ | ✳ | | | | ● |
| Provide tourism awareness training to local communities and increase local participation in tourism supply chains. | ● | ✳ | ✳ | ✳ | ✳ | ✳ | ✳ | ● | | | ✳ | ✳ | ♦ | ✳ | ✳ | ✳ | | ✳ | ✳ | | ✳ | ✳ | ✳ | ✳ | | | ♦ |
| Develop a code of conduct & do's and don'ts guidelines for international visitors. | ● | | ♦ | ✳ | | | | ✳ | ✳ | | | | ✳ | | | | | | | | | ✳ | | | | | ♦ |
| Raise awareness and prevent all forms of abuse and exploitation of children, women and men. | ● | ✳ | | | | | | | | | | ♦ | | | | ♦ | | | | ✳ | ✳ | ✳ | | | | ✳ | ♦ |
| Ensure the tourism sector manages the use of energy and water more efficiently. | ✳ | ✳ | | ♦ | | | ✳ | | ● | | | ✳ | | | | | ● | | | | | | | ♦ | | | ♦ |

MOAI = Ministry of Agriculture & Irrigation; MOBA = Ministry of Border Affairs; MOC = Ministry of Commerce; MOCIT = Ministry of Communications and Information Technology; MOCON = Ministry of Construction; MOCOP = Ministry of Cooperatives; MOCUL = Ministry of Culture; MOE = Ministry of Education; MOEP = Ministry of Electric Power; MOECF = Ministry of Environmental Conservation and Forestry; MOFR = Ministry of Finance and Revenue; MOHA = Ministry of Home Affairs; MOHT = Ministry of Hotels and Tourism; MOI = Ministry of Industry; MOIN = Ministry of Information; MOIP = Ministry of Immigration and Population; MOLSS = Ministry of Labor, Employment and Social Security; MONPED = Ministry of National Planning and Economic Development; MORA = Ministry of Religious Affairs; MORT = Ministry of Rail Transport; MOST = Ministry of Science and Technology; MOSWRR = Ministry of Social Welfare, Relief and Resettlement; MOT = Ministry of Transport; MTF = Myanmar Tourism Federation; UAGO = Union Attorney General's Office. Source: Adapted from Myanmar Responsible Tourism Policy.

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[17] Myanmar Tourism Master Plan 2013, page 11

*Notes*

**MINISTRY OF HOTELS AND TOURISM**
**THE REPUBLIC OF THE UNION OF**
**MYANMAR**

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