

The Republic of the Union of Myanmar
Ministry of Hotels and Tourism

**Project for Establishment of the Pilot Model
for Regional Tourism Development
in the Republic of the Union of Myanmar**

Final Report

March 2018

Japan International Cooperation Agency (JICA)

Koei Research & Consulting Inc.

Nippon Koei Co., Ltd.

JTB Corporate Sales Inc.



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Source: JICA Expert Team based on the map data provided by Design Printing Services Co., Ltd

Location Map of the Project Sites

**Project for Establishment of the Pilot Model for Regional Tourism
Development
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Final Report

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List of Abbreviations

ACCSTP	ASEAN Common Competency Standard for Tourism Professionals
ADB	Asian Development Bank
ADSL	Asymmetric Digital Subscriber Line
AMA	Association of Myanmar Architect
APSARA	Authority for the Protection of the Site and Management of the Region of Angkor
ASEAN	Association of Southeast Asian Nations
AZ	Ancient Site Zone
BHA	Bagan Hospitality Association
BIC	Bagan Information Center
BITC	Bagan Information and Training Center
BMP	Bagan Management Plan
BOR	Bagan Omotenashi-Hospitality Representative
BTDP	Bagan Tourism Development Plan
BTI	Bagan Tourism Institute (Proposed)
BTPP	Bagan Tourism Promotion Platform (Proposed)
CATA	Common ASEAN Tourism Curriculum
CBT	Community-Based Tourism
CIQ	Customs, Immigration, Quarantine
DCA	Department of Civil Aviation
DF/R	Draft Final Report
DMO	Destination Management Organization
DOA	Department of Archaeology, National Museum and Library
DOIWT	Department of Inland Water Transportation
E-Bike	Electric Bicycle
EIRR	Economic Internal Rate of Return
EV	Electric Vehicle
FAM Tour	Familiarization Tour
FIT	Free Individual Tour (Foreign Independent Tour)
FIRR	Economic Internal Rate of Return
FO	Front Office
F&B	Food and Beverage
F/R	Final Report
GAD	General Administration Department, Nyaung U District
GDP	Gross Domestic Product
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMS	Greater Mekong Subregion
HIA	Heritage Impact Assessment
HRD	Human Resources Development
ICAO	International Civil Aviation Organization
ICOMOS	International Council on Monuments and Sites
ICT	Information and Communication Technology
ILO	International Labor Organization
IT	Information and Telecommunication
JATA	Japan Association of Travel Agents
JCC	Joint Coordination Committee
JICA	Japan International Cooperation Agency
LED	Light Emitting Diode
Lux-Dev	Luxembourg Development Cooperation Agency

MESC	Mandalay Electricity Supply Corporation
MHA	Myanmar Hotelier Association
MICE	Meeting, Incentives, Conferences, and Exhibitions
MOALI	Ministry of Agriculture, Livestock and Irrigation
MOC	Ministry of Construction, Myanmar
MOHA	Ministry of Home Affairs, Myanmar
MOHT	Ministry of Hotels and Tourism, Myanmar
MONPF	Ministry of National Planning and Finance, Myanmar
MOR	Master Omotenashi-Hospitality Representative
MORAC	Ministry of Religious Affairs and Culture, Myanmar
MOE	Ministry of Education, Myanmar
MOEE	Ministry of Electric Power and Energy, Myanmar
MONREC	Ministry of Natural Resources and Environmental Conservation, Myanmar
MOTC	Ministry of Transport and Communications, Myanmar
MHPA	Myanmar Hospitality Professionals Association
MPT	Myanmar Post and Telecommunication
MRA	Myanmar Restaurant Association
MRA-TP	Mutual Recognition Agreement on Tourism Professionals
MRG	Mandalay Region Government
MRI	Magnetic Resonance Imaging
MRTI	Myanmar Responsible Tourism Institute
M RTP	Myanmar Responsible Tourism Policy
MSEA	Myanmar Souvenir Entrepreneurs Association
MTF	Myanmar Tourism Federation
MTGA	Myanmar Tour Guides Association
MTMP	Myanmar Tourism Master Plan
MTTA	Myanmar Tourism Transportation Association
MZ	Ancient Monument Zone
NCDP	National Comprehensive Development Plan
NGO	Non-Government Organization
ODA	Official Development Assistance
OJT	On-the-job Training
OUV	Outstanding Universal Value
O&M	Operation and Maintenance
PFI	Private Finance Initiative
PMU	Project Management Unit
PPP	Public-Private-Partnership
P & R	Park and Ride
PR	Public Relations
Pre-F/S	Preliminary Feasibility Study
PZ	Protected and Preserved Zone
R/D	Record of Discussions
SME	Small and Medium Enterprise
SNS	Social Networking Service
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TDC	Township Development Committee
TDM	Tourism Demand Management
TIC	Tourist Information Center
ToT	Training of Trainers
UMTA	Union of Myanmar Travel Association
UNESCO	United Nations Educational, Scientific and Cultural Organization

URL	Uniform Resource Locator
WCDMA	Wideband Code Division Multiple Access
WCS	Wildlife Conservation Society
WG	Working Group
WHS	World Heritage Site
Wi-Fi Spot	Wireless LAN Spot

Chapter 1 Introduction

1.1 Background

Myanmar has abundant archaeological sites, traditional cultural and natural resources. There are tangible and intangible cultural heritage site inherent in each region. Although currently, only one cultural heritage site in Myanmar registered as UNESCO world heritage site (WHS), 14 heritage sites are registered in the tentative list of WHS. Myanmar has a great potential as a tourist destination with diverse and abundant tourism resources.

Ever since the country's transition toward democratic reforms in 2011, support of economic development and investment for the private sector including tourism to Myanmar from overseas have increased. Due to these factors, the number of foreign visitors and business travelers to Myanmar has been increasing and tourism destinations in Myanmar have been gradually developed in accordance with improvement of security situation and growth of the direct flights from major cities in neighboring countries to Myanmar. The tourism industry of Myanmar has become an important industry for the development of the country.

Under these circumstances, “Myanmar Tourism Master Plan (2013-2020)” was formulated by the Ministry of Hotels and Tourism (MOHT) in cooperation with the Asian Development Bank (ADB) in 2013. The objective of the Master Plan is to provide more employment and greater business opportunities for all people, to contribute to the conservation of natural and cultural heritage sites and to share its rich cultural diversity. According to the Master Plan, the number of foreign visitors to Myanmar was increased from 210,000 in 2003 to 2.04 million in 2013. In 2020, it is projected that the number of foreign visitors will reach to 7.5 million.

In order to accept the rapidly increasing number of foreign visitors in Myanmar, many constraints and weakness in tourist destination management, tourism product development, tourism promotion, tourism infrastructure to accommodate tourists, and improvement of system for human resources development to support tourism sector need to be urgently improved and solved.

Hence, the Japan International Cooperation Agency (JICA) has implemented three detailed planning surveys on tourism sector in Myanmar from August 2013 to August 2014 in response to request for support of tourism development for Myanmar. In the surveys, Bagan was identified and selected as a priority area to formulate a regional tourism development plan. Bagan is positioned as one of eight flagship tourist destinations in Myanmar stated in Myanmar Tourism Master Plan. Based on the result of the surveys, JICA was requested to conduct “**Project for Establishment of the Pilot Model for Regional Tourism Development in the Republic of the Union of Myanmar** (the Project)” by MOHT in April 2014. From November 2014, the Project was started in Bagan as the project target area for three years.

From 2013, the Ministry of Religious Affairs and Culture (MORAC) was preparing the nomination of Bagan as a candidate site for World Cultural Heritage Site under cooperation and support of relevant governmental agencies and UNESCO, and applied for UNESCO to nominate Bagan as a World Heritage Site in January 2018.

“Bagan Management Plan (BMP)” is a required application document for World Heritage nomination. In the formulation of BMP, "Strategic Plan for Sustainable Tourism", part of the components included in "Bagan Tourism Development Plan" being prepared in the Project was integrated into BMP. (See Figure 1-1)



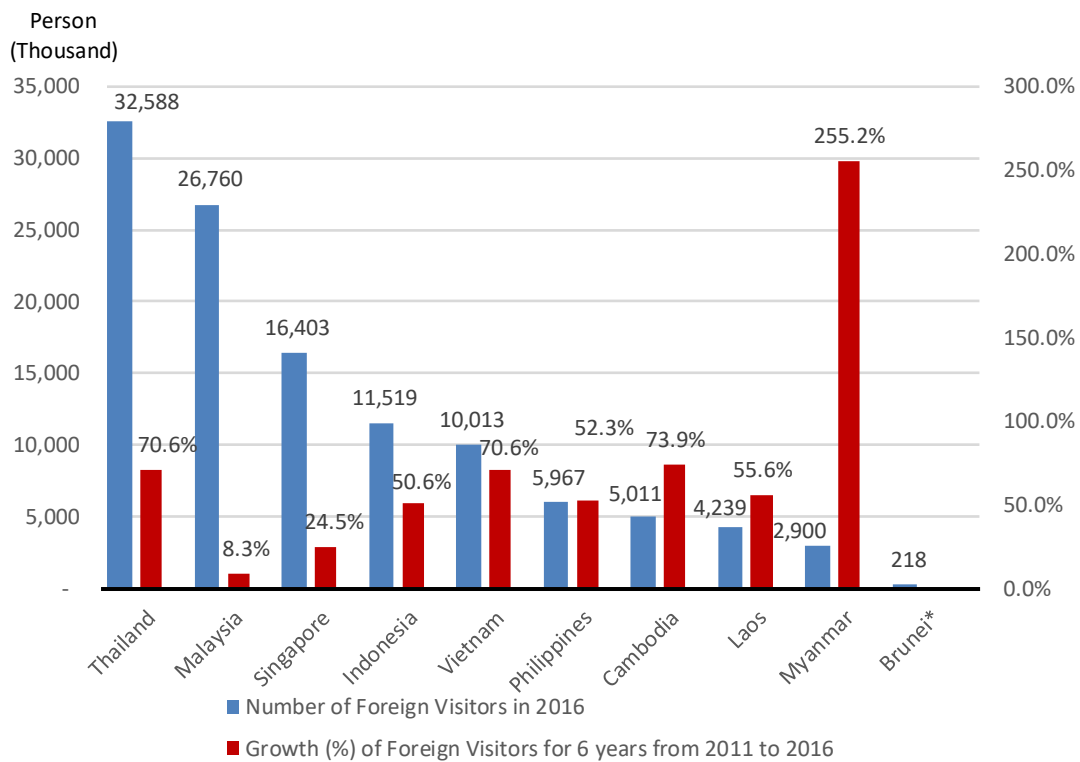
Figure 1—1 Relationship between Myanmar Tourism Master Plan, Bagan Tourism Development Project and World Heritage Nomination

1.2 Outline

1.2.1 Current Situation of Tourism Sector in Neighboring Countries, Myanmar and Bagan

(1) Position of Tourism Sector of Myanmar within ASEAN countries

The number of foreign visitors in the ASEAN (Association of Southeast Asian Nations) consisting of 10 member countries was 73,752 thousand in 2010, continued to increase every year, and it was increased to 115,618 thousand in 2016. Myanmar is a member country of ASEAN. The number of foreign visitors to Myanmar was 2.9 million in 2016, which is relatively small and the second less next to Laos among ASEAN countries as shown the Figure 1-2. On the other hand, in the comparison of the growth rate of foreign visitors in ASEAN countries covering the six years from 2011 to 2016, Myanmar shows the highest increase in growth rate (255 %) of visitors among ASEAN countries.

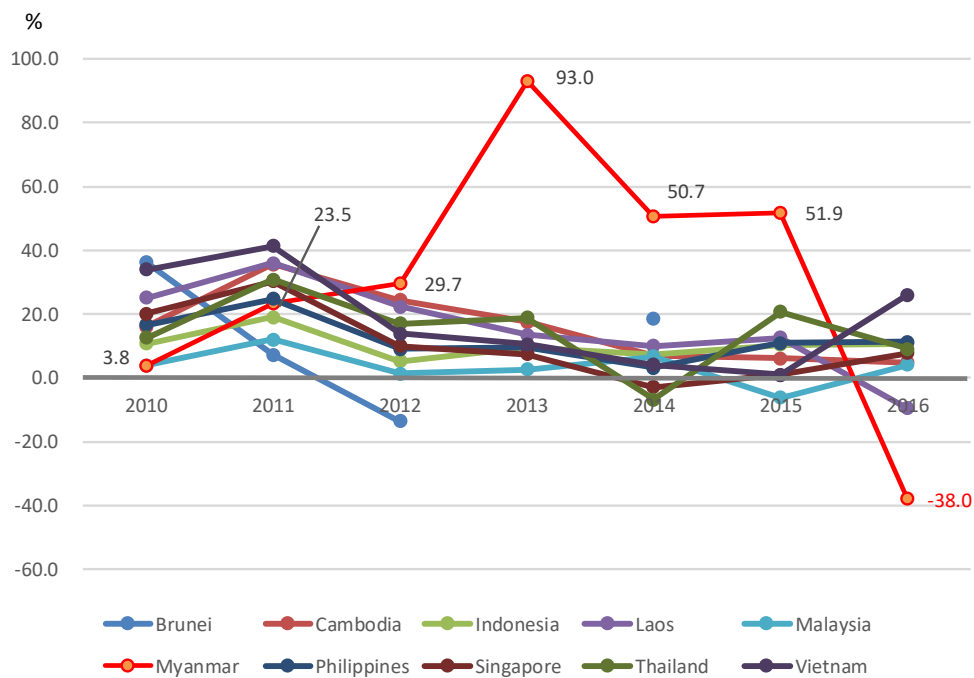


Source: ASEAN Community in Figures (ACIF) 2016, ASEAN Secretariat

Remarks: */ Visitor data of Brunei is not shown in the figure because the rate of increase of foreign tourists in Brunei is -9.9%.

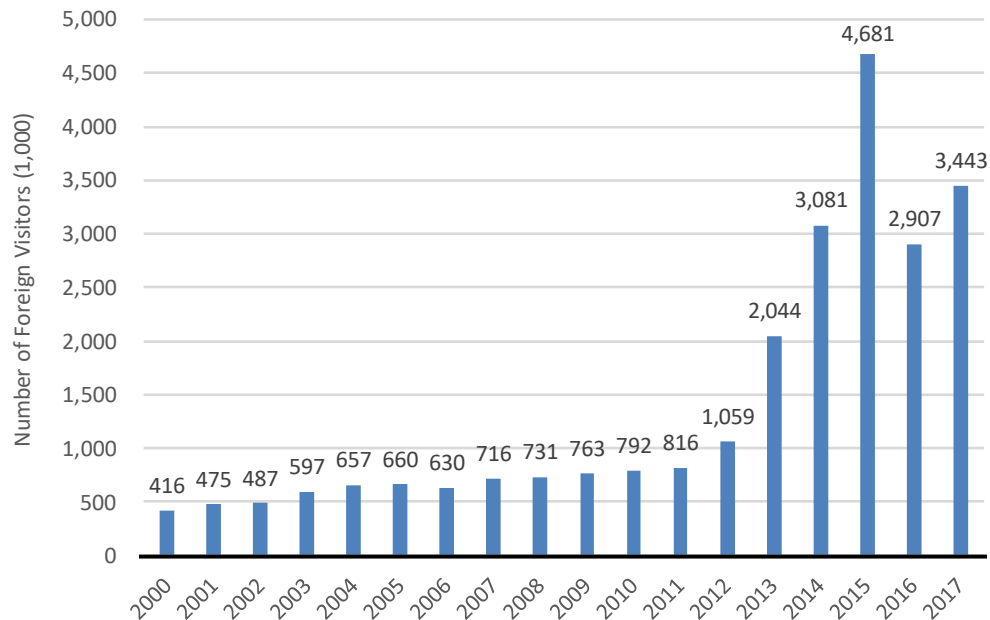
Figure 1–2 Comparison of Number of Foreign Visitors (2016) and Growth of Foreign Visitors to ASEAN Countries for Six Years (2011-2016)

In the comparison of the annual growth rate (compared with the previous year) of foreign tourists in ASEAN countries in the past seven years from 2010 to 2016 as shown the Figure 1-3, Myanmar has the highest annual growth rate in ASEAN countries since 2012. The annual growth rates of Myanmar in 2013 and 2015 were 93.0 % (versus average: 14.5 %) and 51.9 % (versus average: 3.6 %), respectively. However, the number of visitors to Myanmar in 2016 dropped to -38 % which was caused by change in method of visitor counting: namely, the number of day trip foreign visitors entering from the border gates was excluded for foreign visitor data from 2016.



Source: ASEAN Community in Figures (ACIF) 2016, ASEAN Secretariat

Figure 1—3 Comparison of Annual Growth Rate of Foreign Tourists to ASEAN Countries in the Past Seven Years from 2010 to 2017



Source : Myanmar Tourism Statistics 2016, visitor data in 2017, MOHT

Figure 1—4 Number of Foreign Visitors to Myanmar (2000-2017)

According to the Travel & Tourism Economic Impact 2017, prepared by World Travel & Tourism Council, Cambodia had the highest share of the direct contribution of travel and tourism to gross domestic product (GDP) in 2016 with 12.2 % (2.4 billion USD) among ASEAN countries, followed by Thailand 9.2 % (36.7 billion USD). The direct contribution of travel and tourism to Myanmar's GDP

was 3.0 %, ranked the 7th place among ASEAN countries, which is similar to the average of all countries (3.1 %).

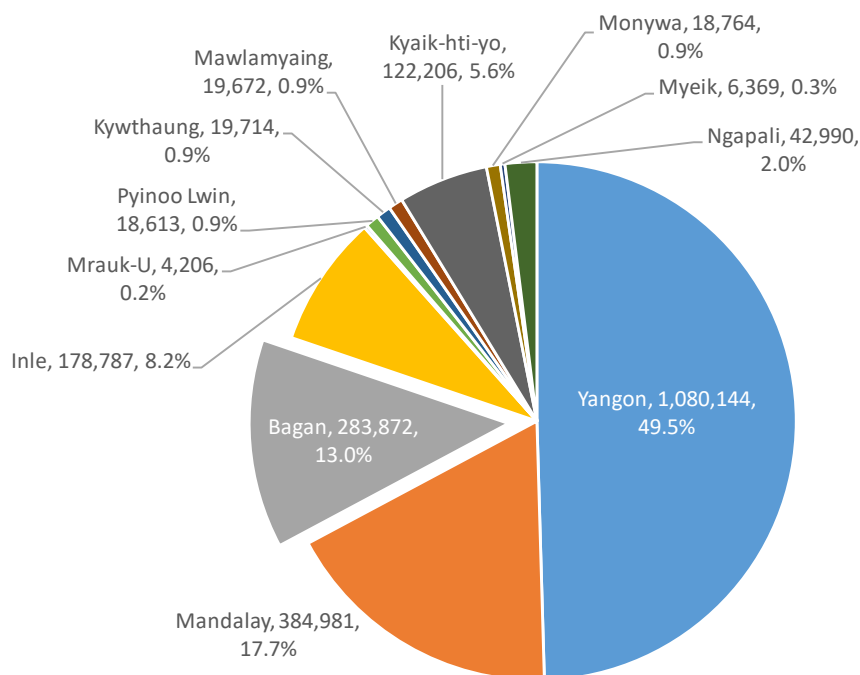
It is assumed that Cambodia earns tourism income mainly from traveling to and sightseeing at Angkor in Siem Reap because Cambodia’s Angkor is a well-known UNESCO World Heritage Site that attracts many foreign tourists from all over the world. With regard to the travel and tourism’s direct contribution to employment in 2016, Thailand had the largest employment with 2.3 million. Myanmar is the sixth with 808,000 (2.7 % of the total employment). Regarding to the annual average growth rate of travel and tourism’s direct contribution to GDP, employment and total capital investment for ten years from 2017 to 2027, it was estimated that the annual average growth rates of Myanmar are 7.4 % (1st place), 4.8% (2nd place) and 9.6 % (1st place), respectively, compared with other ASEAN countries. According these figures, tourism has potential as a major industry for Myanmar.

Based on above mentioned factors, economic development of Myanmar is highly expected by tourism development and tourism industry due to continuous increase of foreign tourists to Myanmar, public investment and employment in tourism sector.

(2) Position of Bagan in Myanmar

Myanmar is a multiethnic country in which 135 ethnic groups live, and there are many tourism resources with diverse culture. Major tourist destinations in Myanmar are 1) Yangon; the golden Shwedagon Pagoda that built 2,600 years ago and remains buildings during British colonial period, 2) Bagan, Mandalay and Mrauk-U; cultural heritage destination with tourist resources such as pagoda temple and palace, 3) Inlay Lake; people of Inlay Lake, called Intha living on the floating islands in the highland area, traditional life of Intha fisherman rowing a boat with one leg, and natural landscape on the lake, 4) Kyaik-hti-yo; a giant rock covered with gold leaf known as Golden Rock and a pagoda at the summit of 1,100 m, and Buddhist pilgrimage site for Myanmar people, 5) Ngapali, Chaung Tha and Ngwe Saung; beach resorts located along the Bay of Bengal, 6) Myeik, Mergui archipelago and Kawthaung; places known as beach and marine sports resorts enjoying scuba diving, snorkeling and boat cruise.

According to the foreign visitors by tourist destination in 2016, Yangon received about half of foreign visitors. Bagan is the third largest share with 13 %, following Mandalay (17.7 %).



Source : Myanmar Tourism Statistics, MOHT

Figure 1—5 Number and Share of Foreign Visitors by Tourist Destination in 2016

Bagan is one of the important tourist destinations in Myanmar, along with Yangon, Inlay, Mandalay and Kyaik-hti-yo and is included in most tour package programs for foreign tourists. As of September 2017, domestic scheduled flights are in service between major tourist destinations, such as Bagan, Yangon, Mandalay and Heho (Inlay). Main tour packages are traveling these four tourist destinations connecting by air.

(3) Tourism Sector of Bagan and its Surrounding Area

Bagan was the capital during the Bagan period that prospered from 11th to 13th centuries, called “Bagan Ancient City”. It is known as an important Buddhist heritage site in terms of history and archeology as well as other Buddhist heritage sites in Southeast Asia. In Bagan, more than 3,000 monuments (temples, pagodas, monasteries, archaeological mounds) spread to the Bagan plain on the left bank of the Ayeyarwady River. Bagan is a cultural heritage tourist destination representing Myanmar and its unique and significant cultural landscape of Bagan attracts many tourists.

In addition to pagodas, temples as tourism resources in Bagan, rural villages, nature and farming landscapes in and around Bagan Archaeological Area are also important tourism attractions. Village tour at West Pwa Saw and Min Nan Thu villages, cruising tour on the Ayeyarwady River and hot air balloon tour are optional tour programs for foreign tourists and are popular for foreign tourists. In the village tour, tourist can experience traditional rural life, making handicrafts, and interaction with villagers.

Bagan, located in the central arid region, can enjoy sightseeing throughout the year because rainfall is less in the rainy season (May - October) than other regions in Myanmar.

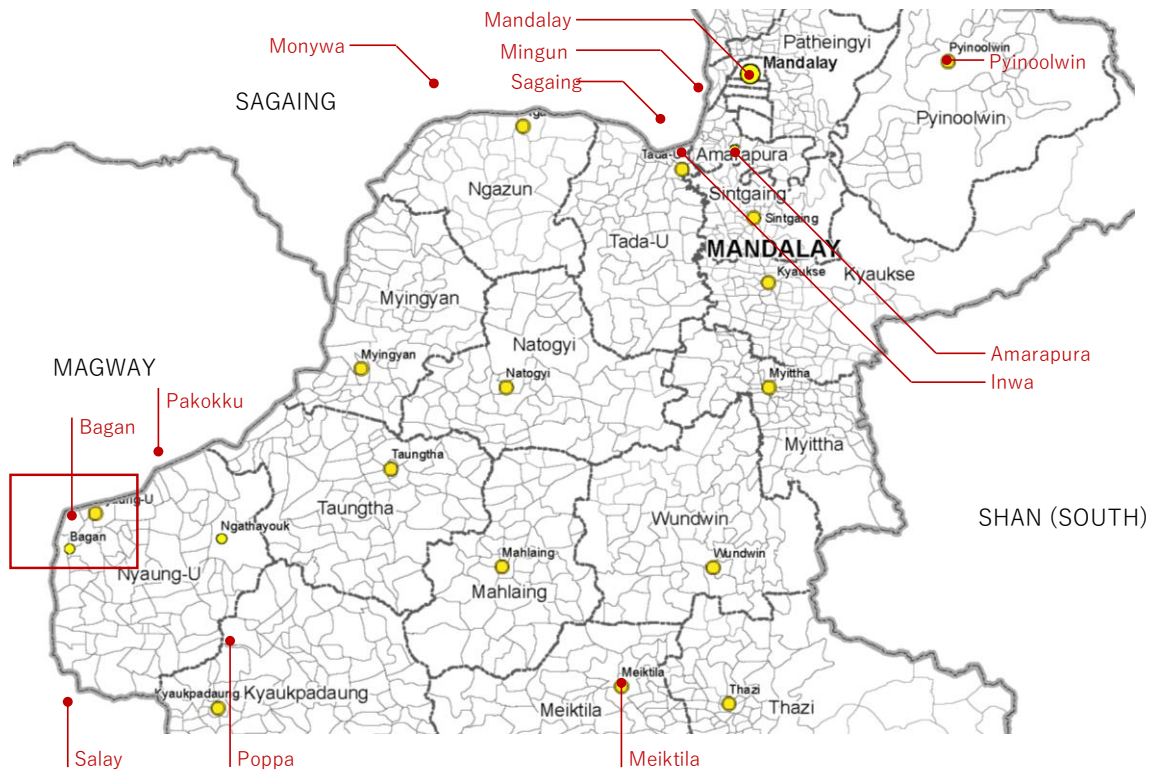


Source: JICA Expert Team

Figure 1—6 Tourism Resources in Bagan

In the surroundings of Bagan, there are some tourist sites for half day and day trips from Bagan, such as Tan Kyi Taung Pagoda located on the top of Mt. Tan Kyi Taung (opposite side of Ayeyarwady River), Salay, and Popa Mountain area. The details of these tourist sites are described in Chapter 2.

It is possible to travel from Bagan to Mandalay for two days and one night tour. Mandalay is the second largest city in Myanmar and was the last dynasty of Myanmar. Main tourism resources in Mandalay are stupas, pagodas, monasteries and Old Palace in and around Mandalay Hill. Tourists destinations in the surroundings of Mandalay are Amarapura, Inwa, Sagaing, and Mingun. Travelling time from Bagan to Mandalay is 30 minutes by air and about 3-4 hours by car.



Source: JICA Expert Team

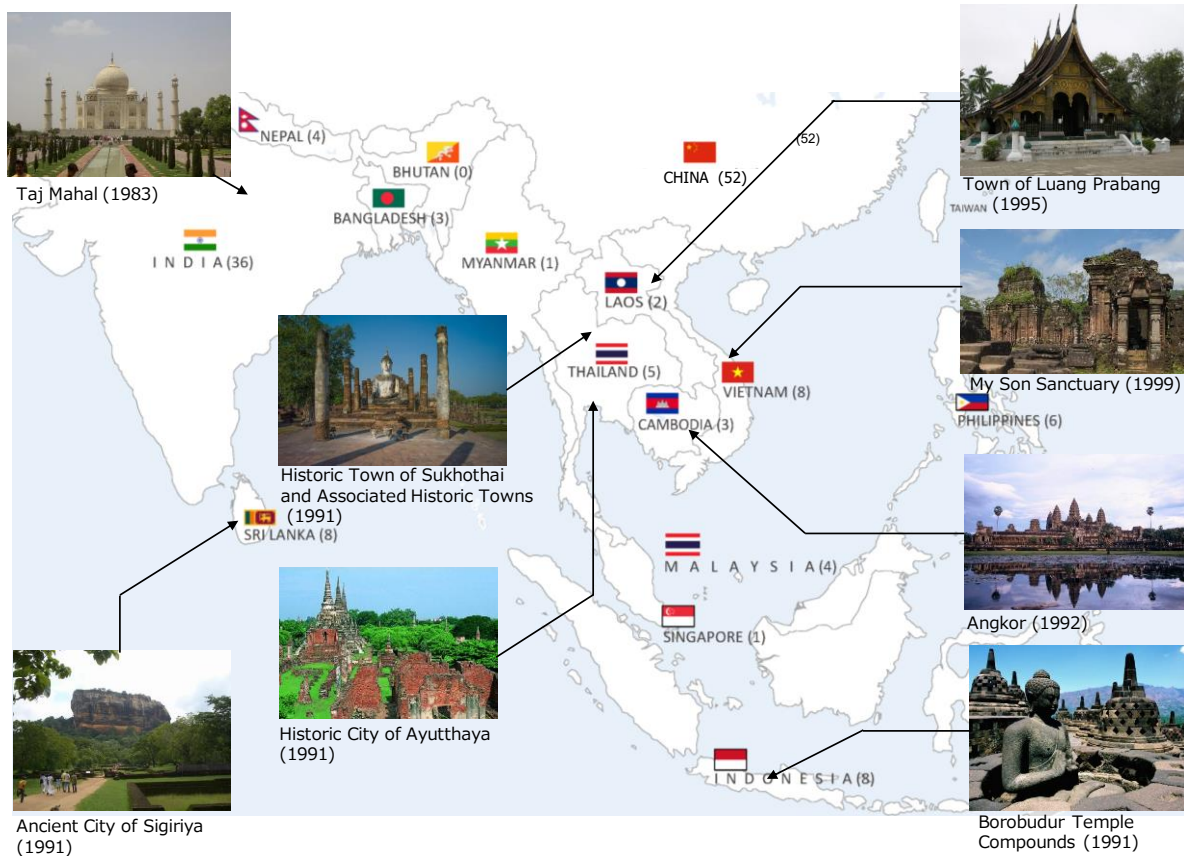
Figure 1—7 Tourist Destinations in the Surroundings of Bagan and Mandalay

1.2.2 Current Situation of World Heritage Sites in Neighboring Countries

(1) Current Situation of World Heritage Sites in South Asia, Northeast and Southeast Asia, and Relationship between World Heritage Site and Tourism Development

In UNESCO World Heritage Sites (WHSs) in Southeast Asia, North East and South Asia including China (as of August 2017), China has the largest number of WHS with 52 sites, followed by India with 36 sites. (See Figure 1-8) In Southeast Asia, there are 38 WHSs (cultural heritage: 24, natural heritage: 13, mix cultural and natural heritage: 1) in 9 countries excluding Brunei. For Myanmar, there is only one WHS. “Pyu Ancient Cities” was registered as the first WHS (cultural heritage) in 2014.

Major UNESCO World Heritage Sites in ASEAN countries include Angkor in Cambodia, Historic City of Ayutthaya (Ayutthaya) and Historic Town of Sukhothai (Sukhothai) in Thailand, Town of Luang Prabang (Luang Prabang) in Laos, Borobudur Temple Compounds (Borobudur) and Prambanan Temple Compounds (Prambanan) in Indonesia.

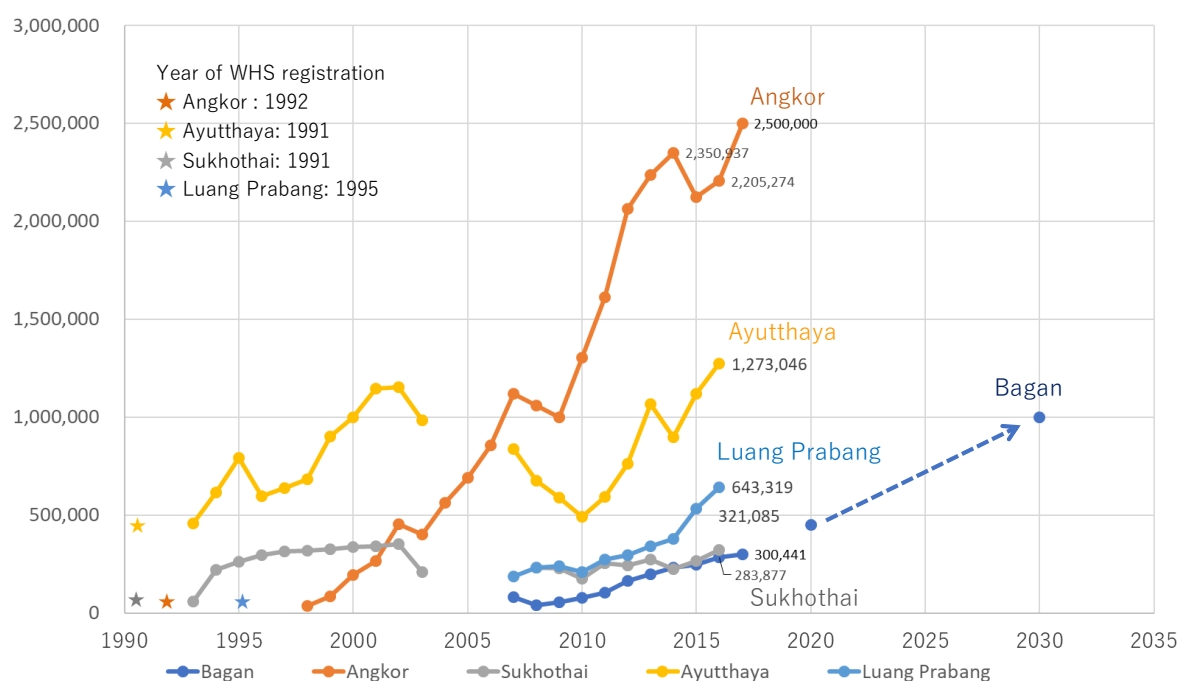


Remark: Number in brackets are the number of registered WHS and the year of registration by country.

Source : JICA Expert Team, UNESCO World Heritage Center

Figure 1—8 Major UNESCO World Heritage Sites in Southeast, Northeast and South Asia

In the comparison of the number of foreign visitors to Angkor, Ayutthaya, Sukhothai, Luang Prabang and Bagan from 1993 to 2017, Angkor received the largest number of visitors. Since 1998 the number of foreign visitors to Angkor increased rapidly and reached 2.35 million in 2014. The number of foreign visitors to Angkor slight decreased to 2.12 million in 2015 and increased again from 2016, and it was reached 2.5 million in 2017. The second is Ayutthaya with 1.27 million visitors in 2016, and the number of foreign visitors has an upward trend. The number of foreign visitors to Sukhothai in the last 15 years is mostly flat, and the number of foreign visitors in 2016 is almost the same as Bagan. According to the analysis of demand forecast in the Chapter 3, the number of foreign tourists is expected to increase to 450,000 in 2020 and 1 million in 2030.



Source: Bagan: Tourism Statistics Report, Ministry of Hotels and Tourism, Myanmar, Angkor: Statistics Report, Ministry of Tourism, Cambodia, Sukhothai/Ayutthaya : Fine Arts Department, Ministry of Culture, Thailand, Luang Prabang: Tourism Statistics Report, Ministry of Information, Culture and Tourism

Remark : Projected tourist numbers in 2020 and 2030 in the figure are referred from Pre-FS Study Report on Basic Infrastructure in Bagan (completed in April 2017)

Figure 1—9 Comparison of the Number of Foreign Tourists to Bagan and World Cultural Heritage Sites in Neighboring Countries

Current situation of impact on heritage, protection and management of heritage by tourism at Angkor Wat and Borobudur which are similar to Bagan are summarized below.

Angkor in Cambodia (registered as World Heritage Site (WHS) in 1992): Siem Reap International Airport Terminal was expanded in the outskirts of Angkor in 2005. Direct flights from major cities in Asian countries such as China, Vietnam, Thailand, Laos, South Korea are arriving at the airport. The number of flights and passengers has been increasing year by year. Due to strengthen the access to Angkor by air, the share of visitors to Angkor using the airport was increased to 68 % in 2016. The airport is the main gateway to Angkor. On the other hand, due to increase of foreign tourist to Angkor in recent years, which may cause negative impact to monuments. From the view point of protection and management of heritage, Authority for the Protection of the Site and Management of the Region of Angkor (APSARA) has started to control visitors to Angkor.

Borobudur Temple Compounds (Borobudur) in Indonesia (registered as WHS in 1991): According to Borobudur Temple Park Management Office, the number of visitors to Borobudur was 2.5 million in 2009 and increased to 3.7 million in 2016. In August 2016, the Ministry of Education and Culture in Indonesia announced plans to limit the number of visitors that are allowed to enter the Borobudur to 15 people at one time calculated based on research data related to the structural capacity of the temple as a countermeasure to reduce negative impact of damage to the temple and visitor congestion due to the rapid increase of visitors to Borobudur every year.

Both Angkor and Borobudur are well-known WHSs in each country. These WHSs have been developed and promoted as international tourist destinations for a long time which contribute greatly to the development of national and regional economies for each country. However, these WHSs have been facing issues of impact on monuments by tourism development and environmental degradation. The

balance between tourism development and conservation of heritage needs to be addressed for the management of each WHS. It is anticipated that Bagan will face similar issues after the registration of WHS. It is important that Bagan needs to keep the balance between tourism development and conservation of heritage, development and management of a sustainable WHS with reference to the problems, challenges and countermeasures of those WHSs.

(2) Tour Programs visiting World Heritage Sites and Tourism Promotion for networking with the Two Heritage Cities of Bagan and Angkor Wat

Regarding tour package products, various tour packages, themed “World Heritage” visiting WHSs are created and available in the US and European markets and even in the Asian market. There are many tour packages for WHS not only visiting WHSs in the same country but also visiting WHSs in more than two countries in cooperation with travel agencies and airlines.

As a tour package visiting WHSs in only one country, the following tour packages are sold for travelers. A tour package visiting several WHSs in one country is quite popular for tourists.

- Thailand: Ayutthaya, Sukhothai
- Cambodia: Angkor, Preah Vihear Temple, Sambor Prei Kuk Temple
- Vietnam: Ha Long Bay, Hue, Phong Nha-Ke Bang National Park, Hoi An, My Son Sanctuary

As a tour package for visiting WHSs in more than two countries, there are tour packages combining three WHSs (Angkor, Ha Long Bay and Luang Prabang) in three countries, and Luang Prabang combining three to four WHSs in Vietnam (Ha Long Bay, Hue, Hoi An and My Son Sanctuary). Tour packages visiting WHSs are very popular among foreign tourists. Travel agencies are developing and marketing customized tour packages that meet the needs of travelers are also increasing.

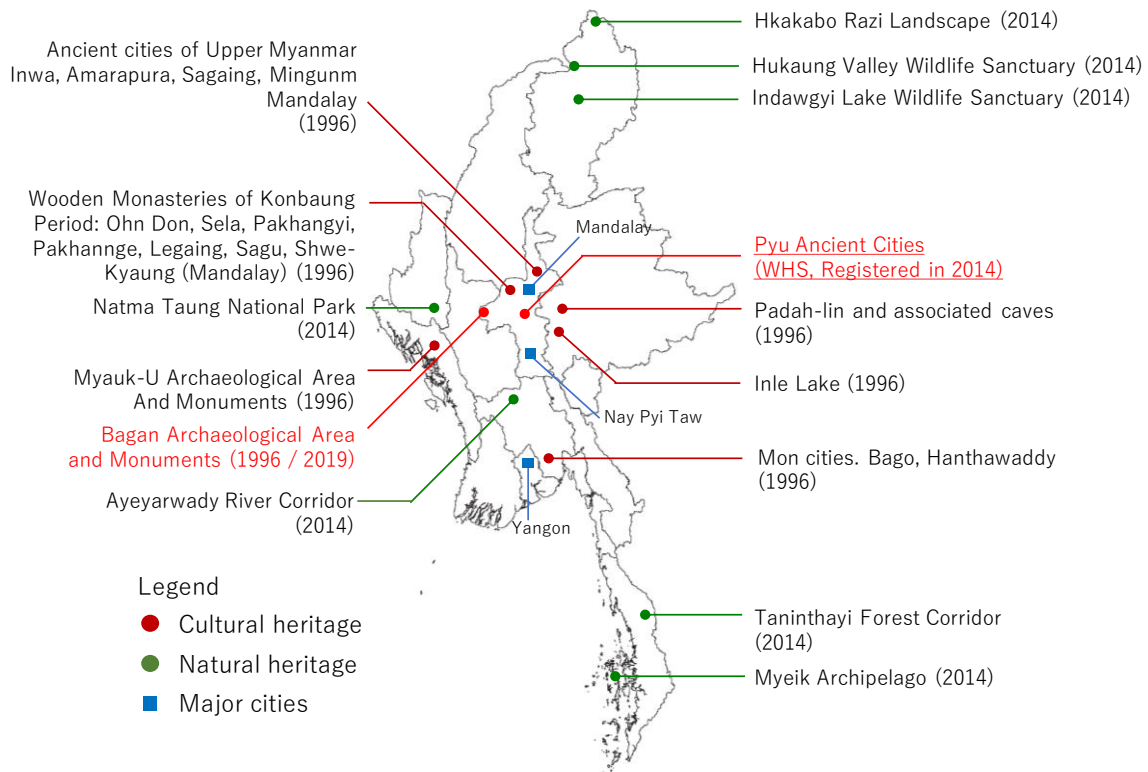
Related to the above, in November 2017, the Ministry of Hotels and Tourism, Myanmar and the Ministry of Tourism, Cambodia agreed on bilateral collaboration in tourism development through mutual cooperation between the two heritage cities (Bagan, Siem Reap). By collaborating in the tourism development of two heritage cities, it is possible to develop a tour package traveling two heritage cities, Bagan and Siem Reap and promote the tour package and tourists can visit Bagan and Angkor in this tour. If the tour of two heritage cities is realized, in particular the number of foreign visitors to Bagan is expected to increase. In order to create the tour, it is necessary to operate a direct flight between Nyaung U Airport in Bagan and Siem Reap International Airport. In this regard, the development of facilities for customs, immigration procedure and quarantine work (CIQ) by Myanmar side was approved in order to operate regular charter flight in 2018. If possible, the existing airport should upgrade to an international airport.

1.2.3 Current Situation of World Heritage Sites in Myanmar

(1) Tentative List of World Heritage Site and Registered World Heritage Site in Myanmar

As of 2017, there is only one World Heritage Site in Myanmar. Pyu Ancient Cities was registered as World Cultural Heritage site in 2014.

In Myanmar, there are total of 14 heritage sites in the tentative list of WHS consisting of above mentioned 7 cultural heritages and 7 natural heritages. Distribution of cultural and natural heritage sites, and registered WHS in Myanmar is shown in Figure 1-10.



Source: UNESCO World Heritage Center

Remark : Number in the bracket is the year of applying to the tentative list on WHS. Pyu Ancient Cities is the year of registration.

Figure 1–10 Distribution Map of Cultural and Natural Heritages in the Tentative List of UNESCO WHS and Registered WHS in Myanmar

(2) The First UNESCO World Heritage in Myanmar, “Pyu Ancient Cities”

“Pyu Ancient Cities” became the first UNESCO World Heritage of Myanmar in 2014 after submission of a nomination dossier in January 2013. Pyu Ancient Cities were Pyu Kingdoms that flourished for over 1,000 years between 200 BC and AD 900, located in the center of Myanmar. It is the oldest evidence that Buddhism was introduced to Southeast Asia about 2000 years ago. Pyu Ancient Cities includes the remains of three brick, walled and moated cities of Halin, Beikthano and Sri Ksetra. These three cities are partly excavated archaeological sites. Remains include excavated palace citadels, burial grounds and manufacture sites, as well as monumental brick Buddhist stupas, partly standing walls.

Selection criteria for nomination of Pyu Ancient Cities covered 3 criteria: (ii) architecture, technology, monumental arts, town planning, landscape design, (iii) cultural tradition, civilization, (iv) outstanding types of building, architectural or technological ensemble, landscape illustrates significant stage in human history.



Baw Baw Gyi Paya in Sri Ksetra



Stone Signage of Pyu Ancient Cities World Heritage Site in Sri Ksetra

Source: JICA Expert Team

Figure 1—11 Pyu Ancient Cities, Registered World Heritage Site

In February 2017, Ministry of Religious Affairs and Culture (MORAC) announced to apply Myauk-U Archaeological Area and Monuments in Rakhine State and Shwedagon Pagoda as the next candidate for nomination of World Heritage Site in Myanmar.

(3) Current Situation of World Heritage Nomination for Bagan

Main procedure in past related to UNESCO World Heritage of Bagan are as follows;

- 1994: Myanmar ratified the World Heritage Convention
- 1995: Tentative list was submitted to UNESCO
- 1996: Submission of the nomination dossier of Bagan to the UNESCO
- 1997: Refer-back was made according to the decision of the 21st Session

Myanmar Government submitted a draft of nomination dossier of Bagan entitled as “Bagan (Pagan) Archaeological Area and Monuments” to UNESCO World Heritage Center in 1995, and officially submitted in October 1996. Having received the official dossier, UNESCO issued comments of improvement requirement on Bagan heritage through the discussion in 21st Extraordinary Session held in December 1997. Those comments are summarized as follows: (1) to clarify the property area and buffer area, and to authorize this zones by providing new legal framework, and (2) to control development activities appropriately in the property area against such as existing golf course and trunk road. Since Myanmar Government is required to establish new legal framework and management system to satisfy those comments within short-period, registration of World Heritage was given up at the time.

Even after the first trial above, Bagan is still in the tentative list the same as before. Currently there are 14 sites listed as the tentative list of Myanmar including Bagan. Myanmar Government has started again Bagan to be registered as World Heritage since 2013, and then an international conference of heritage conservation was held in Bagan in October 2014.

(4) Preparation and Support for Nomination World Heritage Site for Bagan

MORAC applied for nomination of Bagan as World Heritage in January 2018 with the support of UNESCO. After submission of required documents for applying the WHS, ICOMOS (International Council on Monuments and Sites) will conduct a field survey for Bagan in 2018. Bagan will be officially registered as WHS by review of World Heritage Committee in 2019.

Application form for World Heritage nomination consists of two parts, Nomination Dossier and Bagan Management Plan (BMP). Nomination Dossier is description of current status of monuments and conservation and preservation of monuments. BMP describes contents of management of Bagan as cultural heritage site, consisting of regional plan, tourism strategic plan and Disaster Risk Management Plan. Part of the "Bagan Tourism Development Plan" formulated in the Bagan Tourism Development

Project (the Project) will be reflected in BMP as above-mentioned tourism strategic plan, while Social and transport infrastructure plan formulated in the Project is reflected as part of the regional plan.

Tourism is very important sector for Bagan's World Heritage Nomination. JICA Expert Team (JET) was responsible to share information and exchange opinions with UNESCO and MORAC, Association of Myanmar Architect (AMA) during the implementation of pilot projects and formulation of Bagan Tourism Development Plan with taking into consideration of comprehensive efforts concerning World Heritage nomination. JET actively participated and supported various meetings and seminars related to World Heritage nomination held by UNESCO and/or MORAC.

1.3 Project Outline

1.3.1 Contents of the Project

(1) Project Goal

To formulate a regional tourism development for Bagan as a pilot model of a regional tourism development that can be applicable to other regions.

(2) Outputs

Output 1: Enhancement of Tourism Management and Administration

Output 2: Improvement of Tourism Infrastructure

Output 3: Improvement of Tourism Human Resources

Output 4: Establishment of Bagan Tourism Development Plan applicable to other regions

(3) Target Area (Project Site)

Bagan

(4) Counterparts / Government of Myanmar

<Implementing Agency>

- Ministry of Hotels and Tourism (MOHT)

<Relevant Agencies>

- Ministry of Religious Affairs and Culture (MORAC)
- Ministry of Education (MOE)
- Ministry of Natural Resources and Environmental Conservation (MONREC)
- Mandalay Region Government (MRG)
- General Administration Department, Nyaung U District (GAD)
- Nyaung U Township Development Committee (TDC)
- Myanmar Tourism Federation (MTF)

(5) Beneficiaries

<Direct beneficiaries >

- Offices of Directorate of Hotels and Tourism
- Governmental officers of the Joint Coordination Committee (JCC) and Working Groups (WG)
- Private sector participating in JCC, WG and pilot projects.

<Indirect beneficiaries>

- Tourism business operators in Bagan
- Tourists in Bagan
- Local communities

(6) Project Period

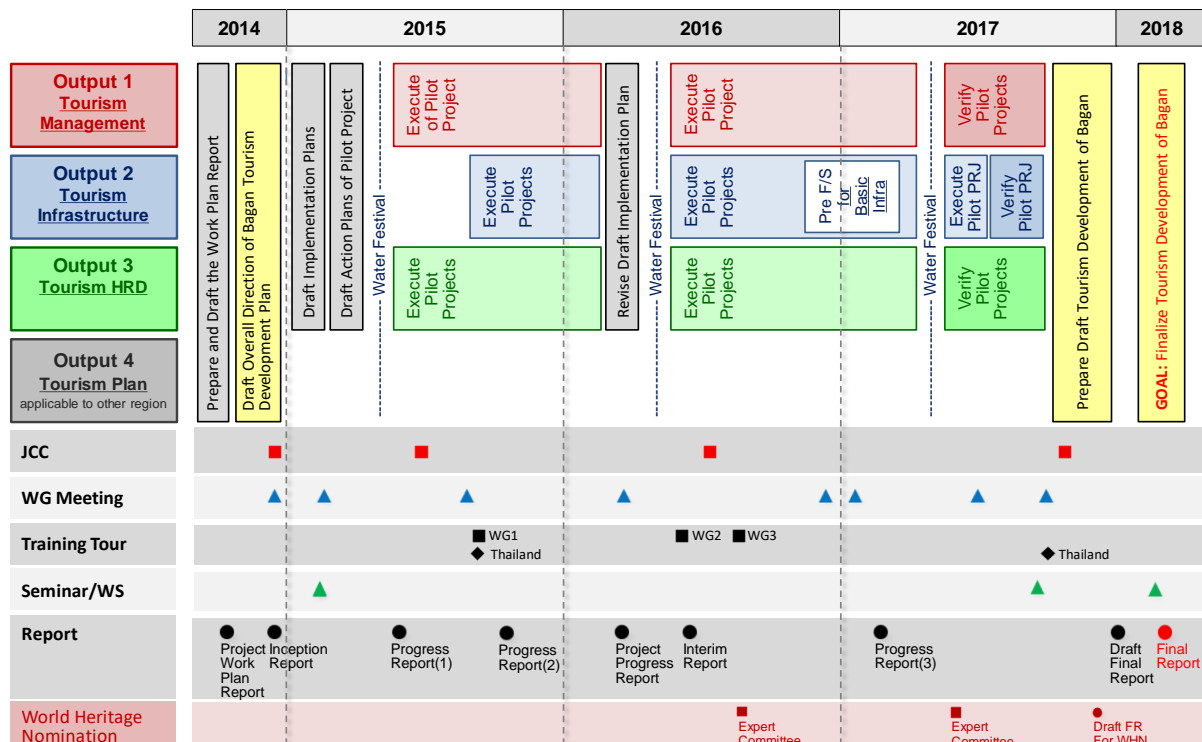
November 2014 to April 2018 (3.5 years)

1.3.2 Work Flow of the Project

The overall work plan and schedule for the Project period is shown in the Work Flow of the Project. The Project was started with the preparation of the Work Plan Report and the Overall Direction of Bagan Tourism Development Plan in 2014. Based on these works the Draft Implementation Plans and the Draft Action Plans of Pilot Project for three Outputs were prepared, and Pilot Projects were planned and implemented from 2015 to 2017. As part of the formulation of Implementation Plan for Output 2 (Tourism infrastructure), preliminary feasibility study (Pre-F/S) for basic infrastructure development plan in Bagan including tourism demand forecast was conducted. The Draft Implementation Plan was revised during the execution of Pilot Projects. After the completion of Pilot Projects, results of each Pilot Project were verified and reflected into the strategies of Outputs.

The final stage of the work was conducted to prepare and formulate Bagan Tourism Development Plan from September 2017 to March 2018, and the Project will be completed in April 2018.

In addition, three (3) training tours to Japan and two (2) tours to Thailand for WG members were conducted as part of the activities to upgrade knowledge about tourism.



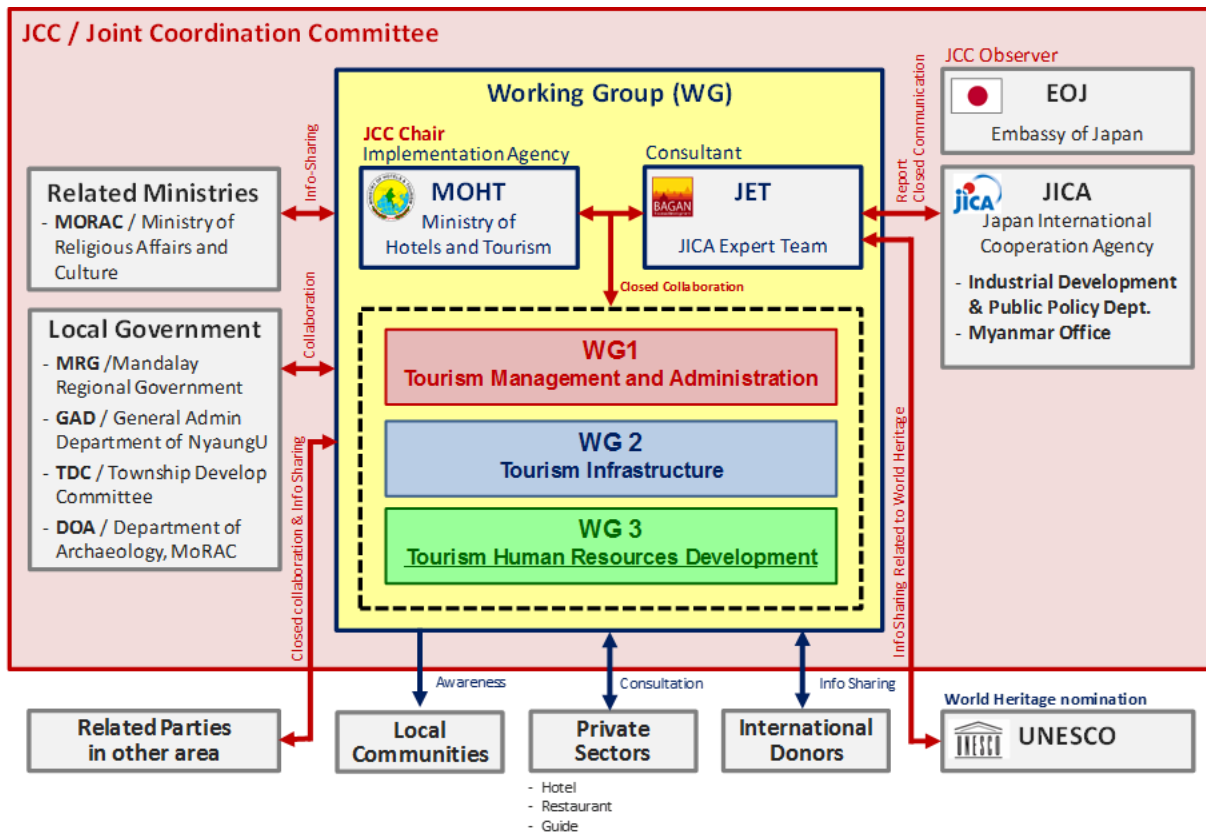
Source: JICA Expert Team

Figure 1–12 Flow of Overall Project Activities

1.3.3 Implementation System of the Project

Coordination with a wide range of government agencies, organizations and stakeholders is required to implement and operate the Project. In the Project, Joint Coordination Committee (JCC) is established. JCC is the Project’s decision-making body consisting of members from relevant ministries, agencies and Japanese government officials. Working Group (WG) is the implementing body of the Project consisting of members from MOHT, local governmental agencies, relevant tourism associations and JICA Expert Team. In Bagan area, WG is responsible for implementation and management of activities in the Project. Private sector and local communities are also important stakeholders and urged to

participate in activities of the Project. In addition, close collaboration and information sharing with international agencies and donors were also required. The implementation system of the Project is shown in the Figure 1-13.



Source: JICA Expert Team

Figure 1—13 Overall Structure of Management and Coordination Mechanism of the Project with JCC and WG

Chapter 2 Heritage Value

After Pyu era prospered in the 8th and 9th centuries, the first united dynasty Bagan was born in 1044 by the ancestry of King Anawrahta (1044-77). On the east bank of the Ayeyarwady River, Buddhism temples and pagodas were constructed from 11th to 13th centuries of dynasty era, and the number of them exceeds 3,000. For Myanmar people, occupied 90% by Buddhists, these temples and stupas are still objects of living faith and Bagan is a sacred place

In Bagan the historic landscape consisting of over 3,000 temples and pagodas is a treasure and a major tourism resource. The temples and pagodas made of brick and plaster have different styles depending on the period, and inside and outside of the structure were decorated with delicate stucco ornaments. With a passage of time, there are few things that perfectly preserved. However, people can glimpse the appearance of ancient times.

In addition to the historical landscape by temples and pagodas, Bagan has diverse and attractive cultural and natural resources such as traditional farming, villages where people supporting agriculture live, traditional crafts produced by people living in the village, and religious ceremonies and traditional festivals that have continued from the ancient times. Once reaching to surroundings, people can encounter a group of wooden Buddhist monuments known as a prototype of the royal palace in Bagan, a sacred place where indigenous religion is enshrined that lies on the unique rock form surrounded by a lush green park with moist climate.

Regardless of tangible and intangible assets, from the cultural heritage to the natural heritage, Bagan's attractiveness can be seen in its diversity. They are a worthy heritage to be transmitted to the next generation.

2.1 Historical Landscape

Bagan is enshrouded in the ancient history of Myanmar. According to an inscription, the number of the temples and pagodas scattered in the Bagan's plain exceeded 5,000 in the past. The landscape consisting of temples and pagodas with various sizes and styles has a fantastic appearance with changing expression in the morning, day and sunset. Historical landscape is one of the most attractive and valuable resources in Bagan.



Source: JICA Expert Team

Figure 2—1 Historical Landscape

2.2 Buddhism Temples and Stupas

Cultural background of the temples and pagodas come from diverse eras: some from Pyu era, others from India or from Sri Lanka. Materials are also not only brickwork, but also plaster finishing or gilded ones. As with the historical landscape, its expressions vary depending on the period, and you can see this diversity of heritage.



Ananda Temple / Thabyinnyu Temple / Dhamayanzi Temple / Tharabar Gate / Bu Payah
Source: JICA Expert Team

Figure 2—2 Temples and Stupas

2.3 Mural Painting and Ornaments

The exterior of temples is decorated with plaster and ceramic reliefs, and the interior with frescoes paintings. You can see the prosperity of the dynasty era from the remaining fragments. However, they are exposed to deterioration due to earthquakes and aging, and it is urgent to restore and preserve them.



Façade of stucco ornament / Detail of the ceramic relief / Mural painting in the temple /

Ceramic tile on the façade of Ananda Temple

Source: MORAC, JICA Expert Team

Figure 2—3 Mural Paintings and Ornaments

2.4 Heritage Under Repair

On August 24, 2016, an earthquake with a magnitude of 6.8 occurred with a Chauk located 30 km south of Bagan. Since the 400 ancient heritages were damaged in various scales, some of the temples which are the largest tourist resources, were forced to close for some months due to safety considerations. For Bagan, the heritage temples and pagodas are indispensable, and its conservation activity supports tourism there. Relationship and balance between heritage conservation and tourism promotion is considered.



Bulethe Temple / Sulamani Temple / Tayoupyi Temple / Collapsed umbrella at Sulamani Temple / Bulethe Temple

Source: JICA Expert Team

Figure 2-4 Heritage Temples after the Earthquake

2.5 Traditional and Religious Festivals

Bagan has religious ceremonies that have been inherited over the long history of the region, and festivals derived based on the lunar calendar. In the morning of full-moon at the beginning of January, you can see monks from young to elderly gathering at places throughout the country to celebrate the Ananda Festival with hundreds of shops are crowded around a temple for about a month. In the full moon of November, Thadinkyut Full Moon Festival (Lantern Festival) celebrating the end of Buddhist Lent Day, pagodas and temples are lighted with candles and the compounds are surrounded in a sacred atmosphere. In addition to these festivals, temples of Alottawpyae, Loka Nanda, Shwezigon, Ma Nu Ha hold their own pagoda festival every year for a period of 2 days to 1 month and each has unique flavor. They are culture closely related to the seasonal circulation, religious ceremonies and are rooted in the community.





Young monks at Ananda Festival, / Boat race at Lokananda Festival / Tadenkyut Full Moon Festival / Parade for the ceremony to enter the Buddhist priesthood / Children participating the ceremony to enter the Buddhist priesthood

Source: JICA Expert Team

Figure 2—5 Various Traditional and Religious Festivals in Bagan

2.6 Donation Culture

Theravada Buddhism, which was transferred from Sri Lanka around the 12th century during the Bagan dynasty, is a culture that is based on accumulating merit. Donation is an important act for Buddhists for better the afterlife. The scenery of donation can be seen early in the morning near the monastery, the young monks wearing deep-red robes walk in a row. This is religious culture that is still practiced in this area.



Source: JICA Expert Team

Figure 2—6 Religious Mendicancy by Monks in Bagan

2.7 Traditional Entertainment

The puppet show and traditional dance, performed together with the traditional music played by the orchestra using traditional musical instruments, tells various stories with themes of Bagan's history and people's lifestyle. These are entertainment for you to understand the culture of Bagan. The puppet theater which was originally born in the 15th century and developed in the 18th century is still a precious traditional art entertaining at hotels and restaurants.

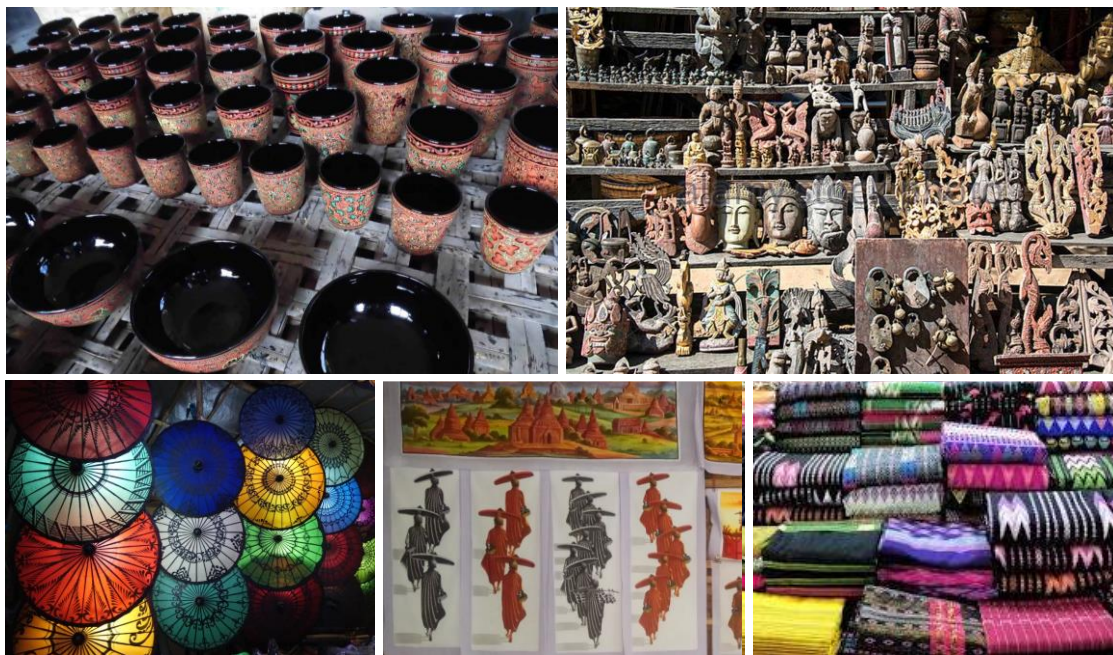


Source: JICA Expert Team

Figure 2—7 Puppet Show and Traditional Dance

2.8 Traditional Crafts

Major traditional crafts in the area are lacquerware and wood carvings. The lacquerware, materials procured from neighboring areas, is produced in villages in Bagan. Currently, lacquerware workshops there are more than 10 in New Bagan, 12 in West Pwa Saw Village and 70 in Minkaba Village. It is a major traditional industry in the region. Wood carving using teakwood is also popular craft here. By highly skilled techniques, various crafts such as furniture, sculpture, puppets, etc. have been produced. Cotton fabrics used for ethnic costumes, bamboo works such as baskets or colanders, and sand painting has passed on techniques till now as regional traditional industries.



Traditional lacquerware / Wooden curving craft / Umbrella / Sand painting / Cotton fabric for traditional dress

Source: JICA Expert Team

Figure 2—8 Traditional Crafts in Bagan

2.9 Cultural Landscape

The scenery of agriculture that supports the livelihood of the area is called a “cultural landscape”. Agricultural land is spreading tangible and intangible cultural heritage, creating unique landscapes together with temples and pagodas. Landscapes that change with the seasons, such as harvest seasons, are living landscapes that are delightful to see.





A group of cows drinking water from the pond near the village / agricultural landscape with ancient pagodas behind / Scenery of West Pwa Saw Village / A villager using oxcart in West Pwa Saw Village / Humped cattle at Min Nan Thu Village

Source: JICA Expert Team

Figure 2—9 Cultural Landscape

2.10 Traditional Village

Bagan's heritage includes village activities that support the culture. In the vicinity of the village, there are farmers who engage in traditional farming for this dry climate and produce sesame and peanuts, craftsmen who produce traditional crafts such as lacquerware and cotton fabrics in villages. The traditional living styles are still seen in some villages.



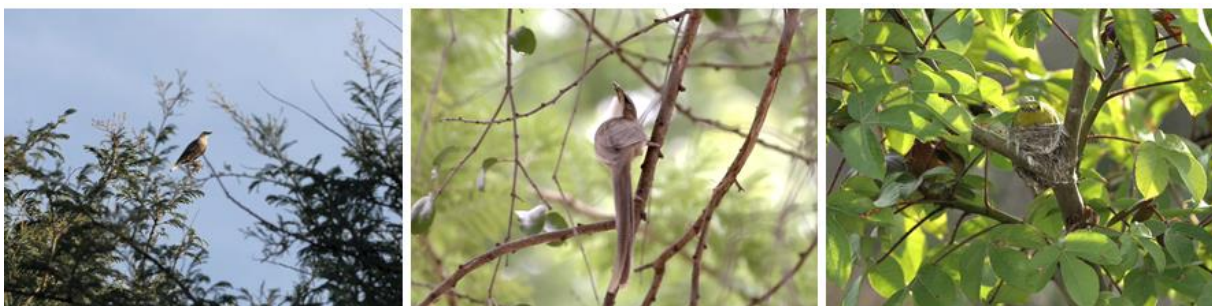
Villagers making bases of lacquer with bamboo / Cow logging in the village

Source: JICA Expert Team

Figure 2—10 Production of Traditional Crafts and the Village

2.11 Natural Landscape and Bird Watching

Bagan heritage is surrounded by agricultural lands and green zones. People can see many types of birds flying around several green zones and ponds. These areas are attractive places for bird watching. This is natural heritage within the cultural heritage district.



Source: JICA Expert Team

Figure 2—11 Birds in Bagan

2.12 Heritages in the Suburbs

There are also several cultural and natural heritage sites in the surroundings of Bagan. The Tan Kyi Taung Temple on the other side of the Ayeyarwady River, the Salay wooden monastery building group in the southern part of Bagan, the Taung Kalat which are objects of the southwest faith, and the Mt. Poppa. You can see landscape different from Bagan.



Taung Kalat / Tan Kyi Taung temple / Mt. Poppa / Salay wooden monasteries / Sculpture of Salay wooden monasteries
Source: JICA Expert Team

Figure 2—12 Tourism Resources in Suburbs of Bagan

(1) Salay Wooden Monasteries

Salay, located 50 km south of Bagan, has some wooden monastery buildings. The façade of the monastery building is covered by wooden sculptures reminiscent of Bagan dynasty architecture.

(2) Poppa Mountain

Mt. Poppa, located 50 km southeast of Bagan, is designated as natural reserved zone (mountain park). Compared to Bagan, it has a moderate climate and lots of greenery, so people can enjoy nature including trekking and bird watching.

(3) Taung Kalat

Taung Kalat is the head temple of the spiritual belief “Nat Faith” above a rock hill located at the foot of Mt. Poppa. From the top of the temple, people can view the panoramic landscape of Bagan Plain.

(4) Tan Kyi Taung Temple

Tan Kyi Taung Temple, located at the summit of the opposite shore of the Ayeyarwady River, shows you a view over the heritage area of Bagan.

Chapter 3 Current Situation and Major Issues

3.1 Tourism Management and Promotion

3.1.1 Tourism Administration in Public Sector

(1) Tourism Administration Organization

1) Ministry of Hotels and Tourism (Nay Pyi Taw)

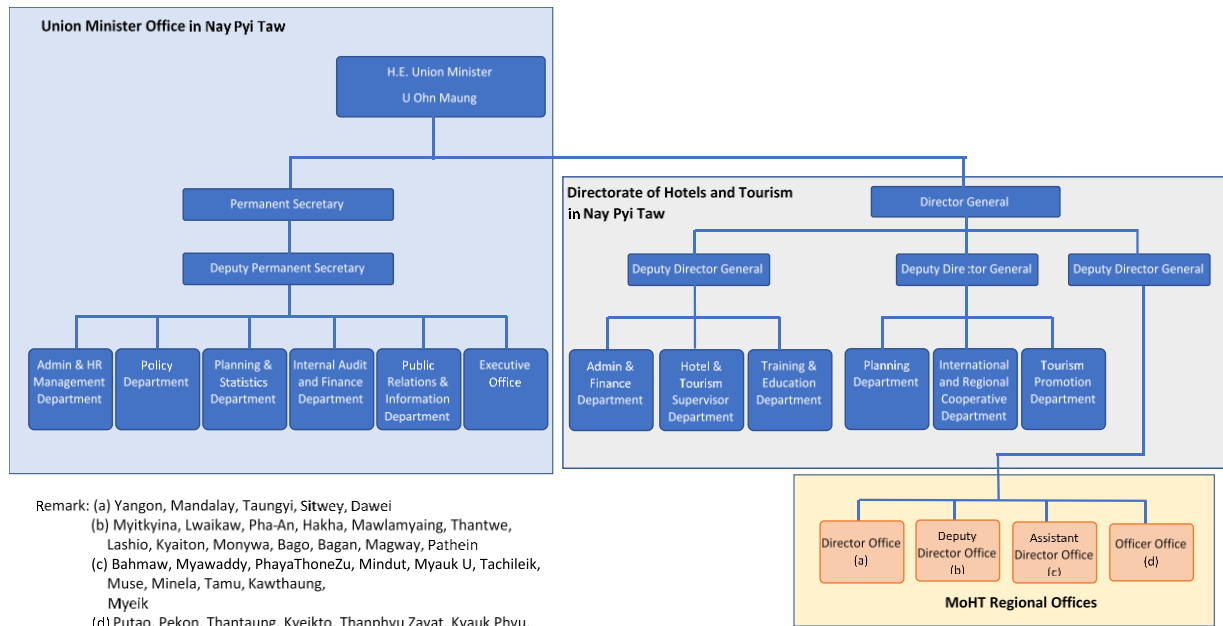
Ministry of Hotels and Tourism (MOHT) is a responsible governmental organization for tourism sector in Myanmar. The main roles of MOHT are as follows.

- Implement the systematic development of Myanmar's tourism industry
- Encourage national and international investment in the tourism industry
- Develop opportunities for wide participation of private entrepreneurs in tourism
- Promote Myanmar as a world-renowned tourist destination
- Determine hotel and tourism zones
- 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
- Upgrade the quality, standards and technical skills of the tourism industry
- Create jobs and raise standards of living through tourism development
- Cooperate with ASEAN and other countries in tourism

In March 2016, a new Union Minister of MOHT was appointed and the organizational structure of MOHT was reorganized after the new government was established in Myanmar. The organization of MOHT consist of Union Minister Office, Directorate of Hotels and Tourism and Regional Offices. The organizational structure of MOHT is shown in the figure below.

Union Minister Office is responsible for policy-making, laws and regulation, planning, statistics, auditing, finance, and public relations. In the Union Minister Office, there are Permanent Secretary and Deputy Permanent Secretary under the Union Minister. 6 departments headed by Assistant Secretary/Director are under the supervision of these secretaries.

Directorate of Hotels and Tourism is responsible for planning, training, tourism promotion, regional cooperation and regulation. In Directorate of Hotels and Tourism, there are Director General, 3 Deputy Director Generals and 6 departments and 44 regional offices. The regional office is responsible for management and operation of tourist sites and tourist facilities, collection of tourism statistical data, report on tourism statistical data to MOHT in Nay Pyi Taw, preparation and implementation of local tourism related events, and consultation and supporting application procedures for various tourism business licenses.



Source: MOHT

Figure 3—1 Organizational Chart of the Ministry of Hotels and Tourism

2) Mandalay Branch Office, MOHT

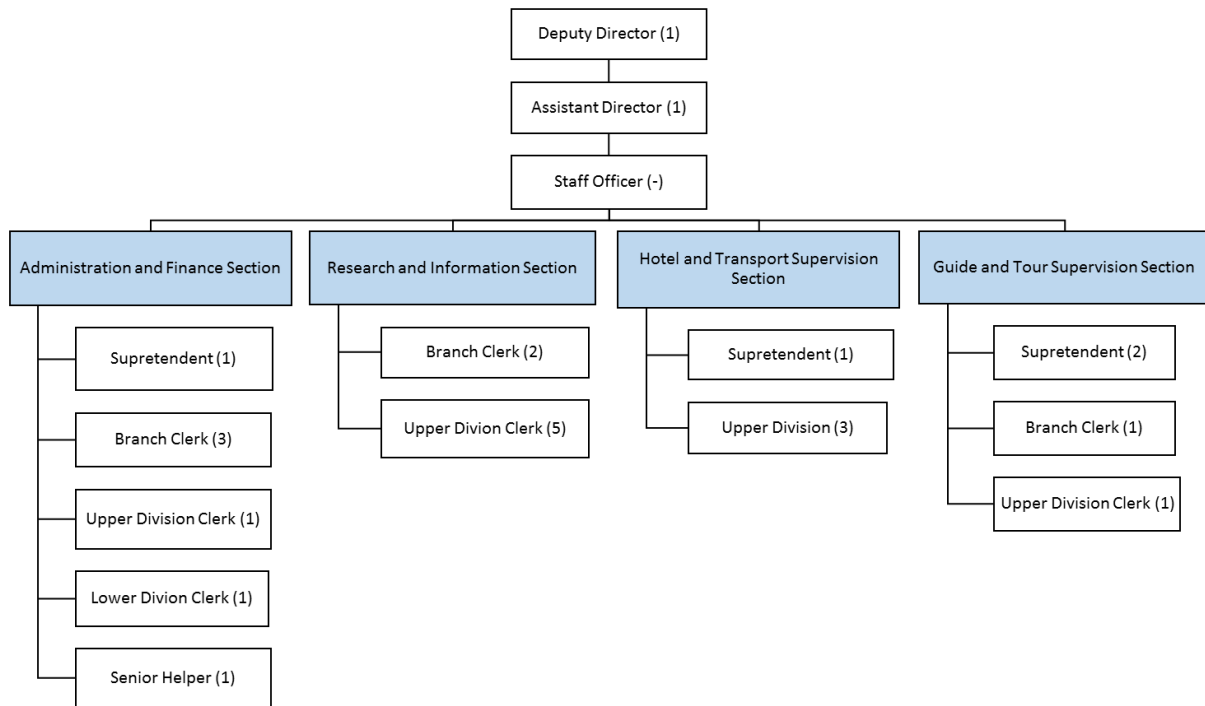
Tourism development and promotion for Mandalay Region is responsible by MOHT Director Office in Mandalay. Tourism related infrastructure and basic infrastructure are responsible by the relevant departments in Mandalay Region Government in coordination with Township Development Committees at each Township.

3) Bagan Branch Office, MOHT

MOHT Bagan branch office has an office with a tourist information center (TIC) in New Bagan. The Organization chart of MOHT Bagan branch office is shown in Figure 3-2. The branch office has following four sections, Administration and Finance, Information, Hotel & Transport Supervision and Guide & Tour Supervision with a total of 24 management officers and staff including Deputy Director, Assistant Director and 22 staff as shown below. The branch office is a regional office of MOHT, and the main responsibility of the office as described in the regional office.

4) Bagan Management Committee

Bagan Management Committee is responsible for supporting conservation and development of Bagan. It was established by the Government of Mandalay Region (MRG) in September 2016. The Committee is chaired by Chief Minister of MRG. Members of the Committee are 16 consisting of representatives from relevant departments at MRG, Department of Archaeology (MORAC), General Administration Office of Nyaung U District (GAD), Township Development Committee in Nyaung U Township (TDC), and relevant governmental organizations. The committee meeting is held by monthly in Mandalay.



Source: MOHT Bagan branch

Figure 3—2 Organizational Chart of the Ministry of Hotels and Tourism Bagan Branch Office

(2) Tourism Services and Tourism Management in Bagan

1) Dissemination and Management of Tourism Information

MOHT Bagan branch office collects, manages and updates information about tourism resources, tourist facilities, accommodation facilities, tour programs, tourism transportation, tourist guides, and tourism related services. These information is also shared with MOHT in Nay Pyi Taw. However, MOHT Bagan branch office does not adequately manage various information such as tourism resources and tourist facilities using the database system.

MOHT Bagan branch office operates and manages three tourist information centers (TICs) in Bagan as a facility to provide tourist information and support for tourists visiting Bagan. Current conditions and issues of TICs are described in the section (1) Tourist Facilities, 3.2.2 Tourism Infrastructure.

2) Tourist Police

In Bagan, there is a police under the jurisdiction of the Ministry of Home Affairs (MOHA) and a tourism police which is under the jurisdiction of MOHA in cooperation with the Ministry of Hotels and Tourism. The police are mainly responsible for accidents and incidents occurred in the local area, traffic regulation, and control and crackdown of crime, while the tourist police is responsible for support tourists such as safety management of tourists, prevention of crime, arrangement of transportation to hospital in case of accident occurred, provision of basic tourism information, and battery charge support for E-bike.

Regarding the tourist police station, there are four tourist police stations, located in Old Bagan, New Bagan, Nyaung U, and Mount Popa. The total of 42 tourist police officers are assigned to 3 areas excluding Mount Popa. The police officer wears a uniform with attached the name of "Tourist Police". In Bagan, tourist polices are placed at airport, bus terminal, railway station, Bagan Heritage area zone fee collection stations, major temples and tourist facilities, and places that tourists mainly use mainly use. There are number of police stalls along the streets for guard and maintain security on a 24-hour basis. In addition, a hotline system is established in Bagan that tourists can contact the tourist police station directly in case of emergency.

3) Application for Licensing, Registration, Supervision of Tourism Business

Business operation licensing for tourism business such as hotels, tourist guides, travel agents, tourism transportation (taxis, buses) in Myanmar are responsible to MOHT. Regarding hotels, guesthouses and restaurants for Burmese people, Township Development Committee (TDC) in the regional government is in charge.

Hotels and Guesthouses

Regarding hotels, there are laws and regulations for operation licensing, registration, construction and rating in Myanmar. Hotel and Tourism Supervision Department in Directorate of Hotels and Tourism, MOHT is responsible for registration, authorization and supervision for hotel industry. There are two kinds of procedures in the licensing system for the hotels and guesthouses in Myanmar. One is MOHT issues license, which permits foreigners to stay in them. The other is TDC issues license, which permits only Myanmar people to stay there. MOHT Bagan branch office is responsible to support for applying for business licenses of hotels and guesthouses in Bagan.

- Order Relation to Licensing of Hotel and Lodging-House Business (2011)
- Rule & Regulation for Hotel Construction (2010)
- Rule & Regulation for Star Selection of Hotel (2011)

Tourist Guide, Travel Agency, Tourism Transport Business

Regarding tourist guide, travel agency and tourism transport business, the following laws define license and business operation for respective business.

Regarding to the tourist guide license, there are two types of tourist guide license. One is national licensed tourist guide for the whole country. The other is regional tourist guide for the Bagan area. MOHT is responsible for training for the national licensed tourist guide and issue of license. MOHT Bagan branch is responsible for training of the regional guide and issue of license. Lectures for training of the regional guide is dispatched from Tourist Guide Association, Myanmar Hotelier Association, Myanmar Restaurant Association, MORAC and University. Both national and regional licensed tourist guides are registered with MOHT Bagan branch office. The national licensed tourist guide is obliged to register at Bagan Tourist Guide Association.

Hotel and Tourism Supervision Department in Directorate of Hotels and Tourism, MOHT is responsible for registration, authorization and supervision for travel agency.

Regarding tourism transportation, MOHT is responsible for approval, issue of business license and supervision of business operation for tourism transportation used by foreigners. On the other hand, regarding bus used for Myanmar people, the business license and supervision of operation is responsible by Ministry of Transportation. There is regulation on license of vehicle transportation. Vehicles for tourism transportation used by foreigners is required to attach a blue license plate. Vehicles for Myanmar people is required to attach a red license plate.

- Order Relation to Licensing of Tourist Transport Business (2011)
- Order Relation to Licensing of Tour Guide Business (2011)
- Order Relation to Licensing of Tour Operation Enterprise (2011)

Electric-Bike Rental Shop, Horse-cart

Regarding electric-bicycle (E-bike) and horse-cart, TDC is responsible for issue and registration of operation license for E-bike and horse-cart. License is valid for only one year.

4) Tourism Statistics

Tourism statistics are an important and the basis of information for policy-making and planning by MOHT. Tourism statistics are gathered and compiled by both Planning & Statistics Dept. in MOHT and MOHT Bagan branch office. The Bagan branch office takes care of statistics on foreign visitors,

domestic visitors and accommodation in Bagan. However, these statistics only provide the number of tourists (guest those who stayed at accommodation), and unfortunately the behavior of tourist in Bagan is ignored, which is necessary for planning and monitoring of tourism administration and management of tourist destination.

Regarding the statistics of foreign guests in Bagan, the Bagan branch office counts the number of foreign guests only top ten nationalities and guests from other nationalities are counted as “others”. Guest data is not collected and compiled by all nationalities of guests. For the time being, the Planning and Statistics Department in MOHT carries out sampling interview surveys on foreign tourists once a year at the airport. This survey covers various aspects of tourists including travel patterns, country of origin, sex and age. However, collected data includes many incomplete answers. Also, collected and compiled data is not sufficiently analyzed.

5) Heritage Conservation

Heritage conservation in Bagan is under the responsibility of the Department of Archaeology (DOA), National Museum and Library and the MORAC. The department implements heritage conservation depending on the 5 national laws and the 5 special laws for Bagan as shown in Table 3-3. As an exceptional case, some heritage temples and sites are managed by “Gopaka” which is an organization of Buddhist believers. The Gopaka carry out repair and maintenance of their heritage temples and sites. The temples managed by the Gopaka are under the responsibility of MORAC.

6) Landscape and Development Control

Landscape and development in Bagan are strictly controlled by the “Township Law Restoration Council for Pagan-Nyaung U Township (1994).” This law stipulates land use regulation and building regulation such as height, set-back for Bagan. Based on this law, new development projects must get approval mainly from the DOA, Nyaung U Township Development Committee and the General Affairs Department of Nyaung U District.

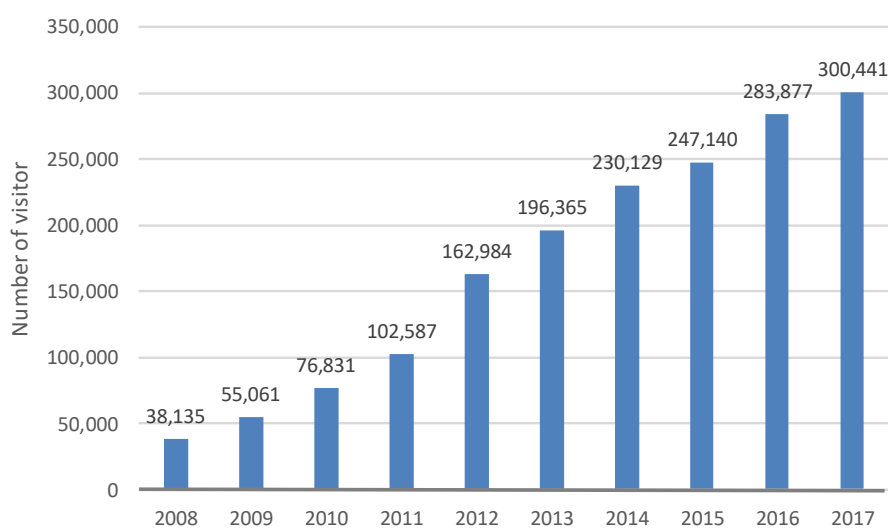
Regarding development projects in Bagan, it is described in Sec “3.1.5, Laws and Regulations concerning tourism development of Bagan”. For details of landscape, outdoor advertisement, development regulations, See "3.2.1 Environmental Conservation of Cultural Heritage".

3.1.2 Tourist Trends

(1) Visitors to Bagan

1) Foreign Visitors to Bagan

The number of foreign visitors to Bagan increase from 2008 to 2017 with an average annual increase of 23% in accordance with the trends of foreign visitors to Myanmar. In 2016, the number of foreign visitors is 300,441 and the growth rate of visitor is 6% compared with the previous year.

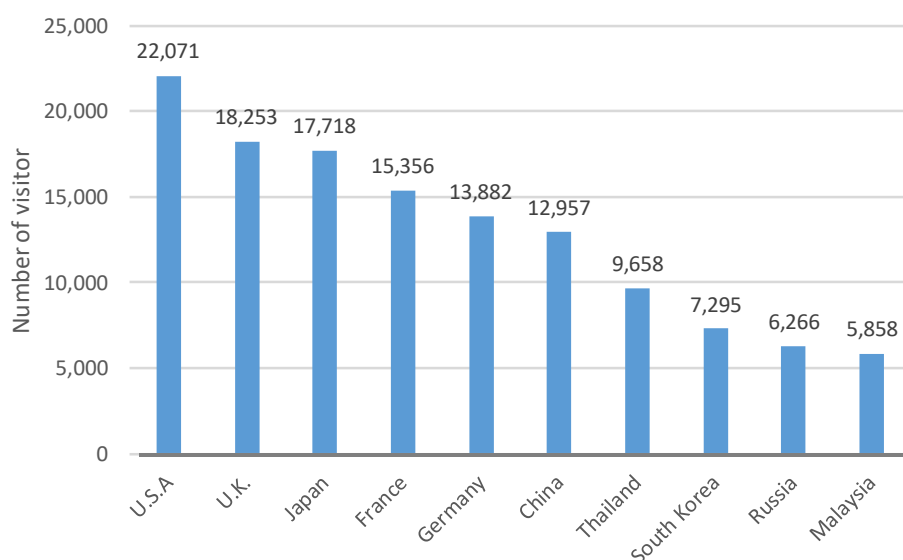


Source: MOHT Bagan branch

Figure 3—3 Trends of Foreign Visitors to Bagan (2008-2017)

2) Foreign Visitors to Bagan by Nationality

According to the number of foreign visitors to Bagan by nationality in 2017, top 10 nationalities are shown in Figure 3-4. The largest number of foreign visitors is from America, 22,071 with the share of 6.9%. The second largest number was from UK, 18,253. Among the top 10 nationalities, five nationalities, Japan, China, Thailand, South Korea, Malaysia are from Asian countries.



Source: MOHT Bagan branch

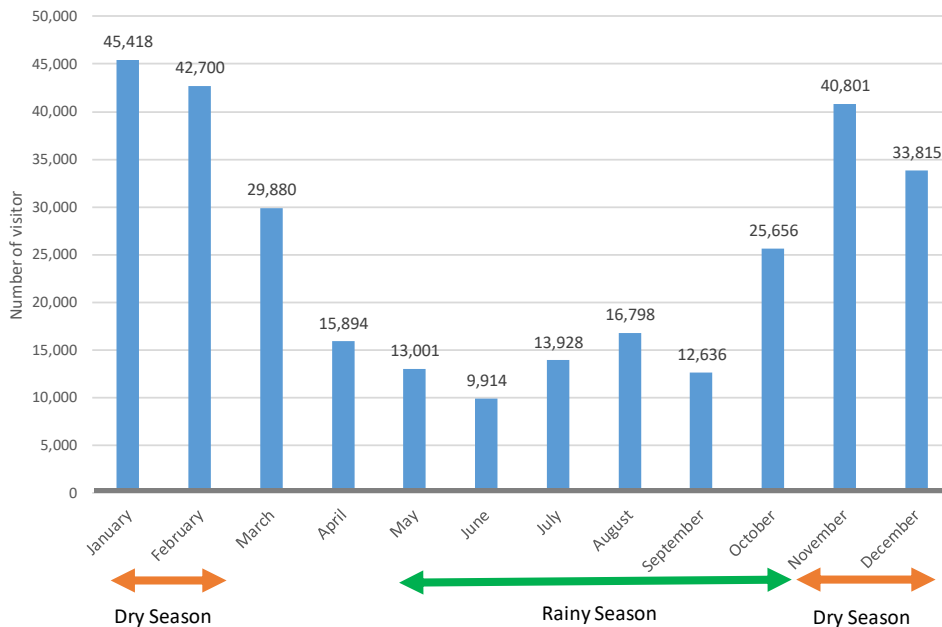
Figure 3—4 Top 10 Foreign Visitors to Bagan by Nationality in 2017

3) Domestic Visitors to Bagan

Regarding domestic visitors to Bagan, there is no official statistic for domestic visitors. The domestic visitors went to Bagan during the long holiday time in March, October and December. Most domestic visitors to Bagan stay at small hotels, guesthouses and temples. According to interviews from MOHT Bagan, more than half of domestic visitors stay at temples in Bagan. The number of domestic visitors to Bagan is estimated at 306,000 in 2016 based on collected information on domestic visitors to Bagan by JICA Expert Team. Compared to the number of foreign visitor to Bagan in 2016, the number of domestic visitors to Bagan in 2016 is more than foreign visitors.

4) Foreign Visitors to Bagan by Month

Bagan has seasonality of tourism due to monthly fluctuation of foreign visitors. Foreign visitors come to Bagan mainly during the dry season in Bagan from October to March as tourist season. January receives the highest number of visitors to Bagan with 45,418 visitors in 2017. The lowest number of visitors is June with 9,914 visitors. The total number of foreign visitors to Bagan during the tourist season (from October to March) accounts for 73 % (218,270) of the total visitors in the whole year.

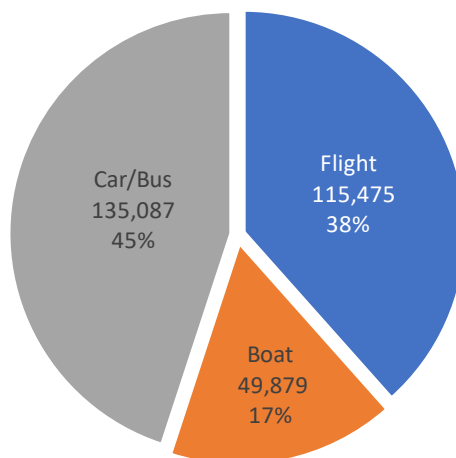


Source: MOHT Bagan branch

Figure 3—5 Number of Foreign Tourists to Bagan by Month in 2017

5) Foreign Visitors to Bagan by Mode of Transport

According to the foreign visitors to Bagan by mode of transport in 2017, shares of foreign visitors arrive to Bagan by mode of transportation are 38 % by flight, 45 % by car/bus and 17 % by boat. Nyaung U Airport has schedule flight connected to Yangon, Mandalay, Heho, Nay Pyi Taw, Thandwe, Tachileik and Myintkyina. Most foreign visitors to Bagan by car/bus were coming from Mandalay. Foreign visitors also came to Bagan by cruise boat from Mandalay.



Source: MOHT Bagan branch

Figure 3—6 Foreign Visitors to Bagan by Mode of Transportation in 2017

3.1.3 Tourism Management and Tourism Promotion

(1) Current Situation

As mentioned in the Chapter 2, Bagan has many attractive tourism resources. It is clear that Bagan is recognized as a tourist destination that attract tourists with continuously increasing the number of tourists to Bagan, despite the damages and influences caused by the earthquake which struck the region in August 2016 as mentioned above.

MOHT is responsible governmental agency for tourism marketing and promotion in Myanmar. Bagan is a major tourist destination in Myanmar along with Yangon, Mandalay and Inle Lake in domestic and international tourism markets. MOHT promotes Bagan as cultural heritage tourism destination with other tourist destinations in cooperation with Myanmar Tourism Federation (MTF) and private sector related to tourism industry in Yangon and Bagan.

Current condition of major activities for tourism marketing and promotion under public sector such as MOHT and MTF is as follows.

1) Tourism Information Materials

Various kinds of tourism materials have distributed at Tourism Information Centers in Bagan as well as in some hotels and restaurants. Materials are brochures on tours, hotels and restaurants, tourist sites and tourism transportations, and maps. Some of the materials, such as maps are useful enough as information tool for foreign tourists. On the other hand, some of them are not sufficient to provide for tourists, in respect to both contents and qualities, the materials are filled with advertisements rather than information that meet tourists needs. In terms of the quality of paper, durability is important especially for maps, since tourists fold and unfold maps frequently. Various brochures and tourist destination guidebooks were developed and printed by MOHT in Nay Pyi Taw. Most of brochures are in English. Brochures and maps should be developed in other languages base on promotion targets and needs of tourism market.

2) Website and Facebook

Both MOHT and MTF have websites to provide tourism information about Myanmar. The website of MOHT provides various kinds of tourism information in Myanmarese and English. However, most of the contents in news related to MOHT are still Myanmarese only so that it is necessary to provide the information in English and other major languages.

(2) Major issues

Aggressive marketing and promotion activities in both public and private sectors in Bagan are quite limited as national trend in Myanmar although MOHT, MTF and other stakeholders related to tourism in Bagan have tackled their activities with the limited capacity such as human resources and budget.

Major issues for tourism marketing and promotion are as follows.

1) Organization

- Establishment of a tourism marketing and promotion body in Bagan which conducts integrated regional marketing and promotion under the public-private partnership involving local communities
- Establishment of a collection and compilation system of tourist information and tourism resources, and preparation of tourist information databases

2) Human Resources

- Arrangement of a staff, who is in charge of tourism marketing and promotion, in MOHT Bagan branch
- Capacity building of tourism marketing and promotion for local stakeholders related to tourism industry in both public and private sector

3) Tourism Information

- Strengthening of marketing and promotion materials for tourists, tourism business operators and media
- Preparation and dissemination of comprehensive tourist information materials such as brochure and map for tourists
- Preparation of tourism information such as brochures and maps in multiple languages
- Establishment of website and/or Facebook created in Bagan for dissemination of latest tourist information

4) Tourism Product

- Diversification of variation of tour programs and activities
- Extension of tourists stay in Bagan with increase of tourist' spending
- Development and promotion of optional tours such as CBT, village tours and ecotours to diversify tour programs in Bagan for attracting more foreign tourists
- Improvement of local tourism products such as handicrafts and souvenirs in terms of quality and design for attracting more foreign tourist
- Utilization of local tourism resources for creating attractive tourism products such as farming, fishing, local food and handicraft making at villages.

3.1.4 Tourism related to Private Sector

(1) Tourism related Private Organization

Myanmar Tourism Federation (MTF) is the private tourism organization consisting of 11 private associations related with tourism. MTF Bagan branch was established as a regional branch in 2015. Among the member associations related to tourism industry in MTF, following five associations have branch in Bagan.

- Myanmar Hotelier Association (Bagan)
- Myanmar Restaurant Association (Bagan)
- Myanmar Tourist Guide Association (Bagan)
- Tourism Transportation Association
- Souvenir Entrepreneurs Association

There are three local tourism transport business associations in Bagan.

- E-Bike Association
- Taxi Driver Association
- Horse Cart Association

MORAC entrusted MTF Bagan branch to collect Bagan Zone Fee from foreign tourists at Nyaung U Airport and other designated places in Bagan.

(2) Tourism Business

1) Hotel and Guesthouse

In Bagan, the number of hotels, motels and guesthouses in 2016 are 83 with 2,845 rooms in total as shown in the table below. These accommodation facilities can be broken down into five categories ranging from 1-star to up to 4-star and unrated. 15 % of these facilities are 3 or 4-star, 15 % are 2 or 1-star, and the remaining 70 % are unrated.

Table 3—1 Number of Accommodations and Rooms in Bagan (2016)

Month	Number of Accommodation	Room
Hotel	52	2,351
Motel and Guesthouse	31	494
Total	83	2,845

Source: MOHT Bagan

Table 3—2 Accommodations in Bagan by Area (2016)

Accommodation Type		Nyaung U	Old Bagan	New Bagan	Hotel Zone (4)
Hotel	Number	12	5	27	3
	Room	699	529	937	186
Motel & Guesthouse	Number	23	0	8	0
	Room	385	0	109	0

Source: MOHT Bagan

2) Food and Beverage (Restaurant and Café)

A total of 182 restaurants are registered in Bagan. Restaurant consists of 80 large restaurants, 57 small meal shops and 45 cafes. Currently, 71 restaurants are members of Myanmar Restaurant Association (MRA) in Bagan. MRA in Bagan was established in 2011. Some restaurants put on puppet shows or traditional dance performances.

3) Travel Agent and Tour Operator

Only 3 travel agents are registered in Bagan. Besides these travel agents, 21 travel agents operate in Bagan, which are branch offices of travel agents registered in Yangon or Mandalay. Tour operators in Bagan accept group tours and free independent tourist (FIT) from Yangon and Mandalay instructed by the main office. Most tour operators offer local tours in and around Bagan, tourist guides and vehicles and sell airline and cruise tickets.

4) Tourist Guide

According to the Myanmar Tourist Guide Association in Bagan (MTGA Bagan), currently 265 tourist guides are registered as members of MTGA Bagan. There are about 231 licensed regional tourist guides and 311 national licensed tourist guides in Bagan.

Most group tours in Bagan are accompanied by a nationally licensed “through guide” from Yangon. The “station tourist guide” in Bagan is usually employed at the request of FIT at the front counter or concierge desk at hotels. In some cases, station tourist guides are appointed by travel agencies in Yangon for attending on group tours without the use of other guides.

5) Handicraft and Souvenir Shop

Currently, various kinds of handicrafts and souvenirs are sold in Bagan. Typical items include lacquer wares, umbrellas, sand pictures, woodcarving, lungi, Thanaka, sand picture, and jade. Lacquerware is the most common souvenir in Bagan. The quality and price varies depending on the products, mode of distribution, and retail outlets. Many souvenir shops deal in local products, while some large-scale shops have partnerships with travel agencies. In recent years, boutique shops sell luxury goods. Large scale lacquer ware shops are concentrated in New Bagan. They are handling not only their own manufactured products but also ones produced in villages in Bagan.

Many craft producers have their own workshops in the shop. Customers can observe the workshop with explanation of the manufacturing process by shop staff. Visiting the craft shop is one of tourist attractions for foreign tourists. Some handicraft manufacturers already succeed in branding. On the other hand, a

lot of lacquer ware or sandpapers are sold at stall stands around the historical monuments in Bagan. The quality and price depends on the product, mode of distribution, and retail stores.

Regarding local food products, peanuts, palm wine, palm sugar, and tamarind and sesame processed products are produced and sold in Bagan.

6) Tourism Transportation

Bus and Taxi

Sedans and vans are used as taxi for tourists in Bagan operated by local transport business operators. Taxi can be hired from Nyaung U Airport, Nyaung U Bus Terminal, travel agents and hotels. In fact, there is no taxi company officially registered in Bagan. Long-distance bus is operated on routes between Bagan and other major cities. Long-distance bus arrives and departs at Nyaung U Bus Terminal near Nyaung U Airport. Private transport companies have offices at the Bus Terminals for selling tickets.

Electric-Bike and Bicycle Rental Shop

In recent years, the number of rental shops for electric bicycles (E-bikes) and bicycles has been rapidly increasing in Bagan. E-bike can move freely in Bagan and are inexpensive for tourists. Demand of E-Bike and bicycle is very high for FIT. The registered number of E-bikes in Bagan exceeds 10,000.

At present, there is no regulation or rule for operation of a rental shop. Only a few rental shops lending helmets and providing guidance on rule of riding on the road, countermeasures in case of breakdowns and emergency for users. In the future, it is indispensable to secure safety for the increasing number of e-bike users in Bagan, MOHT Bagan branch office needs to discuss and consider preparation of rental guideline including rules covering rental, safety, countermeasures for breakdown, and emergency for E-bike as well as necessary instruction on appropriate operation of the rental business to the shop operators in E-Bike Association.

Horse-cart

The most traditional and rustic transportation in Bagan is the horse-cart. Horse-carts can go through narrow roads and monument areas. Especially impressive and romantic is riding horse-cart going through pagodas while listening to the sound of hooves between pagodas; this makes it popular tourist transportation. The price is negotiable basis, so some efforts to improve transparency of the price may be needed. For the tourist to use the horse-cart smoothly, MOHT Bagan branch office of MOHT needs to discuss the issues on pricing, service and hospitality for tourists with Horse-cart Association, and provides necessary guidance to horse-cart drivers.

River Cruise Ship and Small Boat

Passenger cruise ships are operated between Bagan and Mandalay along with Ayeyarwady River. There is one public and 6 private ferry operators. Most of cruise ships call at Nyaung U Jetty. Most of the customers on the river cruise tour are foreign tourists. Small boats for sunset viewing and crossing the Ayeyarwady River, are operated by local boat owners. There is no fixed rate for renting the small boat so that tourist need to directly negotiate the price with the boat operator.

3.1.5 Laws and Regulations related to Tourism Development in Bagan

Laws and regulations concerning the tourism development in Bagan are shown in Table 3-3. Laws and regulations concerning tourism development also include laws and regulations established by other central ministries. “Myanmar Hotel and Tourism Law (1993)” which stipulates their duties and the business activities related to tourism development were established by MOHT. This law was revised and drafted a new law, “Myanmar Tourism Development Law” will be enacted in 2018.

Table 3—3 Laws and Regulations related to Tourism Development in Bagan

Jurisdiction	Laws and Regulations
Ministry of Hotels and Tourism	Procedures Relating to the Myanmar Tourism Law (1990)
	Myanmar Hotel and Tourism Law (1993)
	Order Relation to Licensing of Tour Guide Business (2011)
	Order Relating of Licensing of Tour Operation Business (No.2/2011)
	Order Relation to Licensing of Tourist Transport Business (2011)
	Order for Licensing of Hotel and Lodging House Business
	Rule & Regulation for Hotel Construction (2010)
	Rule & Regulation for Star Selection of Hotel (2011)
Ministry of Religious Affairs and Culture	Myanmar Tourism Development Law (2016, Draft)
	The Protection and Preservation of Cultural Heritage Law (1998)
	The Law Amending the Protection and Preservation of Cultural Heritage Regions Law (2009)
	The Protection and Preservation of Cultural Heritage Regions Law (August 8, 2011)
	Instruction Order-No.2/2014 (August 1, 2014)
Ministry of Construction	Instruction Order-No.3/2014 (August 1, 2014)
	Promulgated disciplines for Pagoda Trustees in Archaeological site
Ministry of Transport and Communications	Underground Water Act (1930)
	National Building Code (under deliberation)
Ministry of National Planning and Finance	Road and Inland Water Transport Law (Ministry of Transport, 1963)
	The Conservation of Water Resources and Rivers Law (2006)
	The Myanmar Aviation Act (2013)
Ministry of Commerce	The Railway Act (1890)
	The Foreign Investment Law (2012)
Ministry of Natural Resources and Environmental Conservation	The Foreign Investment Law Notification No.11/2013
	Procedures and Salient Points for the Foreign Investment in Hotels and Related Businesses
Office of the President	The Myanmar Company Act (1914)
	Merchandise Marks Act (1889, 2013)
Mandalay Region	The Forest Law (1992)
	Presidential Instruction related to Bidding/ Procurement (2013.4.5)
Nyaung U Township	The Law of Mandalay Region Development Committee (2013)
	Township Law Restoration Council for Pagan-Nyaung U Township
	Byelaws of Nyaung U Township Development Committee

Source: JICA Expert Team

Development activities such as tourism infrastructure development in Bagan Heritage Protected area are controlled by the zoning designated by MORAC and must comply with related regulations. “The Enforcement Regulations in accordance with the Protection and Preservation of Cultural Heritage Regions Law” states details on protection of cultural heritage areas, preliminary application for permission, review, authorization, public notice on protection and zoning, and necessary document to be submitted by business operator to DOA for acquiring permission of construction project in the zone.

“Instruction Order-No.2/2014” and “Instruction Order-No.3/2014” by MORAC correspond to the by-laws of the above law and specify restrictions on construction activities. New construction of commercial and industrial facilities such as hotels and restaurants is not allowed in urban area of New Bagan and Nyaung U, but in the villages, quarters and towns. In addition, extension of the existing industrial facilities is not allowed in Ancient Monument Zone (MZ), Ancient Site Zone (AZ) and

Protected and Preserved Zone (PZ). Only renovation of existing industrial facilities can be implemented with permission of DOA.

After obtaining the agreement of MORAC, implementing body can start the procedure for construction permission.

In the byelaw of Nyaung U Township Development Committee (TDC), there are some categories of building types and it recommends the usage of nonflammable materials such as brick building, half brick- half timber building, timber house and combined building, in the quarters of Nyaung U Township Development Committee boundary. According to the byelaw, the owner shall submit the application to TDC for permission to construct new building, renovate or extend existing building.

3.2 Environment and Infrastructure in Cultural Heritage Site

Tourism brings has both positive and negative impacts at the same time to cultural heritage sites. The positive impact includes purchase of locally produced goods and services such as accommodation, food and beverage, car rental and tourist guides etc. mainly by foreign tourists. It gives a boost to the regional economy while obtaining foreign exchange

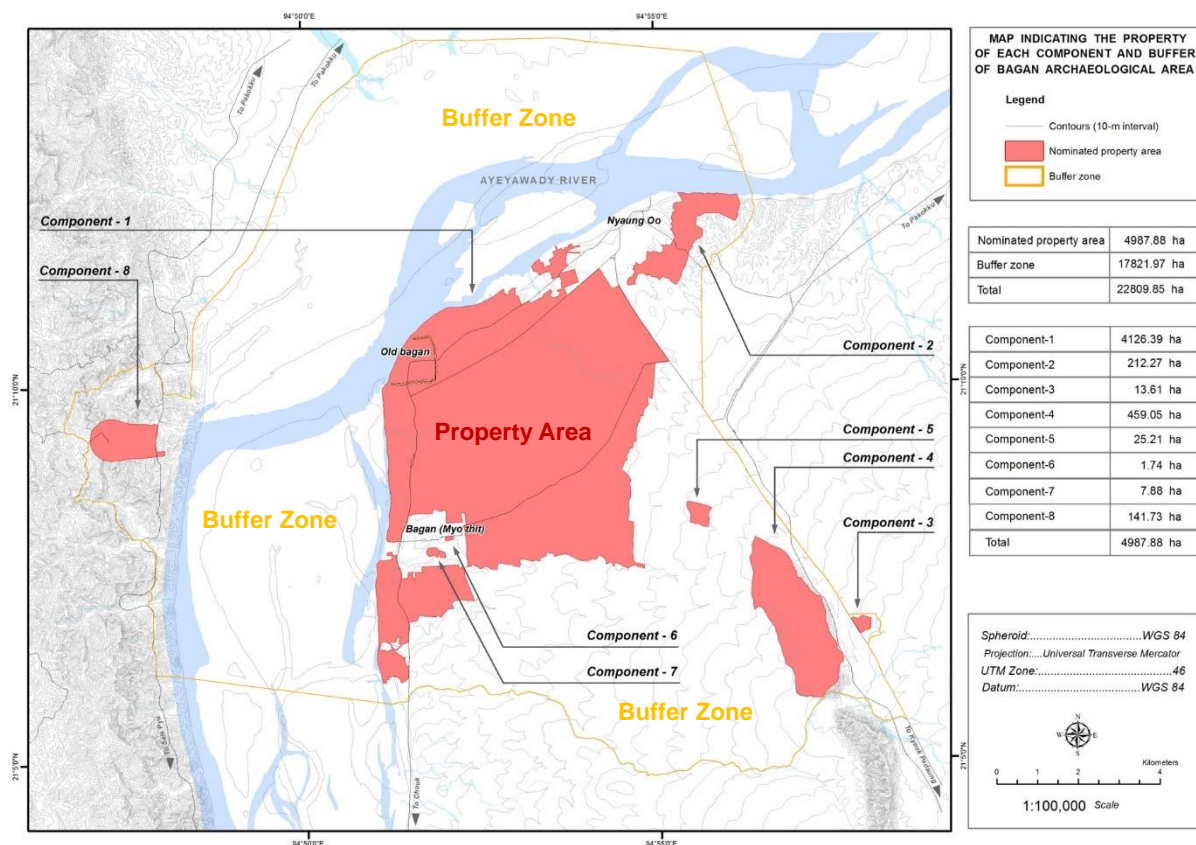
On the other hand, negative impact to the heritage environment is mainly caused by the increase in tourism demand and private investment. For example, physical impact by exceeding the carrying capacity due to the concentration of tourists to specific heritage sites, physical influence on surrounding environment due to the hotel construction in the cultural heritage area, and degradation of atmosphere due to the installation of outdoor advertisement, and so on.

In addition, since the infrastructure has not been developed yet to support cultural heritage site tourism, social and transportation infrastructure which are the living foundation of the local communities are both vulnerable.

3.2.1 Environment in Cultural Heritage Site

(1) Property Zone and Buffer Zone / Zoning for World Heritage Nomination

To preserve Buddhism temples and stupas in Bagan, MORAC established three zones according to the law enacted in 1998: namely, MZ, AZ and PZ. In application to the UNESCO World Heritage Site in 2018, MORAC supported by UNESCO reviewed these three zones and replaced them with two zones: Property Zone and Buffer Zone. The major differences from previous zoning are as follows: 1) Reducing the number of zones from three to two, 2) designating Tan Kyi Taung Hill, the opposite side of the Ayeyarwady River and Tu Yin Hill in the southeast of Bagan as Property Zone, and their surrounding area as Buffer Zone, 3) Settlement area including urban and village area where citizen lives are excluded from these zones. The zoning was finalized after consultation and consent with the communities led by UNESCO and MORAC. This zoning will be a guideline for preservation of heritage and its surrounding environment to future generation, and it should also be referred to for preparing various development plans such as infrastructure development.



Source: MORAC

Figure 3—7 Property Zone and Buffer Zone (As of October 2017)

(Issues)

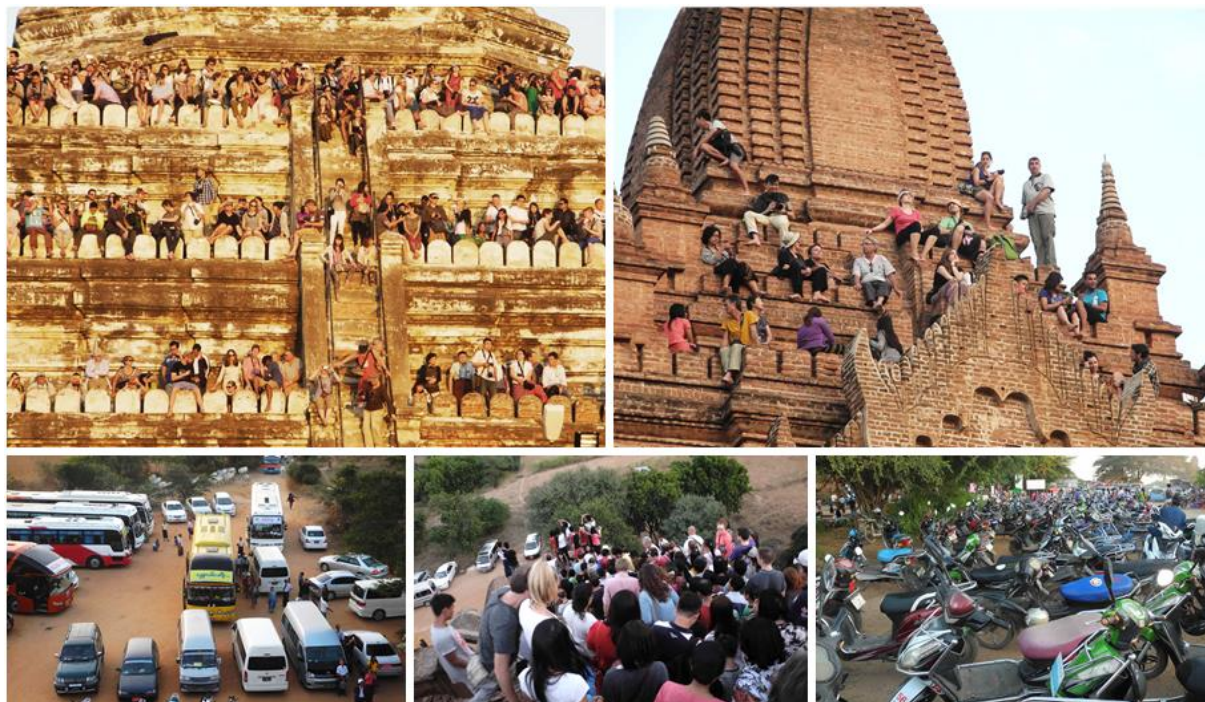
In Cultural Heritage Site of Bagan, the heritage is scattered inside and outside settlement area such as urban area and village where people live, and even in cultivated area too. Therefore, it is difficult to manage the site as an independent fenced-in area like in Borobudur World Heritage Site in Indonesia. It is important to conserve heritage remains and sites while maintaining activities in settlement area and its surroundings. The issue is how to achieve coexistence between local activities and heritage preservation.

The conservation area will be clarified by MORAC by establishing zones of Property Zone and Buffer Zone. However, the potential of finding new buried relics that have not appeared on the ground yet has been pointed out, and UNESCO recommend MORAC to create “Heritage Risk Map” that records remains above and under the ground. This map will serve a base map for the preservation heritage in the future. In addition, it will also be used to conform whether or not there is an impact on heritage remains in advance for the future infrastructure development. It is important to be able to clarify the process of regulation and development in order to minimize the influence of various developments on heritage in the future.

(2) Concentration of Tourists / Saturation of Carrying Capacity

Shwesantaw Pagoda located in the Cultural Heritage Site is the most popular attraction for tourists as a place to view the sunset. According to the field survey conducted by JICA Expert Team in February 2017, the number of the tourists climbing the pagoda reached 882 people during the sunset time, and the “carrying capacity” is saturated was revealed. As tourists visiting the cultural heritage area concentrate on specific heritage sites, the upper terraces of the pagoda get extremely crowded and accident risks such as falling are a concern as shown in below. In addition, heritage is in danger of deterioration due to damage and graffiti caused by visitors. When the State Counselor visited Bagan on January 24, 2017, she announced that “the act of climbing up the pagodas should be reviewed for long-

term heritage preservation”, and she called for the measures to manage the heritage for the next generation.



Shwesandaw Pagoda before sunset time / North Guni

Congested conditions in front of Pyathagyi Temple / Crowd on the top of Pyathagyi Temple / Bike in front of Shwesantaw Pagoda

Source: JICA Expert Team

Figure 3—8 Tourists Concentrating on Specific Temples at Sunset

(Issues)

From the viewpoint of heritage conservation, ways to disperse the concentration of tourists to other destinations is an urgent issue. In the short term, it can be done for a specific heritage by entry restriction or regulation, and by opening-up other viewing points and providing information on guide map to them. In middle and long term, it is also necessary to promote substitute viewing points considering the historical landscape, based on the possibility to prohibit the access to the temples and pagodas in the cultural heritage site area. It is important to balance between tourism demand and heritage protection.

Note: Mandalay Region Government implemented three viewing mounds in cultural heritage area in 2017 which have 6 m height. They are located at the lakeside of Ko Mauk Kan, Nyaung Lat Pat Kan and Sulamani Kan. Although they were implemented without following the advice from UNESCO, it is expected to encourage the tourists to disperse in the Cultural Heritage Site and to provide as an alternative viewing point.

(3) Historical Landscape and Visual Obstruction Factors

The central elements that constitute historical landscape of Bagan are the temples and pagodas, and natural and cultural landscape around them. These combined elements create the attractive landscape of Bagan. However, due to the inflow of local and foreign private capital in recent years, the landscape of Bagan is on the verge of crisis. The outdoor advertisement of domestic and overseas companies is chaotic at intersections, and flyers such as sales advertisements are affixed to roadside trees, and retailers in the heritage area are wrapped in colorful corporate advertisements. Degradation of the landscape is evident to everyone. In addition, some of the social infrastructure that supports the local community greatly reduces the value of the historical landscape as tourism resources. Electrical power distribution takes the shortest routes through the heritage area, and due to the insufficient waste management, residential waste reaches to the heritage area. Thus, the atmosphere of the historical landscape is being spoiled.



Garbage scattered around monuments / Electric posts standing just beside a monument
Advertisement casually placed on the street trees / Signboard group near the intersection

Source: JICA Expert Team

Figure 3—9 Elements that Degrade the Historical Landscape

(Issues)

In order to preserve the value as a heritage tourist destination for the country, it is essential to form a good visual environment. Outdoor advertisements should be eliminated, and underground wiring as a part of infrastructure development is also necessary. Efforts taking into consideration to the landscape environment are strongly required. In order to form and maintain a favorable landscape environment suitable for the World Heritage Site, it is necessary to establish a mechanism that allows landscape conservation and infrastructure development to coexist but strictly according to regulations and guidelines.

3.2.2 Tourism Infrastructure

Tourism infrastructure is an infrastructure that contributes to sightseeing, development of tourist facilities, tourist routes, visitor management, etc. Despite being a candidate for a World Heritage Site, these improvements have not been done sufficiently and it is not suitable situation for a tourist destination that represents the country.

(1) Tourist Facilities

1) Bagan Archaeological Museum

Bagan Archaeological Museum located in Old Bagan opened in 1998 and has 10 exhibition rooms. Exhibits range from Buddhist statues, stone monuments, art objects, old folk crafts, traditional costumes and dioramas of dynasty era. Despite most of the exhibit have high value as a cultural asset, there are lack of consideration to foreign visitors such as no explanation plate in English. The facilities such as lighting, air conditioning and lifts are not sufficiently equipped, then the quality as an exhibition space is low. In addition, the size of the building is very large compared with the surrounding environment, and there is also an opinion to oppose to the building scale in the heritage area.



Source: JICA Expert Team

Figure 3—10 Tourism Facility in Bagan / Bagan Archaeological Museum

(Issues)

Improvement of exhibition including English notation and upgrade of facilities are required.

2) Information Center

There are three information centers in Bagan, 1) TIC attached to the Bagan branch of MOHT in New Bagan, 2) TIC in front of Nyaung U Market, and 3) The information counter inside Nyaung U Airport terminal building. Each has problems in terms of inappropriate location, lack of staffs, and lack of information. As current situation, it cannot be said that these are useful values for tourists.

(Issues)

It is necessary to develop a facility that is located at a location near the tourist destination as a representative ruins tourist destination of the country and capable of transmitting useful information.

3) Rest Spaces

Since the monuments, which are tourism destinations, are scattered in a wide range of the area, it is desirable for tourists to have a rest space not only hotels and restaurants, but also heritage tourism destinations. Currently, public toilets are installed in the vicinity of the relatively large-scale temples, such as the Shwesantaw Stupa, the Thabyinnyu Temple and the Htilominlo Temple.

(Issues)

Appropriate location and facility development with appropriate wastewater treatment are necessary.

(2) Access Road in Cultural Heritage Area

The main tourist destinations of Bagan are temples and pagodas. Many of them are scattered in the heritage area, and most of the access roads are unpaved. In the dry season, the dust on the road obstructs the visibility, and in the rainy season the water stays and it becomes muddy and water puddle, and the safety and comfort of the passage are not secured.



Source: JICA Expert Team

Figure 3—11 Road Condition in Cultural Heritage Area

(Issues)

To upgrade the unpaved road is indispensable in order to secure the safety and to provide comfortable mobile environment.

(3) Visitor Management

In order to go around the scattered monuments, tourists rely on the map and the directional signage to reach the destination. However, in Bagan, there is no unified signature plan as a heritage tourism site. The language used in the signage is sometimes only in Myanmar, which makes tourism unfriendly for tourists.

Meanwhile, the means of travel for tourists is mainly one of buses, rent-a-cars or E-bikes, but parking lots are not prepared around the monuments, as a result, vehicles and motorbikes are placed in disorder, and chaotic situations. In particular, the congestion situation in a particular pagoda at sunset time is extraordinary.



Source: JICA Expert Team

Figure 3—12 Crowded Condition during Sunset Time

(Issues)

It is a matter whether improving the surrounding environment of monuments as heritage tourism sites, and whether it can be a rich heritage tourism destination.

3.2.3 Social and Transportation Infrastructure

While Bagan is a cultural heritage site, areas such as urban areas and villages where people live are also spread to the area. The infrastructure which is the foundation of the citizen in the heritage site has not been sufficiently improved so far, and what has been developed is becoming obsolete or damaged, so improvement is essential. Improper development of infrastructure that does not consider cultural landscape was also found, and it is urgent issues to implement proper improvement as a cultural heritage site. Current situations and issues of social and transportation infrastructure are as follows. The infrastructure plan based on the field survey is described in Appendix 1 (Executive summary report of the Pre-FS for Basic Infrastructure Development Plan in Bagan).

(1) Road Network

The roads in the Bagan are defined as 1) intercity roads, 2) urban roads, 3) inner roads, 4) village roads, and 5) others, depending on the positioning of the routes and the road surface conditions. Jurisdiction of roads for the maintenance and management are Ministry of Construction (MOC), Township Development Committee (TDC), and BOT by private enterprise. The road in the cultural heritage area is the jurisdiction of Department of Archaeology (DOA).

In general, intercity roads and urban roads are asphalt / tar simplified pavement. The condition of the road surface is good in the section where the construction is new, but the old section has many pot holes and cracks. Most of the roads of the other divisions are unpaved. The road managed by TDC is 30 sections (total extension 17.3 km), and only about 5 km is paved. Despite being an only road that accesses the monument in the cultural heritage area, the road condition is unpaved and there are no drainage lines and it is not generally good. In the dry season, dust on the road obstructs the visibility, and in the rainy season, water stays in a specific section, causing troubles in traffic due to muddy and water puddles. In addition, at the intersection of dry river and the road, most of the road structures have water flowing on the road surface, there are few drainage facilities under the road surface. As a result, at the time of flooding, there will be traffic stoppages ranging from several hours to several days on inter-city roads and urban roads as well as intra-regional roads. Street lighting is only installed in a part of the urban road, and after sunset, on many roads it is dark and the visibility is bad. Especially it is in a dangerous situation for tourists returning by E-bikes after watching sunset.

(2) Water Supply and Sewage

Water service in Nyaung U Town and New Bagan Town is provided by TDC. There are two water supply facilities in Nyaung U Town, and they supply water to six administrative districts. One of the facilities is a water distribution facility with a simple treatment facility, another has no treatment facility and after river water is stored, pumping is carried out with a pump. Water purification plant is installed in New Bagan Town, however due to problems of operation method and facility capacity, most of time for the water supply is direct water supply of river water by intake pump. In addition, the water intake point of the New Bagan Water Treatment Plant is away from the mainstream of the river, and the water level of the New Bagan is lowered during the dry season and it is withdrawn only from the limited amount of water.

As mentioned above, untreated river water is directly supplied to the users. Since the turbidity of the river water is high, the user performs sedimentation treatment etc. by himself before use. In addition, TDC supplies the amount of water equivalent to the daily water demand within the limited time of daytime, the operation of the facility is stopped at night, and 24 hours water supply is not being implemented. As of October 2016, the number of each water connection in Nyaung Town and in New Bagan Town is 2,400 connections, 361 connections, the rate remains at 38 % and 23 %.

On the other hand, sewage treatment facilities are not being developed in the urban areas of both towns. Urine excreted from private enterprises such as hotels and restaurants is being processed by a septic tank installed in each facility, but ordinary households are not equipped with storage facilities and are directly discharged to the soil. Miscellaneous wastewater is drained directly into soil or withered rivers and valleys, untreated.

(3) Electricity and Telecommunication

Overhead lines within the cultural heritage area consist of power lines and communication lines. Each line passes through the road, along the road, the heritage conservation area, and the cultivated land. Current situations and issues of electric services and communication services are as follows.

Regarding electric services, in Bagan area, four substations, Nyaung U, New Bagan, Bagan sub-station and Chauk substation 30 km south, and are installed and supply electricity to the target area. The 11kV distribution line from the 4 substation is connected to the same area from multiple substations, and the distribution circuit crosses and parallels. This is because power distribution lines were appropriately laid out from substations with sufficient electric power as the demand for electricity increased in residential areas. As a result, there are problems such as the supply substation and the distribution area being not necessarily distributed from the electrical rationality, maintenance becomes complicated, power loss, voltage drop increases, and so on.

On the other hand, with regard to communication services, the development of the communication industry in Myanmar has been remarkable in recent years, and the communication network is influenced by its development. The communication line within the preservation area is managed by Nyaung U Myanmar Post and Telecommunication (MPT), and it is used by MPT, other two communication companies, cable TV station and an internet provider. The communication line of MPT consists of microwave, optical cable, and it relays Pakokku, Nyaung U and Kyaukpadaung. In the area, about 5-10 optical / metal communication cables are passed and distributed. Communication routes are laid mainly at 10 - 30 m from the road.

Many of the overhead lines and utility poles are installed close to the monument group, and they are detracting from the aesthetic appearance of the cultural landscape. In the underground work of the power line, not only the power line burial work but also the review of the power distribution circuit and the construction of the substation are required.

(4) Waste Management

Waste in Bagan is not well managed as a heritage tourism destination. The waste collection service area is only two urban areas, Nyaung U Town and New Bagan Town, and it does not cover areas with heritage area and village areas. In addition, the existing waste disposal site (open dumping site) is located within the heritage conservation area, and garbage is scattered where visitors can see directly. It is a factor of damaging the image as a representative tourism destination in Myanmar.

For waste collection, the TDC collects about 20 tons of waste in two urban areas daily and transports them to the final disposal site for disposal. However, garbage of 40 to 50 tons per day is uncollected, discarded on road sides and rivers. The management of the waste is not sufficient.

The issues related to waste management are: 1) the waste in the conservation area is not collected; and 2) the existing open dumping site is located in the conservation area.

(5) Port

There are two jetties in Bagan area. One is in Nyaung U River Port located in the northeastern part of Nyaung U Town, and the other is Z Jetty located north of Old Bagan. According to the Department of Inland Water Transport (DOIWT), while Nyaung U River Port is used throughout the year, Z Jetty is mainly used during high season from October to April. The shipping vessels are comprised of one governmental company and six private companies.

A ship from Mandalay, located 220 km from Bagan, is operating at Nyaung U River Port, 10 hours from Mandalay to Bagan and 12 hours from Bagan to Mandalay. The route to the river port of Nyaung U River Port will be on the north side of the Ayeyarwady River in the dry season and in the rainy season it will operate a shallow route on the south side. Since the operation hours is during the day, there is no route signpost in the river. Besides, cruise ships traveling around Bagan sail at the southern route from 16:30 to 20:00.

As current environment, a width about 230 m is secured as a range where passengers get in and out of passengers and unloading of baggage are possible at Nyaung U River Port. There are three simple wooden scaffolds for loading / unloading. The way of entering the river port is only one place on the west side. There are no modern port facilities. According to the DOIWT, the highest water level ever recorded in August 2016. As of the end of January 2017, the difference between the highest water level and the lowest water level was measured to be around 12 m. It is desirable to develop a port facility that can respond to this difference in water level throughout the year.

In developing the Nyaung U River Port, no serious environmental impact is expected, but environmental impact assessment is required before the project implementation.

(6) Other Public Transportation

- **Airport**

Nyaung U Airport is the only airport in Bagan, located in the eastern part of Nyaung U Town. Opened in 1959, the terminal building was renovated in 2004. Airport facilities are managed by Department of Civil Aviation (DCA), Ministry of Transport and Communications. Domestic companies operate only domestic flights by eight companies, there is no international flight. The flights departing to Bagan are mainly Yangon, Heho and Mandalay. Main operation hours are morning and evening, and about 15 to 35 flights per day arrive and depart. There are 1,288 passengers / day in the peak season of tourism and 453 passengers / day in low season.

- **Long Distance Bus**

In April 2015, a new bus terminal dedicated to long distance buses (Shwe Pyi Highway Bus Terminal) was newly established at a location 5 km south of Nyaung U from Kyaukpadaung. There are 50 bus companies in the site of about 5 hectares, 6 buildings for restaurants, 30 stores, 60 rooms' hotel, refueling stations and toilet buildings. 28 long-distance bus operators and 12 minibus operators are using the terminal. Major destinations of long-distance buses departing from this bus terminal are major cities of Yangon, Mandalay, Nay Pyi Taw, Taunggyi, Lashio, Pakokku, Myingyan, Chauk and other cities. The majority of passengers are local, especially Yangon route has few foreigners. Passengers changing from long-distance buses to short-distance buses will use private transportation means such as taxis and light trucks.

- **Railway**

Bagan Station is on the route between Yangon and Mandalay. The train by Myanmar Railways operates daily with a night-train between Yangon and Bagan in 17.5 hours (1 train / day) and between Mandalay and Bagan 7.5 hours (2 trains / day). Due to the improvement of grade of intercity roads and large buses, railway has not been able to become a major mode of transportation in recent years despite cheap fares. The average number of passengers per train is about 30 to 100 on Yangon route and Mandalay route are about 70 to 200 passengers. Foreign passengers are about 200 people per month, and local users are occupied mostly.

3.3 Tourism Human Resources Development and Local Community

3.3.1 Tourism Human Resources Development

(1) HRD in Tourism Administration and Tourism Related Sectors

1) MOHT Bagan Branch Office

MOHT Bagan branch is responsible for development and promotion of tourism as a governmental organization in Bagan. MOHT Bagan branch has limited institutional capacity as well as skill and knowledge on tourism administration and management and human resources development. There is no human resources development (HRD) section in MOHT Bagan branch. The staff members lack opportunities for improvement of their technical skill and knowledge at MOHT Bagan.

MOHT Bagan branch conducts training programs for hotel staff (basic level) and tourist guides with support of relevant associations and tourism school in every year as shown below. Some lectures for the

hotel training (basic level) participated HRD training programs conducted as pilot project of HRD in the Project.

Table 3—4 Training Programs Organized by MOHT Bagan Branch

Type of Tourism Business	Target Participant /Level	Number of Participant	Length of Training	Support Organization and Institution
Hotel	Front office (FO), housekeeping (HK), food and beverage (FB), food production (Basic level)	200/training 1,600 (totals in the past)	4 weeks	Myanmar Hotelier Association (MHA)
	Accounting (Basic level)		2 weeks	
	FO, FB, HK (Intermediate) Under consideration by MOHT Bagan	To be consider	To be consider	Kandawgyi Hotel and Tourism Training Center (Yangon), hotels
Tourist Guide	Regional guide license	100/training 123 (totals in the past)	4 weeks	Myanmar Tour Guide Association, MOHT, MORAC, Pakokku and other universities

Source: MOHT Bagan branch

At present, there are no schools specializing in tourism human resources development in Bagan; therefore, students who wish to major in courses related to tourism have to enter tourism institutions in Yangon and Mandalay. In the past, short-term workshops on human resource development have been held by the Myanmar Hotelier Association (MHA), Myanmar Restaurant Association (MRA), and Myanmar Tourist Guide Association (MTGA), but continuous education system is not yet organized. The Lacquerware College is the only state-run educational institution relating to tourism industry, aiming at the improvement of lacquerware workers' skill in the region.

With increasing demand for training of tourism human resources in Bagan, MOHT plans to establish a tourism school in Bagan in the near future.

2) Lacquerware Technology College in Bagan

Lacquerware Technology College in Bagan is the only government educational institute to offer a course of lacquerware under the jurisdiction of Ministry of Cooperatives. From 2017 Lacquerware Technology College was changed under the jurisdiction of Ministry of Agriculture, Livestock and Irrigation (MOALI). The College provides three courses for middle school completed students, high school graduates and university graduates with offering Diploma in Lacquerware Technology. Course for middle school completed students has been established and started since December 2015. As of October 2017, there are about 300 students and 90 staff including 47 lecturers in the College. Cooperative University in Yangon and Sagaing are operated and managed under MOALI. Graduates from the Lacquerware Technology College are able to transfer to the third year of either one of universities. These universities offer Bachelor Degree in Business Science. However, most of graduates from the College tend to look for jobs in Mandalay and Yangon and do not work for the lacquerware business in Bagan.

Table 3—5 Courses at Lacquerware Technology College in Bagan

Course	No. of Students	Length of Course	Remark
Middle school completed (9 th grade finished)	20	2 years	College provides financial support of 30,000 Kyats per year
High School graduate (11 th grade finished)	120	2 years	
University graduate	9	1 year	

Source: Lacquerware Technology College

3) Accommodation

Accommodation in Myanmar is two types, star ranked hotels (from 1-star to 5-star) and non-star accommodation such as small hotel, motel and guesthouse. The number of employees for accommodation industry is estimates about 3,200 based on the number of rooms for accommodation received from MOHT Bagan branch office. According to interviews with managers and owners of hotels in Bagan, in 4-star and 3-star hotels almost all employees including supervisors are employed from Bagan and its surrounding areas except manager level staff. Since no hotel and tourism school has been established in Bagan, most of them are graduates from high schools. After introductory in-house training and certain probationary period, they are appointed as regular employees. During that period, On-the-Job-Training (OJT) and monitoring-evaluation are repeated by the supervisors. Some hotels organize in-house training sessions during the low seasons between May and September. However, out-sourcing training to hotel and tourism schools is uncommon and is only done in a few hotels in Yangon or Mandalay. In general, as the hotel grade decreases, training opportunity and frequency also decrease. In unrated hotels, mostly those family run, training opportunity is only limited to OJT.

For both locally based and foreign branch hotels in Bagan, most hotel managers are dispatched from Yangon and other cities based on experience and capacity, while foreign staff are dispatched and employed at some hotels.

4) Restaurant

Except for large restaurants and restaurants in the hotels, most of restaurants are regarded as small and medium enterprise (SME)'s run by family members. Training for staff working for small restaurants is mainly OJT at their own restaurants. Myanmar Restaurant Association sets up a fund and organizes training programs for restaurants in Bagan.

5) Travel Agencies and Tour Operators

There is no training program for travel agencies and tour operators in Bagan offered by MOHT and other institutions. Most of tour operators are branch offices of travel agents in Yangon or Mandalay. Staff training for tour operators will be either participation of training program organized by Union of Myanmar Travel Association (UMTA) or training by their own companies. Tour operators in Bagan needs to improve not only HRD for staff but also operation and management.

6) Tourist Guide

As mentioned training programs provided by MOHT Bagan branch, training for the regional licensed tourist guides is conducted for 1 month (6 hours per day) by MOHT Bagan in every year in cooperation with MTGA, MOHT, DOA (MORAC) and lecturers of Pakokku University and professors from other universities.

Tourist guides read books and get various information to improve their knowledge on tour guiding during the off season. However, by nature of the job, a tour guide is a freelance job and occasion for learning from other guides' practice is very limited.

In Bagan, there are many experienced national licensed tourist guides. It is also an important role of MTGA to provide opportunities for tourist guides with less experience to learn skills and knowledge from senior or experienced tourist guides.

To be an English-speaking guide, it is required to have lectures and materials for training in English for both the national and regional guides. For those who want to become other language guides, they need to fully master the language that they want to speak in. As there is no language school other than English in Bagan, they must go to Mandalay or Yangon to study or find private language lessons in Bagan.

7) Tourism Transport Operators

Neither MOHT nor other agencies provide training for tourism transport operators.

8) Tourism Related Associations

Due to the increasing demand of human resources development and capacity building for in tourism business sector in Bagan, Myanmar Hotelier Association (MHA Bagan), Myanmar Restaurant Association (MRA Bagan), and Myanmar Tourist Guide Association (MTGA Bagan) are working on human resources development in their respective fields in cooperation with MOHT Bagan branch. However, their trainings do not meet actual needs of human resources development in terms of contents of training, target trainees and training period.

On the other hand, international donors such as ILO, Swisscontact, etc., have been supporting human resource development and capacity building in the tourism sector at various areas including Bagan since 2014.

(2) Tourism Training Institute, Curriculum and Materials used for Tourism HRD

1) Tourism Training Schools and Tourism Higher Education Institutes

Most of the employees involved in the tourism service sector are trained by Hotel and Tourism Training Centers in Yangon and Mandalay. Most of hotels recruit their staff from towns and rural areas in and around Bagan, and not so many recruited staff have certificate from tourism related school. Therefore, most hotels in Bagan train employees at their own hotels.

Bagan has not established tourism HRD institutions, though in Myanmar there are three tourism higher education institutions (Yangon University, Mandalay University, and National Management College in Yangon) and there are two professional tourism schools in Yangon and Mandalay (Kandawgyi Hotel and Tourism Training School in Yangon, Mandalay Hotel and Tourism Training Center).

Kandawgyi Hotel and Tourism Training Center

Kandawgyi Hotel and Tourism Training Center is one of the oldest hotels and tourism training schools in Myanmar, established by UNDP in 1982. The hotel was privatized but the school still maintains close relations with MOHT.

Kandawgyi Hotel and Tourism Training Center is a vocational training center, offering short training programs 5 times annually. The short training programs include 8-week training in the center and 4-week internship training outside. The internship training periods differ depending on the courses.

The Hotel section includes 3 levels. Level-1 is composed of 7 courses including front office, housekeeping, foods and beverages (F&B), food production (western and Asian), hospitality English, etc. Level-2 is comprised of 3 courses which including; accounting, room division and food and beverage. Level-3 is consists of only a hotel management course.

In addition, Kandawgyi Hotel and Tourism Training Center has a tourism program. This is made up of 2 courses which includes; tour consulting and tour operating, both of which are level-1. The training period for the tourism section is different from that of the hotel section since internship training outside has not been established yet. The number of training staff is 40, among whom 35 are trainers and demonstrators. In addition, the center has 7 part-time trainers, who are mostly retired MOHT staff.

Mandalay Hotel and Tourism Training Center

Mandalay Hotel and Tourism Training Center, annexed to Zegyo Hotel was established as a prominent hotel training center in Mandalay in 2006 in cooperation with MOHT and MHA.

The training center provides 4 basic courses (“Front Office”, “Housekeeping”, “F&B” and “Food Production”) as well as an intermediate course. An advanced course has not been established yet.

The training period is 10 weeks (2.5 months) for each course. Four sessions are organized annually. The trainees are from within and around Mandalay including Monywa and Mingun. However, the trainees from Bagan have been very few. Almost 90 % of graduates found jobs. Various hotels in Mandalay make job offers to the center. The center has 10 permanent trainers and 4 part-time trainers. The latter are retired MOHT officials. One of the permanent trainers is also a former MOHT official.

2) Curriculum and Materials for Tourism HRD

A British university professor created the curriculum of Hotel and Tourism Training Center during the socialist government era. During that time, all hotels were operated by the state-owned enterprise.

To guarantee the quality of tourist service, ASEAN Common Competency Standard for Tourism Professionals (ACCSTP) regulates the minimum competency standard that all the hotelier and tour companies in ASEAN member states need to abide by.

In ACCSTP, for hotels, common competencies are divided into 4 divisions of labor: front office, housekeepers, food and beverage service, and food production. For tour companies, 2 divisions of labor are included: travel agency and tour operator. Competency standards are defined according to 32 job titles in ACCSTP. ASEAN Mutual Recognition Arrangement on Tourism Professionals (MRA-TP) is an agreement among ASEAN members states for assuring free flow of tourism professionals in the 6 divisions of labor defined in ACCSTP. Myanmar is a member country of ASEAN, and the Ministry of Hotels and Tourism promotes to introduce ACCSTP for human resource development in the tourism sector. For the applicable condition of MRA-TP, it is obligatory to utilize a Common ASEAN Tourism Curriculum (CATA).

A Common ASEAN Tourism Curriculum (CATC) was created by support of Austrian government and approved by the ASEAN tourism ministers. CATA consists of fundamental courses and educational systems similar to British and Australian curriculum and has 242 toolboxes (curriculum) based on MRA. CATA is recognized worldwide as the most effective means of delivering vocational training based on the approach of CBT (Competency Based Training)¹. CATC has not been introduced yet in human resources development for tourism industry in Bagan. In recent years, CATC was introduced to tourism higher education institutions, and hotel and tourism training school in Myanmar as a tourism training curriculum.

3.3.2 Stakeholders and Local Community

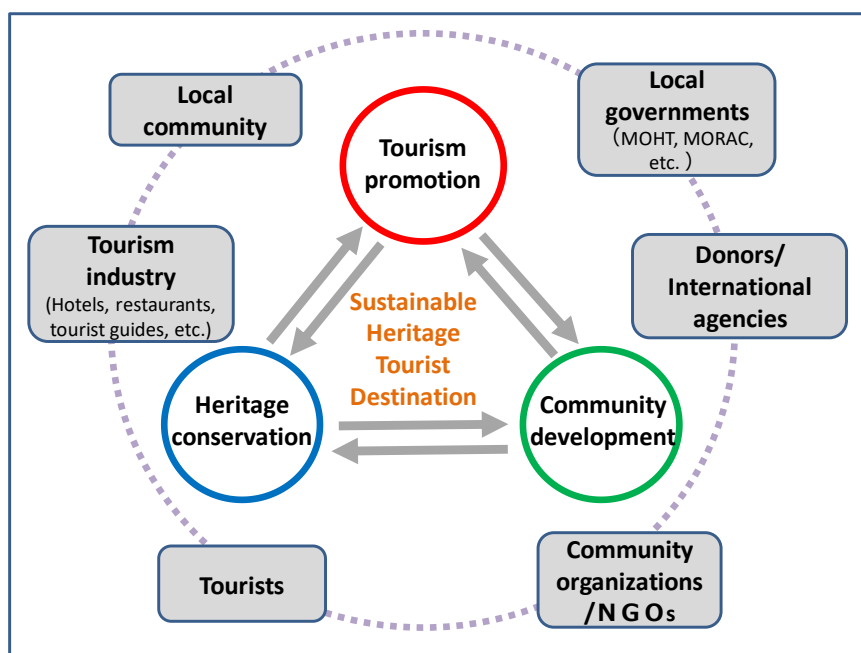
(1) Relationship between Sustainable Heritage Site, Stakeholders and Local Community in Bagan

Regarding tourism development, tourism promotion, heritage conservation in Bagan, various stakeholders are involved and supported through the project activities, as described in sections 3.1.1 and 3.1.4. In Bagan, in addition to stakeholders of tourism related public and private sector, local communities are directly and indirectly involved in tourism activities because there are urban areas and villages in Bagan. People in local communities have many employment opportunities in tourism industry. Traditional village life in local communities is one of the tourism resources for Bagan so that local community is also very important for Bagan as a heritage tourist destination.

Tourism development and tourism promotion in Bagan is under the responsibility of the Bagan branch of MOHT, conservation and management of archaeological sites such as temples, pagodas, monasteries. Operation and management of cultural facilities such as museum is under responsibility of DOA of the MORAC. Acceptingly, tourists in Bagan are mainly served by hotels, restaurants, tour operators, tourist guides, taxi operators and handicraft and souvenir shops.

In the future, to develop and manage Bagan as a sustainable tourist destination in medium to long term according to Bagan Tourism Development Plan, it is indispensable for cooperation and involvement of stakeholders such as MOHT, MORAC, tourism related local governmental agencies, tourism industry, local community organizations, NGOs, donors and international agencies providing technical and financial support for tourism development and heritage conservation, and local community. (See Figure 3-13)

¹ CBT is training that provides trainees with skills, knowledge and attitudes necessary to demonstrate competence against prescribed and endorsed Industry Competency Standards. This concept is especially applicable to tourism where 'attitude' is an extremely vital element of all customer-contact and service situations. Source: 3.3 Rationale for CATA, pp.22, ASEAN Mutual Recognition Arrangement on Tourism Professionals (MRA-TP) Handbook, ASEAN Secretariat



Source: JICA Expert Team

Figure 3—13 Stakeholders and Local Community in Sustainable Heritage Tourist Destination for Bagan

The following table shows stakeholders and regional communities concerning Bagan tourism development and tourism management.

Table 3—6 List of Stakeholders and Local Community concerning Tourism Development and Tourism Management for Bagan

Category	Organization/Type of business	
Central government	<u>Ministry of Hotels and Tourism (MOHT), Ministry of Religious Affairs and Culture (MORAC)</u>	
Public	Local government	<u>Mandalay Region Government (MRG), Bagan branch office of MOHT, Department of Archaeology (DOA) of MORAC, General Administration Dept. of Nyaung U District (GAD), Nyaung U Township Development Committee (TDC)</u> Nyaung U Airport, Nyaung U Railway Station, Tourist Police
	Tourist service	Hospital, Clinic, Police station, Fire station
	Educational institution	Lacquerware Technology College in Bagan, schools
	Private	Tourism related organization
	Tourism industry	Hotel, restaurant, travel agent, tourism transportation, souvenir shop, craftsman
Local organization, NGO	Gopaka, Pagoda Trustees, Action Aid, Myanmar Responsible Tourism Institute (MRTI)	
Donor, International agency	UNESCO, ILO, ADB, Swisscontact, Lux-Dev, GIZ, JICA, Hanns Seidel Foundation	
Local community	Local community (47 villages), farmers, shop owners	
Others	Foreign and domestic tourists	

Source: JICA Expert Team

Remark: Underlined governmental agencies and tourism organizations participated activities in Bagan Tourism Development Project as Working Group members.

(2) Roles of Stakeholders and Local Communities in the Project

In the formulation of Bagan Tourism Development Plan in the Project, three Working Groups (Tourism administration and management, Tourism infrastructure, Tourism human resources) in public and private partnership at local level were set up to conduct the following works, strategies in three areas, tourism administration and management, preparation of implementation plans, from selection, implementation to verification of pilot projects with JICA Expert Team. In the Project, in addition to the members of Joint Coordination Committee (JCC), JICA Expert Team provided technology transfer on know-how such as planning, implementation of activities, method of verification and knowledge on tourism development to members of Working Groups as main stakeholders through planning and implementation of the project activities.

WG members are representatives of important stakeholders in the implementation and management of proposed various action plans in the Bagan Tourism Development Plan and they will participate and support for implementation and management of the action plans as members of “Bagan Tourism Promotion Platform (BTPP)”, which will be established after the completion of the Project.

The institutional and human resource development capacity the MOHT, MORAC and local governments are described in the latter section Tourism, Ministry of Religious Culture and Local Government, local municipalities, the capacity of human resources and human resource development are described in Sec. "3.3.2 Tourism Human Resources Development". Government agencies are insufficient for coordination, collaboration and cooperation between organizations. Current administration system in Myanmar, various authorizations are still under the control the central government. For the efficient and smooth implementation of tourism development and tourism promotion of Bagan at the local level, it is necessary to have a system for decision making and implementation at the local level. MOHT Bagan branch office is a main tourism administration in Bagan and needs to coordinate and collaborate with related organization and private sector. However, MOHT Bagan branch office has many constraints in aspects of organization, human resource and financial capacities.

On the other hand, there are various associations for the private tourism sector in Bagan such as MTF, MHA (Bagan), MRA (Bagan), and BTGA as shown in the Table 3-6. These associations actively participate and support tourism events and activities which are mainly hosted by the MOHT

Many residents living in urban areas of Nyaung U and New Town, and rural villages in and around Bagan are engaged in commerce, agriculture and tourism related business. In the villages of Bagan, tourists can see traditional village life. Villages such as Min Nan Thu and West Pwa Saw are known as village tour site as well as CBT site and receive foreign tourists in cooperation with tour operators and tourist guides. In addition to these villages, there are other villages where CBT can be promoted and implemented.

Besides CBT, festivals held at temples and pagodas, events (boat race) and religious ceremonies are tourism resource and tourist attractions for foreign tourists in Bagan, which residents are directly involved in. Mendicant is seen in Bagan is religious culture which is fascinated by foreign tourists.

(3) Issues related to Local Community in Bagan

Bagan is currently preparing for nomination as a UNESCO's World Heritage site. However, tourist facilities and service to receive tourists and protect the environment in Bagan are insufficient for the World Heritage tourist destination. In Bagan, garbage issue is critical for local community as well as tourist site, such as illegal dumping of garbage in and around monument sites and along the road in Bagan, and scattered garbage in and around the village. Such practices are degrading the environment of the heritage tourist destination. These factors adversely affect the landscape of Bagan and damage the image of Bagan so that it is necessary to improve and solve these issues in terms of conservation of environment and management of heritage tourist destination. The garbage issue is caused by insufficient garbage collection of local government and the low concern of the local community for the environment. It is necessary to consider countermeasures to reduce the amount of garbage by separation and recycling of garbage by village.



Accumulated and scattered garbage at Taung Bi Village near Old Bagan

Illegally dumped garbage within Monument Protection Zone

Source: JICA Expert Team

Figure 3—14 Scattered and Illegally Dumped Garbage within Monument Protection Zone

It is often seen that local young girls and children are asking to sell picture postcards and souvenirs to foreign tourists near the entrance of temples and pagodas and around restaurants. Such behavior is a nuisance for foreign tourists and trouble may occur between sellers and foreign tourists. It is indispensable to prohibit and control these behaviors by local people in terms of an appropriate operation and management of heritage tourist destination.



Local girls selling picture postcards to foreign tourists near the parking lot of restaurant

Local girls waiting for tourist at Thatbyinnyu Temple

Source: JICA Expert Team

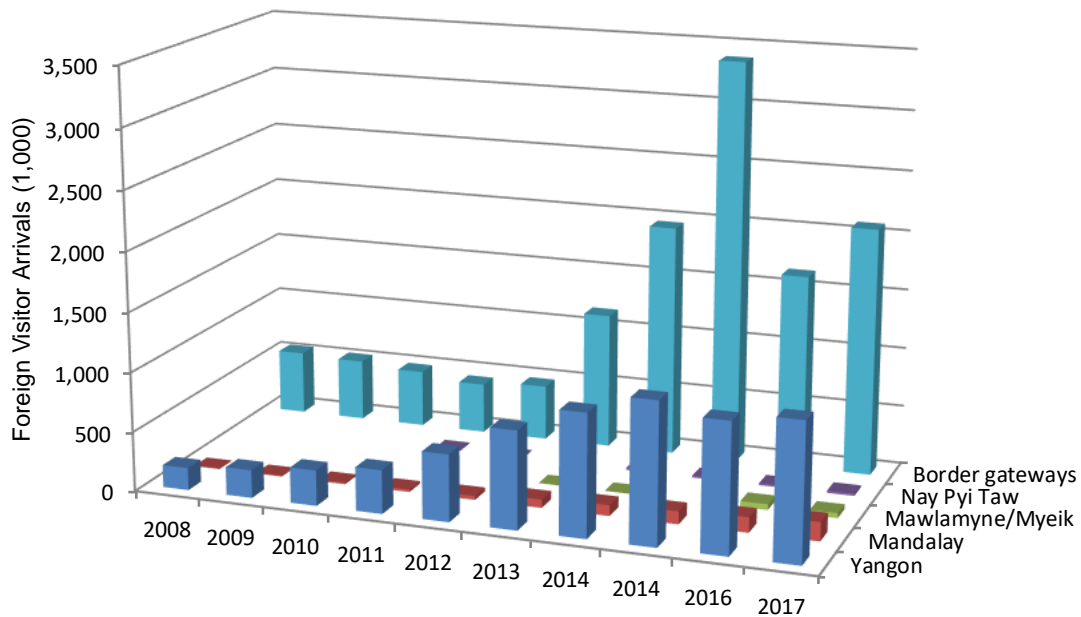
Figure 3—15 Inappropriate Behavior of Local People to Foreign Tourists

As mentioned above, garbage and inappropriate behavior toward foreign tourists by local people are critical issues not only for tourist destination but also for local people, and these issues need to be improved. These issues are mainly caused from that local people including elementary, junior high and high school students do not have sufficient knowledge and awareness about the importance of cultural heritage, protection of environment, beautification and manner to receive foreign tourists. In order to solve and improve these issues, it is necessary to hold public awareness seminars and workshops on environmental improvement, conservation of heritage, and appropriate manner for receiving foreign tourists at Bagan heritage tourist destination for targeting wide range of local community people.

3.4 Tourism Demand

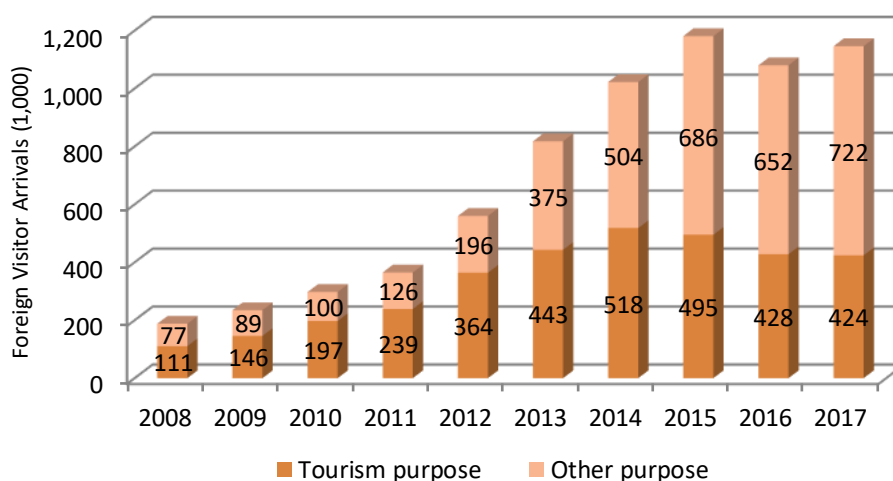
3.4.1 Present Number of Foreign Visitors to Myanmar

The number of foreign visitors into Myanmar is rapidly increasing every year as described in the Chapter 1, Introduction. The main factors for the rapid increase of foreign visitors to Myanmar are the increase of visitors at entry points of Yangon and border gateway at neighboring countries in addition to the increase of visitors entered at Yangon. Foreign visitors for tourism purpose as well as business purpose are increasing as shown in Figure 3-17.



Source: Myanmar Tourism Statistics, MOHT

Figure 3—16 Number of Foreign Visitors by Entry Point (2008 - 2017)

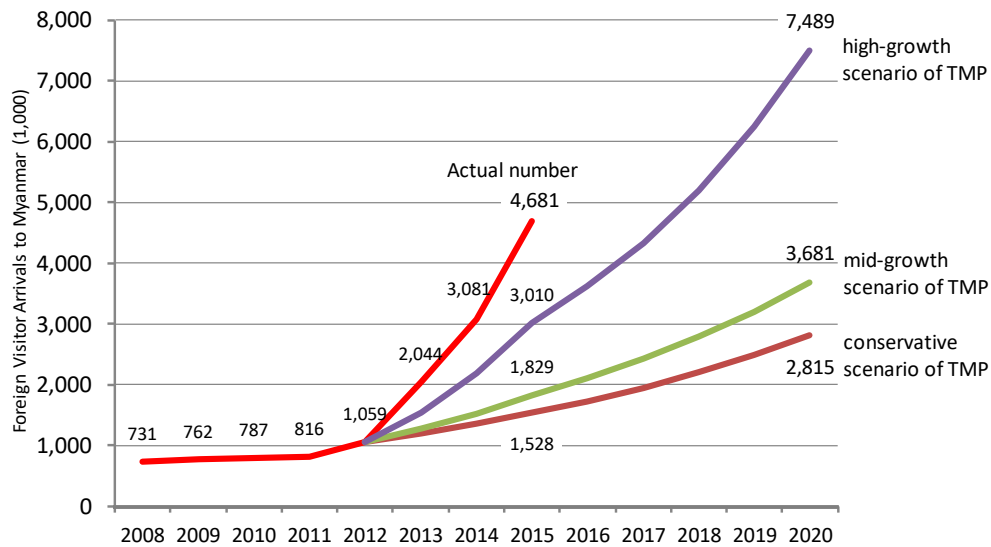


Source: Myanmar Tourism Statistics, MOHT

Figure 3—17 Number of Foreign Visitors by Purpose in Yangon Entry Point (2008 - 2017)

3.4.2 Comparison of Foreign Visitors Projection by Myanmar Tourism Master Plan and Actual Foreign Visitors to Myanmar

In Myanmar Tourism Master Plan (MTMP, formulated in 2013), the future projection for the number of foreign visitors to Myanmar was conducted. However, the actual number in 2015 was already higher than the projection of the high-growth case of the MTMP as shown in Figure 3-18. Therefore, the tourism demand projection was reconsidered in the project.



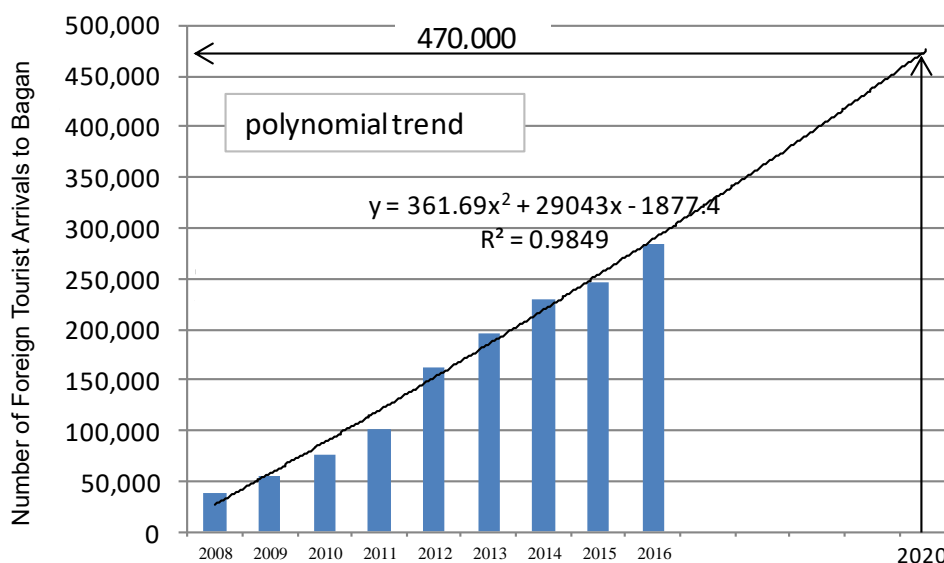
Source: Myanmar Tourism Master Plan (2013-2020), MOHT

Figure 3—18 Comparison of MTMP’s Projection and Actual Foreign Visitors into Myanmar

3.4.3 Projection of Tourism Demand of Bagan in 2020

(1) Projection by Regression Formula

Foreign tourist demand of 470,000 in 2020 was projected for Bagan by applying polynomial trendline based on trend of actual annual tourist arrivals to Bagan because coefficient of determination was 0.98 as shown in Figure 3-19.



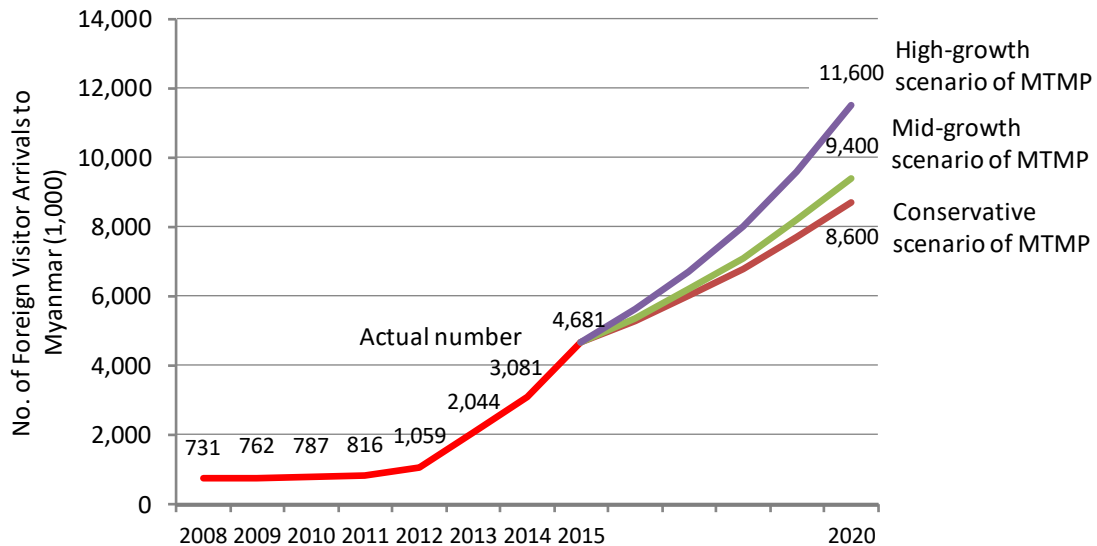
Source: Myanmar Tourism Statistics, MOHT, JICA Expert Team

Figure 3—19 Projection of Foreign Tourist Demand in Bagan in 2020

(2) Projection on Nationwide Basis

Projection of Foreign Visitor Arrivals in Myanmar

The number of foreign visitor arrivals is projected on the basis of actual demand in 2015 with applying same projection method of MTMP (annual increasing rate of 13 % (conservative scenario), 15 % (mid-growth scenario), and 20 % (high-growth scenario)).



Source: JICA Expert Team

Figure 3—20 Projection of Foreign Visitor Arrivals in Myanmar (by application of MTMP Method)

Projection of Foreign Visitor Demand in Myanmar

In Myanmar, number of business/ commercial/ public purpose visitors are increasing rapidly more than increasing of tourism purpose visitors as shown in Figure 3-21. This trend will continue in short term period and portion of tourism purpose visitors will be decreased. 25 % in 2020 is assumed from 30 % in 2015 for the number of tourism purpose visitors, to project future tourist demand.



Source: JICA Expert Team

Figure 3—21 Projection of Foreign Visitors Arrivals to Myanmar by Visiting Purpose (2020, mid-growth scenario)

(3) Projection of Foreign Tourist Demand in Bagan (2020, 2030)

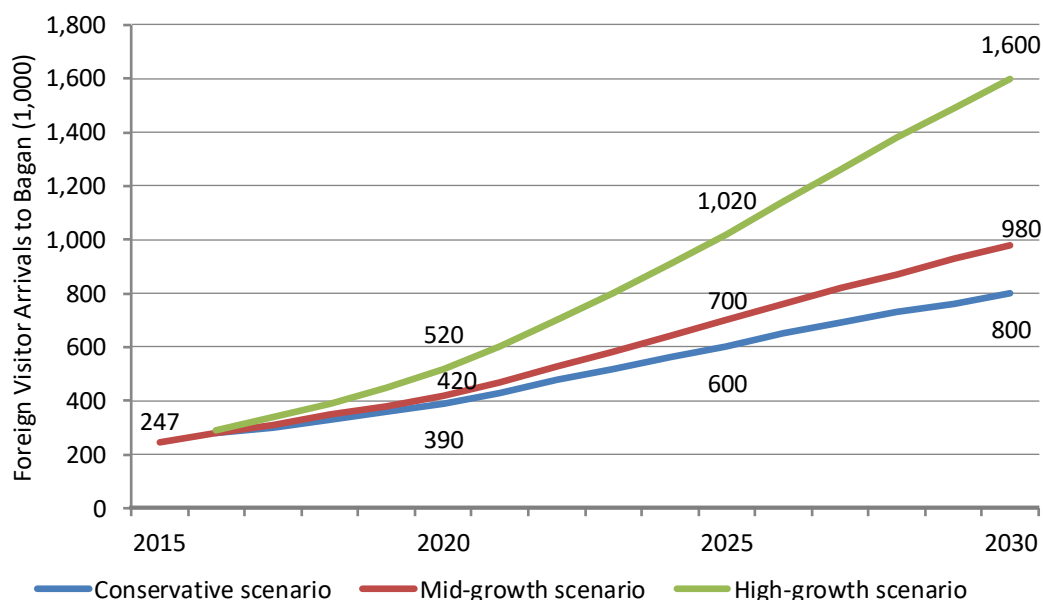
Future foreign tourist demand is projected by assuming that current 18% of Bagan against nationwide tourist demand will continue. Foreign tourist demand in Bagan will be 390,000 – 520,000 in 2020 (420,000 for mid-growth scenario). The number of foreign tourist in Bagan will increase from 60% to 110% (140,000 to 270,000 visitors) compared to 250,000 visitors in 2015.

Projection by annual trend is unreliable due to long term period of 15 years in the future, therefore; tourist demand projection for 2030 was made by applying method of MTMP. Same projection steps as 2020 year was applied as described below;

- 1) Projection of foreign visitor arrivals to Myanmar,
- 2) Projection of foreign tourist demand of Myanmar, and
- 3) Distribution of foreign tourist demand to Bagan.

For the projection of foreign visitors to Myanmar, it is assumed that that growth rate of foreign visitor arrival gradually decreases after 2020 and decreases by half in 2030.

The result of projection of foreign visitors to Bagan in 2020 and 2030 is shown in Figure 3-22. Foreign tourist demand in Bagan will be from 800,000 to 1,600,000 in 2030 (approximately 1,000,000 by mid-growth scenario).



Source: JICA Expert Team

Figure 3—22 Projection of Foreign Visitors to Bagan in 2020 and 2030

The tourist demand Projection of Bagan in 2020 and 2030 is summarized in Table 3-7. Total tourist demand in 2020 will be from 850,000 to 1,000,000. Foreign visitor demand in 2030 is projected to be approximately 1 million. This number accounts for half of current tourist demand of 2.4 million in Angkor in Cambodia, or same level of current visitor demand of 1 million in Borobudur Temple Compounds in Indonesia.²

Total tourist demand in Bagan including domestic tourist which will be from 1.5 million to 2.0 million in 2030.

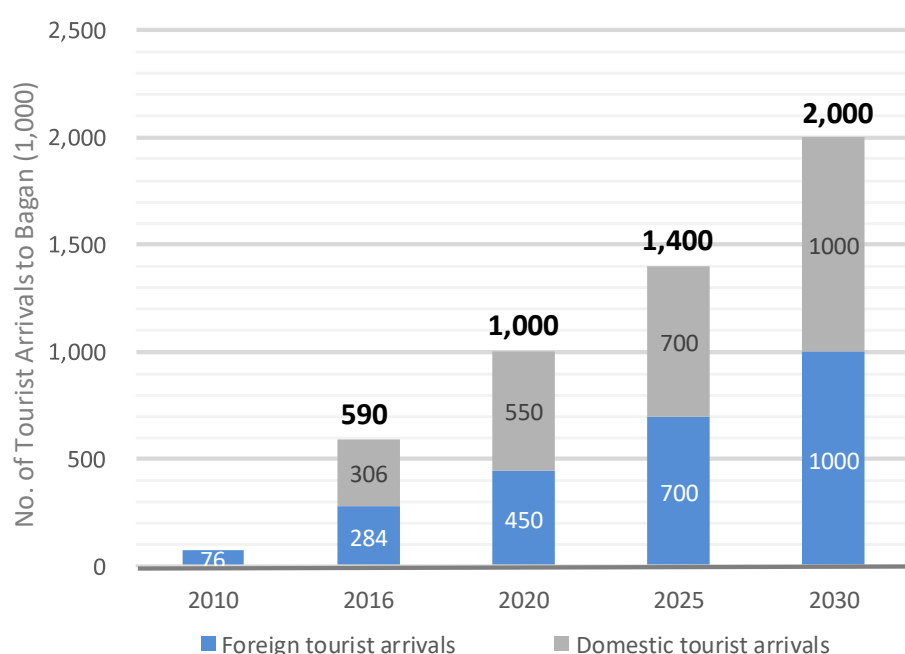
² Future demand in Angkor in Cambodia is said to be 3.7 million – 4 million in 2020.

Table 3—7 Conclusion of Tourist Demand Projection in Bagan (2020, 2030)

		2016	2020	2030
Foreign Tourist Demand	Trend projection		470,000	-
	Projection based on nationwide growth of MTMP		390,000-520,000 (420,000 of mid-growth scenario)	800,000 – 1,600,000 (1,000,000 of mid-growth scenario)
	Conclusion (mean of trend projection and mid-growth scenario of MTMP projection)	284,000	450,000	-
Domestic Tourist Demand*1		306,000	400,000 - 550,000	500,000 - 1,000,000
Total		590,000	850,000 - 1,000,000	1,500,000 - 2,000,000

Note: *1 Demand of accommodation for domestic guests is 20% of the total demand, which is estimated approximately 100,000.

Source: Tourist data in 2016 is from MOHT, Projected tourist demand data of 2020 is projection by JICA Expert Team



Source: JICA Expert Team

Remark: There is no date of domestic tourists to Bagan in 2010.

The number of domestic tourists demand in 2020 is a mean of trend projection and mid-growth scenario of MTMP projection. The number of foreign tourist demand in 2030 is a projection based on nationwide growth of MTMP.

**Figure 3—23 Conclusion of Tourist Demand in Bagan
(International and Domestic Tourist Total)**

3.4.4 Demand for Accommodation

Number of accommodations such as hotel, guesthouse will increase in line with increase of tourist demand as shown in Table 3-8. Accommodations in Bagan with 2,565 rooms in 78 hotels/guesthouses in 2015 will increase to be 4,500 rooms and 8,000 rooms in 2020 and 2030 respectively. This projection means that construction of 400 rooms per year will take place to cover demand. By comparing rooms in recent years from 2013 to 2015, the number of room increased at the rate of only 82 rooms per year. The construction of accommodation rooms will need to increase 4 times more than the previous year until 2030.

Table 3—8 Estimated Demand of Accommodation Rooms in Bagan

	2013	2015	2020	2030
International tourist (1,000)	196	247	450	1,000
Domestic tourist (1,000)	n.a	306	550	1,000
Tourist total (1,000)	n.a		1,000	2,000
Tourist for hotel staying (1,000) ¹	n.a	310	560	1,250
Number. of tourist per room ²	n.a	121	124	150
Number. of hotel rooms in Bagan ³	2,400	2,565	4,500	8,000

Source: Hotelier Association Member list Bagan for 2013 and 2015. “Pilot Model Formulation Project for Regional Tourism Development in Myanmar, 2014, JICA” for 2020. JICA Team estimation for 2030 by calculation of "tourist for hotel staying x number of tourists per room"

Remark: /1 20%- 25% is assumed as hotel/guesthouse staying rate of domestic tourist, while 100% for international tourist.

/2 Tourist per room is assumed to increase due to improvement of operation rate in future.

/3 Necessary hotel rooms at peak season.

Presently accommodation facilities concentrated in Nyaung U Town and New Bagan Town as shown in Figure 3-24. However, MORAC issued instruction orders to prohibit the new construction of accommodation in Bagan Heritage Site and only smaller tourist accommodations will be allowed with in the town areas and villages.³ Therefore, larger hotels and resorts must be developed outside Bagan Heritage Site.

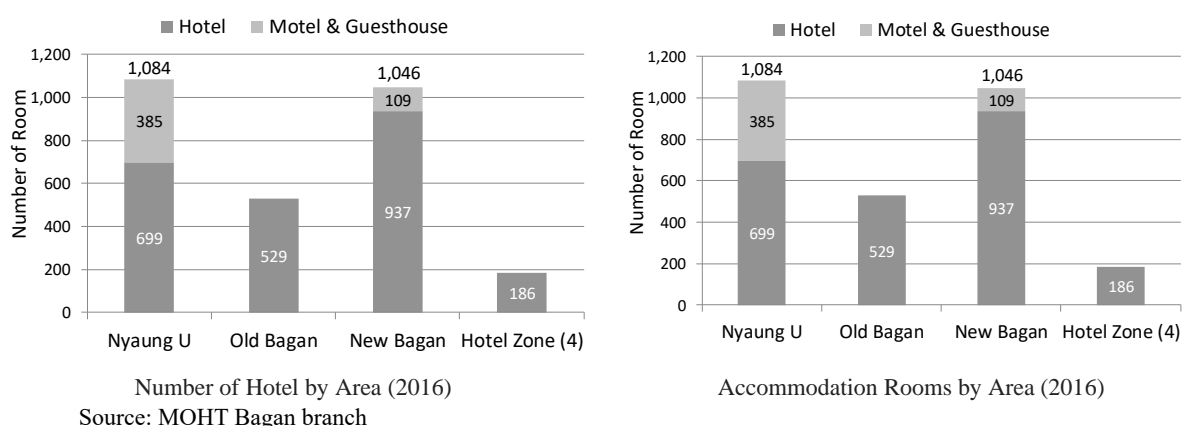


Figure 3—24 Present Accommodation Facility by Area in Bagan

According to Future land use plan of Nyaung U Township, hotel zones and new town sites are designed to be developed in neighbouring areas but outside the Heritage Site in order to preserve Bagan Heritage Site. Additionally, relocation of existing Nyaung U airport to Pokokku new airport⁴ and upgrading of connecting access road to the new airport is being considered. Moreover, an access road to new hotel zone planned in the southern edge of Heritage Site is proposed to make tourism car transport bypass the heritage site. Based on the land use concept mentioned above, future hotel distribution in Bagan is estimated as shown in Table 3-9.

³ Construction works of approximately 46 accommodation facilities are stopped more than a couple of years by suspicious offence to instruction order-No.2 or No.3/2014 of Ministry of Construction in Nyaung U Town or New Bagan Town. This equivalent to 1,500 rooms by assuming 30 rooms per an accommodation facility.

⁴ Pakokku airport with 2,600 m length and 30 m width runway is currently under unused. Renovation of terminal building and related facility is necessary for relocation of Nyaung U airport.

Table 3–9 Future Hotel Distribution in Bagan

	2016	2020	2030	Remarks
Nyaung U Town	1,084	850	850	
Old Bagan	529	500	500	
New Bagan Town	1,046	990	990	
Hotel zone (4)	186	660	1,360	20% of increase is distributed
Other area (Outside Bagan Heritage Site)	0	1,500	4,300	80% of increase is distributed
Total	2,845	4,500	8,000	

Source: Accommodation data in 2016 (MOHT Bagan branch), Projected data (JICA Expert Team)

3.5 SWOT Analysis

SWOT analysis is a planning tool for developing the vision and strategies by evaluating the strength, weaknesses, opportunities, and threats in the target area. SWOT analysis was conducted based on the result of current situation analysis in the Project. The results of SWOT analysis are shown below.

(1) Strengths

- Bagan is a heritage tourist destination where more than 3,000 temples and pagodas remain, prospered as the Bagan dynasty from 11th century to the 13th century, and one of the most important Buddhist heritage site in the Southeast Asia.
- Bagan is considered as one of eight major tourist destinations in Myanmar. Magnificent landscape with scattered temples and pagodas over the vast land in Bagan provides very attractive tourist attractions for both domestic and foreign tourists.
- Bagan is blessed with tourism resources, and is always included in package tours. The number of foreign tourists to Bagan is increasing year by year.
- Local villages located in the Bagan Heritage Region such as Min Nan Thu and West Pwa Saw are known for community-based tourism (CBT), where tourists can experience local village life such as handicrafts making (lacquerware, woven cotton textile) and farming.
- CBT is a popular tourism product for foreign tourists. Other attractive tourism products in Bagan are river cruises along the Ayeyarwady River and hot air balloons.
- Bagan belongs to the central arid region where it is possible to enjoy sightseeing throughout the year because the rainfall is less in the rainy season compared with other areas.
- In addition, good security and safe environment, friendliness and hospitality of local people in Bagan are great advantages for tourism promotion and accepting tourists.

(2) Weaknesses

- Bagan is known and promoted as a tourist destination culture and heritage tourist destination so that the length of stay for foreign tourist is about two days, but this is a relatively short stay.
- The employment environment for tourism industry in Bagan is unstable due to seasonal fluctuation in the dry season and rainy seasons.
- In the tourism high season (from October to March), temples where tourist can see the sunrise and sunset are congested with tourists and tourist vehicles.
- As the number of tourists who climb up to the temple increases, negative factors such as damage and deterioration of temple by tourists is anticipated.
- Flooding occurs by heavy rain in lower ground areas facing the Ayeyarwady River which affects traffic and tourism activity as well as daily activities of local people.

- Development of tourism infrastructure such as intra-regional roads, street lights, access routes to tourist sites, parking lots and tourist information boards in Bagan is insufficient.
- Public transport services from Nyaung U Airport to the urban area of Bagan and other areas haven't been developed so that Tourists have to depend on local transport arranged by travel agents or hotels for visiting in and around the heritage sites in Bagan.
- Tourism development and tourism promotion in Bagan lack collaboration and cooperation system among various stakeholders such as administrative agencies including MOHT, local governments, the private sector and local residents.
- Existing tourist information centers in Bagan are not provided with the requirements for foreign tourists in terms of the function, service and management of facilities.
- There is no system developed for dissemination of tourist information related to Bagan or implementation of tourism promotion activities to meet the needs of tourists. In addition, website for disseminating tourist information of Bagan, multilingual tourist information brochures, maps, and tourism promotion materials are not developed.
- Collection and update of tourist information, collection method and analysis of tourism statistical data by MOHT Bagan branch are not sufficient.
- Bagan does not have educational and training facilities for tourism sector or tourist school so that there are limited opportunities to participate in training and seminars to improve capacity and knowledge, and develop tourism human resources such as training tourism personnel, expertise, training to improve capacity, seminars etc.
- Increases of garbage such as plastic bags and trash scattered along the streets and within the heritage sites due to inadequate garbage collection and management by the local government as well as the lack of awareness of the local people on garbage issues, gives negative impact to environment of heritage tourism destination and its landscape

(3) Opportunities

- Since the country's transition toward democratic reform in 2011, support for economic development and private investment for the tourism sector to Myanmar from overseas is rapidly increasing and the development of tourist destinations in Myanmar is proceeding.
- Myanmar is attracting attention as a new tourism destination in Asia in the international tourism market.
- In overseas travel markets, the need for tour packages visiting cultural heritage sites including World Heritage sites is high in neighbouring countries. New tour packages combining Bagan and other cultural heritage tourist destinations are expected to be created.
- Cooperation on tourism development and promotion between two heritage cities, Siem Reap in Cambodia and Bagan were discussed and agreed by Cambodian and Myanmar governments. In the future, tour package visiting two heritage sites, Angkor and Bagan will be created.
- The tourism sector is considered as an important sector for Myanmar and financial and economic development support from international agencies and donors is expected in the future.
- Bagan has various existing and potential tourism resources in and around the area. required to be developed as new tourism products for diversification of Bagan tourism.

(4) Threats

- The occurrence of unpredictable natural disasters such as climate change, earthquakes, typhoons, floods, etc. will affect the environment of local people, tourism business, and monuments in Bagan.

- Public and private investment in the tourism sector of Myanmar is increasing rapidly, while the development of tourist destinations is a work in progress. There is concern that there will be negative impact on cultural heritage, natural environment. Traditional culture, life, customs of local community may be lost.
- Furthermore, there is concern about the claims and dissatisfaction, and occurrence of backlash from local people and external NGOs toward government-led tourism activities, issue on development and control at tourist sites.

Table 3—10 Summary of SWOT Analysis

	Positive Factors	Negative Factors
Internal Environment	<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Historical and cultural heritage of the ancient Bagan dynasty • One of the most important Buddhist heritage sites in Southeast Asia • Tourist destination with abundant tourism resources • Magnificent landscape of temples, pagodas with traditional farming and nature • Traditional local industry such as lacquerware • One of major tourist destinations in Myanmar • Growth of tourism revenue by the increase of tourists to Bagan • Less rainfall compared with other regions even in the rainy season • Ensured security • Hospitality by local people 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Limited length of stay in Bagan due to mainly promoted heritage tourism • Unstable employment environment for tourism industry caused by seasonal fluctuation of tourism • Congested and concentrated tourists and tourism vehicles at specific sites and time during the sunrise and sunset time • Negative impact to monuments by increase of tourists and vehicles • Affect to tourism activities and life of local people by flooding in rainy season • Insufficient development of tourism infrastructure (roads, transportation, parking, street lights) • Limited collaboration and coordination between public, private sector and various stakeholders • Insufficient operation and management of existing tourist service facilities such as tourist information centers • Undeveloped system for dissemination of tourist information and promotion • Insufficient data collection and management of tourism information and statistics • Limited capacity and opportunity for HRD for tourism sector • Degrading environment by illegal dumping of garbage and poor waste management
External Environment	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • Liberalization and democratization of the country, and rapid economic growth • Myanmar emerging as a new tourist destination in the international tourism market • Increasing private investment for tourism sector • Demand of tour package visiting cultural heritage sites and World Heritage sites in Asian countries at the international tourism market • Cooperation with other heritage destinations in neighboring countries (Siem Reap-Bagan) • Financial and technical support by international agencies and donors • Existing potential tourism resources in and around Bagan for development of new tourism products 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Impact on tourism industry and monuments by unpredictable natural disaster and climate change • Rapid tourism development by public and private investment and impact to tourist sites (heritage site and nature areas) • Complaints and opposition to tourism development by local communities and external stakeholders

Source: JICA Expert Team