

# A FEASIBILITY STUDY

## SETTING UP ECOTOURISM BUSINESS IN MYANMAR

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### ABSTRACT

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The purpose of this study is to setting up ecotourism business in Myanmar for preventing and maintenance the environments from the destroying. Eco travelling is pretty popular in the tourism business and also the industry of foreign income. This study also investigated to be more effective for foreign direct investment by the ecotourism and promoting cross-cultural exchange actions by the different types of culture from Myanmar. As results of expected outcomes by this study is to develop ecotourism in the country and preventing from destroying the country environment and to be known maintenance of our environment is one of the important responsibility.

Regarding this setting up ecotourism to be more effective figure out planning, researcher was using data collecting method by questionnaires and interviewing to related persons who are currently serving for Myanmar environmental maintenance project and running travel and tour businesses. Referencing also the documents from hotel and tourism ministry department of Myanmar and other relating documents are supported. Depend on these finding results, analysis and financial forecasting is also conducted to complete for the business planning. This research also concluded to recover those all performance, the substantial conclusions and recommendations including suggestion for further study are stated at the end of this study.

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### INTRODUCTION

#### 1.1 Rationale of the Study

The name of Myanmar originally come from named Burma acknowledged as the "Golden Land" for its golden pagodas, natural resources, and various precious minerals. It is one of the most interesting countries to explore in Asia and so travel to Myanmar is a journey into a different geographic region. Then, it is a land full of richness in nature and the diversity of species. According to recorded history of Myanmar, there is now diverse forests and green landscapes which host a large variety of wildlife species, 700 plants, 300 mammals, 360 reptiles and 1000 bird species and this all are provide an ideal setting for nature oriented and ecotourism. As geographical, Myanmar is located between the two large countries, India and China. In addition, Myanmar is also a member country of ASEAN. Then, the Andaman Sea and the Bay of Bengal is in the South West of Myanmar and for this geographical location make easier for who want to enter by shipping.

This feasibility study intends to show about Myanmar country's beautifulness and how can get the profit by the natural beautifulness. Some Myanmar local people are selling local natural resources to be popular the country but this one is destroying local beauty land. For this study, to get good benefit and profit on our natural beauty land even without destroying and let to show others. As a result will assume, doing eco-tourism business is not only the best way and can making to famous our country but also to get more foreign income. For these activities, Myanmar people can also maintenance the country's beautifulness and natural resources. To complete these all activities, Myanmar country should have ecotourists visiting. Therefore, this feasibility study is to investigate to setting up eco-tourism business in Myanmar.

#### 1.2 Objective of the Study

The objective of this feasibility study is to develop ecotourism business in Myanmar by setting up ecotourism business sectors as to a large extent, which has objectives are as the following:

- 1) Attraction of foreign direct investment from ecotourism
- 2) Promoting green environment by maintenance

- 3) Promoting cross-cultural exchange from ecotourism

#### 1.3 Expected Outcomes

- 1) Developing eco-tourism in the country of Myanmar
- 2) Preventing on destroying to the environment and to reach responsibilities of maintenance mind to everyone

### LITERATURE REVIEW

This chapter presents a review of related literature on the background of Ecotourism business and especially previous surveys that are relevant to ecotourism. The review will serve as a basic for conducting of this feasibility study.

#### 2.1 Definition of Ecotourism

Many scholars were composed the definitions of ecotourism as their opinion, experienced and studied. One of the scholar, Figgis (1995) declared ecotourism defining has "been nominated on Olympic Sport". Then, Hector Ceballos (1983) – Lascurain, a Mexican architect and environmentalist, coined the term of ecotourism, "it was not the only one being used to describe nature related travel." Surrounded by other common terms of ecotourism (R. Bushell, 2001), "nature based tourism, alternative tourism, educational tourism, sustainable tourism, cultural tourism, soft tourism, rural tourism. These terms are the activities of ecotourism." (p. 1-3)

In addition, ecotourism defined as, "Environmentally conscious nature-based travel enjoyed by people interested in learning about the nature, history and culture of the area visited, while providing economic and social benefits to host communities by expanding the community's economic base, and contributing to natural resource conservation through nature interpretation and environmental education." (Ceballos Lascurain, 1987; Normanetal, 1997; McMinn, 1997 and Williams, 1992)

#### 2.2 Review on History of Ecotourism

According to Herodotus travelling history, in his extensive travels visited amongst other places, the Black Sea, the Aegean Sea, Egypt and Italy. His work reveals he was interested in geography and the natural environment not only history. Start from that time, ecotourism already existed in the world travelling record. In later times, Marco Polo and other explorers left vivid accounts of the new

lands they discovered. More recently, explorers such as James Cook and Charles Darwin travelled to remote lands describing the natural and cultural world of these 'new' places. Nevertheless, these travellers were quite remarkable.

### **2.3 Review on Ecotourism Today**

The World Conservation Union came up with a more comprehensive explanation on ecotourism for today, "it is environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features – both past and present) that promotes conservation, has low negative visitor impact, and provides for beneficially active socioeconomic involvement of local populations" (The World Conservation Union, 1996)

Followed by, the international ecotourism society was coined again on the description of ecotourism today is actual nature-based form of specialty travel, which the majority involving was, "Responsible travel to natural areas which conserves the environment and sustains the well-being of local people" (The International Ecotourism Society, 2000)

### **2.4 Environmental Impacts of Ecotourism**

There are some positive and negative impacts on Fauna, Flora, Water, Soil and other environmental impacts by the ecotourism developed. This all impacts currently happening around the world by the ecotourism businesses developed. Therefore, it is not only mention for Myanmar.

### **2.5 Ecotourism and Cultural Attractions**

Weaver associated cultural influences are recognized as essential ecotourism attractions especially in the case of indigenous territories. This is based on the arguments that direct and indirect human influences critically affect the dynamics of any contemporary ecosystem and form a vital part of the ecosystem's interpretation and understanding. (Weaver, 2006)

Most definitions also recognize the importance of associated cultural attractions, both contemporary and relict. This is most evident in destinations that were occupied by local people. In such situations, the boundary between nature and culture is often blurred and natural ecosystems are subjected to the consequence of activities (e.g. fire setting, plant dispersal and hunting) undertaken by indigenous people over several millennia (Hinch, 2001). Somewhere else, the inclusion of a cultural component is a logical qualification to the "nature-base" focus, given that few, if any, places are completely free from human influences. Therefore, in ecotourism travelling, the cultural components may be omitted or downplayed to prevent distraction of attention to the target animal or plant.

### **2.6 The Benefits of Ecotourism**

R. Bushell (2001) stated that, there are a number of benefits to be gained from ecotourism. The first is the role it can play in economic development and diversification, particularly in regional areas. There are real economic benefits as the ecotourism market is higher yielding attracting tourists generally within a higher socio-economic group than mass tourism. These travelers have a tendency for greater expenditure and length of stay compared to tourists generally. The businesses themselves are generally small and locally owned, and ecotourism businesses are more likely to conform to the ethic of buying and utilizing local product, services, employees and suppliers. Hence, the economic benefit will stay in the local area whereas in most mass tourism businesses where much of the product and services is imported, the economic benefit leaks out of the local area. Part of this economic benefit is the generation of income for conservation and the management of national parks, public land, forests and others. As well as employing local people, ecotourism creates a value for local knowledge, and with this comes increased awareness and pride in the local community. Ecotourism can also act as a lever for protecting this knowledge, local culture and local environment. (p. 11)

### **2.7 Barriers to Ecotourism Success**

Lack of information, the need for market analyses, and liability concerns are important barriers to ecotourism opportunities on the business running process (Lynch and Robinson 1998). This information related to management costs, labor needs, potential demand, fee structure, and competitors' information. A market analysis is necessary to determine the type of resources needed and how to reach potential visitors. In addition, existing competitors should be identified, and what they offer and how to reach potential visitors and what they will offer and for how much. So, competitors influence is the barrier to success in ecotourism business. Other barriers to ecotourism on private lands include not liking strangers on their lands and risk of damage to property such as trash, vandalism, trespassing, mistreatment of animals, and loss of privacy and nuisance complaints.

Lynch and Robinson mentioned that some barriers to ecotourism was that dissemination strategies to transfer information to private landowners include individual contact methods (such as farm visits and office calls), group contact methods (such as tours, conferences and demonstrations), and mass contact methods such as bulletins, exhibits and the Internet. (Lynch and Robinson 1998)

## **RESEARCH METHODOLOGY**

### **3.1 The Study Area**

This study investigated surrounded by the interest of the statement of Ecotourism business in Myanmar and specific questions mentioned and specific objectives mentioned in Chapter 1. In this chapter will particularly cover by using two kind of method to fulfill of this part and these two methods are data surveying method and interviewing to related persons.

### **3.2 Questionnaires**

For data surveying method, this research will have two pages questionnaires composed with (10) questions. The questioner will focuses on three types of persons and they are the persons from business section who are running tourism business in currently, the persons from university students who are studying related areas and the persons from local people from Myanmar. There will be totally (50) persons to complete this process. 20 persons from business sections, 20 person from university students and 10 persons from local Myanmar people to been requested to answers theses questionnaires.

### **3.3 Interviewing**

Data surveying by direct interviewing will be also effective for this research as some of the scholar mentions. For these activities, the main performer will be the persons from superior position level who are relating currently doing in travel and tour business in Myanmar. In addition, some persons can be from government organization or NGO organizations like environmental care developing sections. There will be totally 10 persons to been interviewed and five persons can be from travel and tour business sections and another five persons from related organizations. Question types for interviewing activities will be creating totally 10 questions to ask. All the interviewing questions mostly emphasize on ecotourism business sectors. This section will provide in phone calling, face to face talking and video chatting.

### **3.4 Data Analysis**

After the data needed were collected, all the information were accumulated altogether before getting processed, managed and analyzed through by quantitative approach. The data collected from surveying methods were carefully analyzed with an aim of producing quantitative outputs of the study. The outputs of the analysis then were be described into sentences and re-organized into graphs and tables where possible in order to make the readers easily understand. Ultimately, all the facts and discussion found in either secondary or primary data were be finalized into report for incase. For the secondary data support, will be governmental documents, NGO's documents, articles, journals, books, internet websites, thesis and conferences and so on.

## **RESULT AND ANALYSIS**

This chapter displays on two parts. The first part displays on the actual findings regarding to the ecotourism business to develop in Myanmar. The second part displays on analysis of ecotourism business operation in Myanmar. As the first part of all the relevant findings results are totally four sections are presenting in this chapter as well. Those four sections are findings on survey questionnaires, findings on interviewing to respective persons, findings on documents of government and private organizations and findings on current situation of events. As the second part is analysis by marketing strategies (SLEPT, SWOT, BCG, and Estimated Forecast financing and office administration.) Finally, conclusion and recommendation for setting up ecotourism business and the development of eco-tourism industry are highlighted at the end.

#### 4.1 Results

As for this chapter, the first part is actual findings from survey questionnaires, interviewing activities to respective persons, findings on the actual records from governmental and private business organizations and findings on what are the most attractive for eco-tourists in current situation in Myanmar.

##### 4.1.1 Findings on survey questionnaires

For this performance, the researcher was creating the questionnaires composed by totally 10 questions and can see the questionnaires document in the appendix A. Researcher created for the requested persons who answer these questionnaires to easy understand and easy to answer so requested persons only need to just as mark. Regarding this performance, actual response answers from only 45 persons because of some difficulties and very short time to answering period. Actual planning for this questionnaires survey believed to get from 50 persons but researcher got only 45 persons because the remaining 5 persons did not response during the specific period so actual findings on their response will not consider for this study. For the detail response of actual findings from survey, questionnaires are as the following table.

**Table 4.1** Summary of questionnaires Response Rate

Total Questionnaires Dispatched	50
Completed Response	45
Response Rate (%)	90%

**Table 4.2** Summary of responses on respondents' information

S. No	Setting up Ecotourism Business in Myanmar	% responses
1	Gender	Male 53
		Female 47
2	Age	16-25 31
		26-35 44
		36-45 24
		45 or Over 0
3	Education Level	Primary education 0
		Secondary education 0
		Bachelor degree 31
		Master/Post-graduate degree 69

**Table 4.3** Summary of Responses

S. No	Setting up Ecotourism Business in Myanmar	% responses
4	Would you Yes	98

	like to travel as an eco-tourism in your holidays?	No	2
5	Would you be potentially interested for ecotourism travelling in Myanmar?	Strongly interested	64
		Interested	27
		Rather	9
		Uninterested	0
		Strongly uninterested	0
6	If so, would your main interest be in:	Scenic nature tourism	2
		Eco-tourism expeditions	42
		Walking and camping	13
		Jungle trekking	9
		Bird watching	11
		Wildlife sighting	2
		Cultural observation	18
		Other, please specify	2
7	What would you be prepared to pay per day (including food and lodging)?	\$5	0
		\$5-10	47
		\$10-20	38
		>\$20	16
8	How many days would you consider spending on eco-tourism trip in Myanmar?	One day	0
		One week	62
		One month	29
		More than one month	9
9	What other benefits or abstractions consider to get within your eco-trip in Myanmar?	To set-up ecotourism business as FDI	36
		Cross-cultural exchange	16
		To promote and maintenance green environment	47
		Other, please specify	2
10	In the future, will you forecast ecotourism travelling can be popular in Myanmar as other countries, which are successful with ecotourism business?	Strongly forecast	47
		Forecast	51
		Rather	2
		Un-forecast	0
		Strongly un-forecast	0

##### 4.1.2 Findings on interviewing to respective persons

In this part of findings, researcher interviewed to 10 persons totally. In that, five persons are coming from local non-government organizations and five persons are coming from the businesspersons who are currently doing travel and tour businesses. Actually, researcher tried to interview to the executive persons from government organizations but they did not give a time to make appointment. However, interviewing to only these ten persons is also quite enough for this study and can satisfied. For this performance, researcher will not attach the questions paper in the appendix part because this kind of interviewing is like conversation the two people and exchange the idea or point of view each other. According to finding on interviewed from NGO workers, 98% are very willing to encourage doing this business. Currently, "Spectrum NGO" is the first pioneer NGO that only concentrate on environment in Myanmar. They give some training to the people how to care the environment, how to prevent from environmental destroying and

how to maintenance. Researcher made conversation with three executive persons from that organization. As the conversation findings for researcher, they strongly agree to setting up this kind of business in Myanmar and as they said, it will be one of the important parts of their organization activities. In addition as they said, actually, this kind of service can give from their organization, it will be more affective on environmental maintenance. Therefore, if researcher will set up this ecotourism business, their organization will be strongly support. They also believe that, the earning from eco-tourist will be directly affecting either to local people to develop for their life or appear more maintenance minded for them. Although their organization cannot held the environmental maintenance training, local people from that places will be coming to know the advantage of their beautiful environment by eco-tourist are visiting. As the result, they will know more how to keep their environment and what are the benefits of this kind of environment are exist. For all these reasons, they are very willing to setting up ecotourism business in Myanmar. Then, another interviewing performance is with two persons from Community Development Studies Program, Myanmar Institute of Theology. Now, they are currently serving from that CDS Department. As the result of conversation by these two people, researcher can appraisal what is their point of view on ecotourism business. They also suggested that, this kind of ecotourism business should have in Myanmar since many years ago. If we will have that business, there is no way to damage our environment and our beautiful cultural will be known to the world by cross cultural exchange with eco-tourists. Therefore, conversation with them is also positive result for researcher and they seem look strongly agrees to do this business and they also want to set up ecotourism business more and more in the future.

In secondly, researcher was make conversation with five persons from local travel and tour agencies. For this performance, researcher made telephone calling directly to them and all are very willing to make conversation for this research. According to this conversations, three of them are going to start the ecotourism business very soon because they knew the benefit of ecotourism and how to make advantages from eco-tourists. They also said that, our neighboring country, Thailand, is now very successful in ecotourism even they do not have very much the natural beautiful environment. Myanmar has more than natural beautiful places, beautiful cultural, character-full of events in the completely country, different places have different types of attractions. Hence, there is no way to be unsuccessful if they start to do only concentrate on ecotourism business and it will be one of the new service launching. Then, conversations with another two persons make awfully different idea with the first three persons. As their idea, they just only want to be seen to eco-tourist, how beautiful of Myanmar nationalities culture. Myanmar is incredibly different country in Asia and composed with many different interesting celebrations by the seasons. Thus, they will invite the eco-tourist by seasonal ritual festivals. For this, they sell the eco-tourists by tour package like how many festivals for how many services charges. For example, "Taungbyone Nat festival" held in 8th waxing to fullmoon of Wagaung (July) and that festival is one of famous traditional Nat festival in Myanmar and most of the tourists are interesting and want to see and investigation. According to their results, researcher was appraisal that their ecotourism is only for making profit. However, if see as business eyes, their idea is also correct. Therefore, researcher got extra idea, to show Myanmar traditional festivals can make external activities for eco-tourists and can add in the tour package in ecotourism business.

#### 4.1.3 Findings on documents of government and private organizations

To setting up ecotourism business, government's references documents and private organizations' records are also very important. According to finding records on ministry of hotels and tourism department, start from 2000 to 2010 within ten years,

the quantity of tourists incoming to Myanmar and income are as follow:

**Table 4.4** Quantity of tourists visiting rate and income comparing

No	Calendar Year	Quantity of tourists	Income (US\$ in millions)
1	2000	416344	84
2	2001	475160	90
3	2002	487490	99
4	2003	597015	116
5	2004	656910	136
6	2005	660206	153
7	2006	630061	164
8	2007	716434	182
9	2008	731230	165
10	2009	762547	196
11	2010	791505	254

Source: Ministry of Hotels and Tourism Department report

As the result from ministry of hotel and travel department report table, researcher can suppose tourist visit rate was increasingly year by year and country foreign incoming was also increased. So, if local business and government organization can turn to change as ecotourism this tourists visiting rate, it can be more affective for Myanmar natural environment and will get more income because Myanmar is completely different with other countries in South East Asia and the biggest country in ASEAN countries. Moreover, Myanmar is a year round tourist destination, having a diversified topography of snowcapped mountains, navigable rivers, natural lakes, plains and plateaus, beaches and an archipelago. According to the speech by H.E. U Tint Hsan, "Our rich cultural and historical heritage, green and pristine nature and hospitable people are in fact incomparable and amazing to all travelers who visit to Myanmar. No matter what people had said in the past years, now Myanmar is increasingly taking the interest of the people from all over the world and gains positive image and reputation higher than ever. It is ranked as an emerging tourist destination in the Asia Pacific Region." (A Speech on Potentials for Tourism Investors in Myanmar for I.E. Singapore Delegation, 10.5.20120)

Therefore, Myanmar will be more contrite in Hotel and Tourism business in the future as for foreign income. In that, ecotourism will be one part of important section for foreign incoming attraction because research believed that, eco-tourism business is like the industry not coming out smoking and there is no way to taking out natural resources, can increase nationality income not only directly but also indirectly.

#### 4.1.4 Findings on current tourists' attraction events

As current situation of finding on events, in the whole country is full of seasonal festivals. Myanmar festivals are also the attraction for eco-tourists because most of the festivals are based on traditional believe and religious. Therefore, as current situation, travel and tour agency are selling as tour package when the festival are celebration. There are 35 festivals are currently celebrating by seasonally as the following tables:

**Table 4.5** Myanmar Festivals Calendar

No	Festival	Calendar
1	Anada Pagoda (Bagan)	Fullmoon of Pyatho (January)
2	Kyai khauk Pagoda	1 <sup>st</sup> waxing to fullmoon of Tabodwe (February)
3	Shwesettaw Pagoda	5 <sup>th</sup> waxing to fullmoon of Tabodwe (February)
4	Sticky Rice Competitions	Fullmoon of Tabodwe (February)

5	Pho Oo Taung Pagoda	Fullmoon of Tabodwe (February)
6	Mahamuni Pagoda (Mandalay)	10 <sup>th</sup> waxing to fullmoon of Tabodwe (February)
7	U Min Kyaw Nat (Pakhan)	3 <sup>rd</sup> to 10 <sup>th</sup> waxing of Tabaung (March)
8	Inndawgyi Shwe Mitzu Pagoda	8 <sup>th</sup> waxing to fullmoon of Tabaung (March)
9	Bawgyo Pagoda (Thibaw)	10 <sup>th</sup> waxing to fullmoon of Tabaung (March)
10	Pindaya Pagoda	11 <sup>th</sup> waxing to fullmoon of Tabaung (March)
11	Shwemyethman (Shwedaung) Pagoda	13 <sup>th</sup> waxing to fullmoon of Tabaung (March)
12	Kekku Pagoda	14 <sup>th</sup> waxing to fullmoon of Tabaung (March)
13	Shwedagon Pagoda	Fullmoon of Tabaung (March)
14	Shwesandaw (Pyay) Pagoda	Fullmoon of Tabaung (March)
15	Yele (Kyauktan) Pagoda	Fullmoon of Tabaung (March)
16	Alon Bo Bo Gyi (Monywa) Nat festival	9 <sup>th</sup> waning to 14 waning of Tabaung (March)
17	Mawtin soon Pagoda	8 <sup>th</sup> waxing to fullmoon of Tabaung (March)
18	Thingyan New Year Festival	TBA (normally mid-April)
19	Shwemawdaw Pagoda	8 <sup>th</sup> waxing to 5 <sup>th</sup> waning of Tagu (April)
20	Nyaung Ye Thun Festival	Fullmoon of Kason (May)
21	Ponnyashin (Sagaing) Pagoda	Fullmoon of Waso (June)
22	Taungbyone Nat	8 <sup>th</sup> waxing to fullmoon of Wagaung (July)
23	Yatanagu Nat Festival	8 <sup>th</sup> waning of Wagaung (July)
24	Paungde Buddha Tooth Relic	13 <sup>th</sup> waxing to fullmoon day of Tawthalin Festival (September)
25	Manuha Pagoda Festival	14 <sup>th</sup> waxing to fullmoon day of Tawthalin (September)
26	Phaungdaw Oo Pagoda	1 <sup>st</sup> waxing to 3 <sup>rd</sup> waning of Thadingyut (October)
27	Thadingyut Lights Festival	Fullmoon of Thadingyut (October)
28	Kyaukse Elephant dance	Fullmoon of Thadingyut (October)
29	Myathalon (Magway) Pagoda	Fullmoon of Thadingyut (October)
30	Tazaungdine Festival	Fullmoon of Tazaungmone (November)
31	Hot Air Ballon (Taunggyi) Competition	Fullmoon of Tazaungmone (November)
32	Kekku Pagoda (Shan)	Fullmoon of Tazaungmone (November)
33	Meilamu (North Okkala) Pagoda	Fullmoon of Tazaungmone (November)
34	Weaving Competiton	Fullmoon of Tazaungmone (November)
35	Shwezigon Pagoda	Fullmoon of Tazaungmone (November)

Source: Myanmar Travel Directory 2010-2011 released by Union of Myanmar Travel Association, UMTA

From all festivals from above table, the most popular and most foreign earning festivals are: Naga New Year Festival at January, Shwedagon Pagoda Festival at March, Taung Byone Nat Festival at August, Phaung Daw Oo Pagoda Festival at October and Taunggyi Tazaungmone Hot Air Ballo Festival at November.

## 4.2 Analysis

### 4.2.1 SLEPT Analysis

#### Social Analysis

- Gender impact (who will be our focus customer, male or female)
- Income levels (how much can they spend for ecotourism activities)
- Religion (Religion believe is also one of the consider fact for ecotourism activities)
- Types of ethnic groups (existing many types of ethnic group can prevent to explore ecotourism business because each ethnic group have different types of characters in their performance)
- Traditional believe (traditional believe will impact on ecotourism business indirectly way because some places of forest or traditional celebration, they will not permitted to enter the strange persons from outside)

#### Legal Analysis

- Environmental rules and regulation are not quite considered in every business running process. Its means, environmental regulations is not pliable in the whole country.

- As for competitive regulations, are not like regimentation and 60% of business sectors are performing not following to business ethnic.

- Price controlling including exchange rate policy are not fix and the up and down of exchange rate is very gap sometimes. This fact has to consider too much the business sector that conducting with foreign currency.

- Foreign direct investment laws are very strict in currently.
- There is not exist Myanmar Embassy to get entry visa in all around the world.

- There are very much steps and strict regulation in new business registration.

#### Economic Analysis

- It has had to consider the GDP growth rate of interesting countries for Myanmar.

- Tariffs and inflation rate will be important facts when running the business of ecotourism. If inflation rate will become extremely in the future, the business will going down and there will be lack of interesting for ecotourism visiting.

- Increasing and decreasing of interest rate need to be also consider for every business including ecotourism business.

- Government spending levels in ecotourism activities and it means how much government can support for the environmental maintenance. Currently, only non-government organizations are very take care on environmental development and maintenance than government organizations.

#### Political Analysis

- Domestic war and terrorism is the most important impact for ecotourism business. There are some rebels from different ethnic group are against the government policy to get freedom ruling for their own land. For example, there are preventing to enter tourists to Kachin state because of domestic war between Kachin Independence Army and Military Government Army. Especially, Kachin land has many eco-tourists attraction places.

- Political trends are always up and down. Therefore, if political situation is not calm, it will be affect on tourists incoming to country. This impact is very much to consider for ecotourism business.

- Presently, new government is attempting to reach Democracy system and in this situation, the new government age is so young and not mature condition. Thus, some unexpected temptation can destroy in this stage.

- If taxes policy will increase for all business, there can be less ecotourism business instead of becoming develop rate.

- There are some sanction list of business are still existing in the country, it will be look down for other countries especially very developing on democracy system like US and European countries.

#### Technology Analysis

- Less develop in communication system. For example, very slow internet connection and expensive of telephone line, including international calling system. This is very most affect for ecotourism business because this is always need to communicate with others country.

### 4.2.2 BCG Matrix Analysis

The BCG matrix analysis method is based on the product life cycle theory that can be used both new business launching and current business running. For every marketing analysis, without BCG matrix analysis, it will not complete. Placing products in the BCG matrix results in 4 categories in a portfolio of a company:

1. Stars (=high growth, high market share)
2. Cash Cows (=low growth, high market share)
3. Dogs (= low growth, low market share)
4. Question Marks (=high growth, low market share)

According to current situation, setting up for ecotourism business is the place of Cash Cows because the business opportunity for ecotourism business in Myanmar has high market share by existing of practically useful ecotourism activities. However, it is very slow growth rate because travel and tour business cannot persuade to ecotourism travelling only for eco-tourists. Therefore, research can suppose, although can setting up ecotourism business in urgently, it will be the stage of Cash Cows in BCG Matrix analysis because even high market share in presently, low growth rate.

#### 4.2.3 SWOT Analysis

**Table 4.6** SWOT Analysis of ecotourism business

	Favorable	Unfavorable
<b>INTERNAL</b>	<b>Strengths</b> <ul style="list-style-type: none"> <li>• Vision of ecotourism development already exist</li> <li>• 58<sup>th</sup> member country of United Nation Association and member of ASEAN</li> <li>• Resource support and partnership (i.e. Government and NGO organization)</li> <li>• Different types of cultural attraction</li> <li>• Hospitality of local people</li> <li>• New government changing policy for attempt to reach democracy system</li> <li>• Easy to find out the activities for eco-tourists (i.e. cross cultural exchange, animal watching, Plant observation, Fossil observation, Stargazing, Mountain trekking and Photographic safari)</li> <li>• Existing and funded sustainable operations (i.e. plane tree farm)</li> <li>• Unique but unknown culture including various arts and crafts</li> <li>• Provides an "adventure" experiences</li> <li>• Provide revenue of local community</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>• Virtually unknown the places for eco-tourist visit are existing</li> <li>• Service does not yet exist</li> <li>• Long distance from airport to reach the interesting places</li> <li>• Partnership not yet establish</li> <li>• Lack of knowledge and unfamiliarity with ecotourism</li> <li>• Currency exchange rate</li> <li>• Taxation policy</li> <li>• Inflexible condition of government new regulations</li> <li>• Traditional custom believe</li> </ul>
	<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Tourism growing at grass root level</li> <li>• Currently many counties are most interesting to visit because of many reasons</li> <li>• The pioneer establishment of only focus on ecotourism travelling</li> <li>• Raise awareness about Myanmar, its natural beauty, culture and crafts</li> <li>• Environmental caring and protecting activities</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• Potential governmental intervention</li> <li>• No modes of public transportation (i.e. bus, train, road)</li> <li>• Seasonal weather affects</li> <li>• Negative impact of tourism on the environment</li> <li>• Lack of environmental regulations (i.e. car emissions, dumping trash, smoking indoors)</li> <li>• Slow internet connection</li> </ul>
<b>EXTERNAL</b>		

#### 4.2.4 Forecast financing

As for start-up business planning to this study area, researcher will focus estimated according the results finding from some of Myanmar Travel and Tour business section. To get this information, performance by directly enquiring and research on related documents. There are categorized by four parts, start-up-requirement cost, package service information, sales forecast, cash flow forecast and human resources planning. All the cost will calculate by US\$ and this planning will be inclusive for the first five year start from 2014 to 2018.

##### 4.2.4.1 Start-up-Requirements

Start-up-requirements cost is the most important cost to start running the business because even have a planning but do not have the start cost, the business planning will not be completed. Therefore, before nothing to run the business, it should have a

planning for the start-up-requirements. For this section, researcher shown the start-up-requirements costs for this ecotourism business planning in the following table-7. All the cost is based on current situation and shown the most nearest estimating.

**Table 4.7** Start-up-Requirements

Start-up-Requirements	
Start-up Expenses	US \$
Legal Registration	\$1,500
Office Rent (one year contract)	\$3,600
Office furniture & equipments	\$3,000
Brochures	\$700
Stationery etc.	\$300
Insurance	\$500
Staff salary considering	\$1,400
<b>Total Start-up- Expenses</b>	<b>\$11,000</b>

##### 4.2.4.2 Travel packages

Secondly, after setting up the start up cost, there will be shown how many types of services are available from our business. There are five types of packages available for this business planning. Some of them are already exist in Myanmar but the business sections did not mention as ecotourism and just only mention for normal tourism. As for this ecotourism business, there will only responsible for the eco-tourists who will indirectly coming from Thailand, Singapore and Malaysia. Before start this planning, researcher already considered for the flight information because there are not more than five direct flights to Yangon International air port. Therefore, to sale the packages, it will be collaborated with some travel and tour business sectors from Thailand, Singapore and Malaysia because it is easy to flight directly to Myanmar for the tourists and easy to apply to get the visa at those countries. According to currently situation, some travel and tour agencies are running their business by collaborating with tour agencies from Bangkok and hence they are easy to get the customers. Therefore, in the eco-tour package will include: air ticket booking services (need to pay the charges by self, company will only take care booking activities), visa permit, transportation, hotel booking services (need to pay the charges by self, company will only take care booking activities), accommodation for the visit sides, tour guide, insurance, trip planning consulting and pilot trip. The following table-8 is shown package of available ecotourism services and respective price.

**Table 4.8** Types of Ecotourism Packages

No	Type of Package	Descriptions	Places	Period	Price (US \$)
1	Ecotourism Expeditions	Natural environmental research	Kachin & Shan States	Two weeks	\$5,000
		Adventure trip	Chin State		
		Mountain hiking	Kachin State		
		Bird Watching & Wildlife Sighting	Kachin State		
2	Jungle Trekking	Villages excursion	Kayar State	Two weeks	\$5,000
		Small Plants observation	Kachin State		
		Photo shooting	Shan State		
3	Culture Observation	Festivals	Depend on	Two weeks	\$4,500
		Culture costume & Food	Depend on		
		Culture life style	Depend on		
4	Traditional & Religious Festivals	Depend on demand and seasons	Depend on	One week	\$3,500
5	Community	Development	Depend on	One	\$4,000

month
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Actually, this estimated cost will be quite expensive for each package. But, occasionally, it will have seasonal promotion activities and discount for booking packages. If customers want to visit only one or two places from the package, the package price can decrease.

#### 4.2.4.3 Sales forecast

For sales forecast, calculations will assumption to sales at least 1 package from each type so totally sales forecast is 5 packages for the first year 2014. For 2015 to 2016 will assume to sales 2 packages from each and so totally 10 packages will forecast to sale. For 2017 to 2018 will be 4 packages from each and totally 20

No	Types of Sale/Year	2014	2015	2016	2017	2018
1	Ecotourism Expeditions	\$ 5,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 20,000
2	Jungle Trekking	\$ 5,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 20,000
3	Culture Observation	\$ 4,500	\$ 9,000	\$ 9,000	\$ 18,000	\$ 18,000
4	Traditional & Religious Festivals	\$ 3,500	\$ 7,000	\$ 7,000	\$ 14,000	\$ 14,000
5	Community Serving	\$ 4,000	\$ 8,000	\$ 8,000	\$ 16,000	\$ 16,000
	Total Sales	\$ 22,000	\$ 44,000	\$ 44,000	\$ 88,000	\$ 88,000

packages. All the packages selling are calculated by only US\$. The following table-9 is shown for start from 2014 to 2018 sales years with above assumption forecast selling.

**Table 4.9** Sale Forecast from 2014 to 2018

#### 4.2.4.4 Cash flow forecast

**Table 4.10** Cash flow forecast from 2014 to 2018

Year	2014	2015	2016	2017	2018
<b>Sales</b>	\$ 22,000	44,000	44,000	88,000	88,000
Cost of Goods Sold	0	0		0	0
<b>Gross Profit</b>	\$ 22,000	44,000	44,000	88,000	88,000
<b>Operating Expenses</b>					
Visa permit	\$ 200	\$ 400	\$ 400	\$ 800	\$ 800
Transportation (domestic)	\$ 1,500	\$ 2,500	\$ 2,500	\$ 5,000	\$ 5,000
Accommodation (only for visit sides)	\$ 500	\$ 1,000	\$ 1,000	\$ 1,800	\$ 1,800
Tour guide	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800
Insurance	\$ 2,500	\$ 5,000	\$ 5,000	\$ 20,000	\$ 20,000
Trip planning consulting	\$ 500	\$ 500	\$ 700	\$ 700	\$ 700
Pilot trip	\$ 750	\$ 750	\$ 750	\$ 1,000	\$ 1,000
Office rent	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
Salaries and wages	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800
Internet and telephone charges	\$ 847	\$ 847	\$ 847	\$ 847	\$ 847
Commission	\$ 500	\$ 1,000	\$ 1,000	\$ 2,000	\$ 2,000
Electricity	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240
<b>Total Expenses</b>	\$ 30,737	\$ 35,437	\$ 35,637	\$ 55,587	\$ 55,587

Earnings Before Tax (EBT)	\$ (8,737)	8,563	8,363	32,413	32,413
Taxes (30%)	\$ 0	2568.9	2508.9	9723.9	9723.9
<b>Earnings After Tax (EAT)</b>	0	\$ 5,994	\$ 5,854	\$ 22,689	\$ 22,689

#### 4.2.4.5 Structure of employees

For the whole company to run business smoothly, there need to be both financial resources and men power. For the ecotourism business planning, there can be divided into five departments: Administration and logistic, Finance and accounting, Marketing, IT maintenance and Public relation. The following structure table is shown the employees needed in each department. This employees structure are organizing by according to the flow of business needed and re-modified from the researched findings of some ecotourism agencies. Likewise, some free land employees like tour guides, employees for pilot trip were also needed according to the demand situation. Nevertheless, number of free land employees will not show in the employees' structure. All the detail activities need to report directly to the company director. The office location is only in Yangon City but in the future, it will be launched another branch offices depend on market situation in other city like Mandalay, Nay Pyi Taw.

**Table 4.11** Structure of employees

Department	Number of employees
Administration and logistic	3
Finance and accounting	2
Marketing	3
IT maintenance	2
Public relation	4
Total	14

## CONCLUSIONS AND RECOMMENDATION

Chapter 5 is an abbreviation of findings from the results and analysis that already mentions in chapter 4. Furthermore, this chapter also presenting recommendations and suggestions for further study to be more effective to develop ecotourism business in Myanmar.

### 5.1 Conclusions

Tourism business is becoming popular because of today's business situation in the world. Some tourists are travel to extend their business in the other countries. Some are only travel for take relax and to see new features. Anyway, for what purpose they travel, these activities can explore tourism business. In that, ecotourism travelling is one of the important activities in tourism business. Today our earth is becoming more and more warm is call global warming because of lack of natural resources, lack of maintenance natural forests, cut the trees for many purpose, hunting, construction the roads, and so on. As a result, the world today is need to maintenance and preventing from the destroying of ecological environment. This study strongly believe so, setting up ecotourism business in Myanmar is one of the preventing and take care of natural environment. Ecotourism is a factory that can produce many good products without smoking to the outside. In addition, can contrive the satisfied minded for the consumers.

There are so many interesting places to be grateful travelling for the eco-tourists. Snowcapped mount Khakaborazi (see picture 3) and mountain ranges, full of culture inheritances ancient city Bagan (see picture 4), cultural and historical tour sites, simplicity, genuine hospitality and traditions of more than 100 nationalities and natural green environment. For those kind of natural valuable things belonging Myanmar is no way to be unsuccessful when the ecotourism business can setting up in the

contrary Myanmar. As a result, ecotourism business really needed business to show our valuable belongings to the world and it will be more effective for the environmental maintenance in the future.

## 5.2 Study Summary

The purpose of this feasibility study is targeting to:

- 1) There are so many interesting places are still existing in Myanmar. Ecotourism business can be one part of performance can still exist that places as a long life.
- 2) Everyone can know the effective results by the maintenance of our natural environment.
- 3) Ecotourism business is one part of activity to get foreign income without selling any natural resources.
- 4) Culture is one of the important dignities for every nationality. Therefore, promoting and exchange to see Myanmar beautiful cultures to the world is an effective responsible for ecotourism business.

## 5.3 Data Analysis

After sending complete questionnaires to the respective people, sender made follow up to get back be in time. Before getting back the complete response, all the topic questions from questionnaires are already listed in the excel sheet first. By the time of getting, listing the results in those excel sheet in the related excel boxes. There are totally 45 completed responses in this data collection and so it is easy to put the responses' feedback in the excel sheet. Then, the next step is summing up the result from each. The results were divided by 45 (because of totally 45 responses) and into again with 100 to get the answers by percentage. (Number of total result  $\times$  45)/100= ( )%. For all this calculating of results analysis finished by only using the Microsoft Excel. Completed calculated results are presented in Chapter 4.

## 5.4 Results

According to base on questionnaires responses' results, 95% are positive results for this study. 91% of the responses are interested to travel as eco-tourists in Myanmar (see table 3). Therefore, Myanmar should have many business sections that only responsible for ecotourism visiting. Mostly are interested in ecotourism expeditions and 47% of responses can spend \$5-10 for per day in their travelling sides. This charges is only for local people who are living there, not include in the services charges to pay company. As a results of questionnaires' topic on spending for ecotourism trip is 62% are want to take only one week, 29% are one month and 9% are more than one month. In that, 47% are only considering promoting and maintenance green environment and 36% are consider to set up ecotourism business as well. Thus, these responses make more positively for the objectives of the study. There is no one who is not forecast on ecotourism travelling can be more and more popular in the future of Myanmar and this result made also encourage to figure out this study.

## 5.5 Recommendations

Overall, of this study can recommend as feasibility business to figure out. Myanmar is a nice place to setting up ecotourism business because of the reality of natural pictures are surrounding in the whole country. Nevertheless, until now there is no business sector to responsible for ecotourism. Therefore, if it will set up as soon as possible, most environmental maintenance organizations can be fully support. For additional recommendation, it should not be only concentrate for profit business because this kind of business is like serving for the community.

However, if researcher looking up to financial planning on this study, it should be more detail analysis because now the package service are quite expensive for eco-tourists. Eco-tour packages are the main product for this business planning. Therefore, researcher also needs to research more detail the reference documents or find the methods that can reduce the cost.

Some government rules and regulations can be also effective on this business section. Although local people own business or development business, government tax rate is quite high

for this. If it let to be tax-free or reduce and so it can be, delete the tax charges list in the financial calculation or can be increase the net profit. As result, the cost of packages can reduce because of this reduction. Moreover, the security for safeties of tourists should be take care strongly because it is eco-travelling, not travelling in the city. Consequently, if company can offer more security services for each tourist, it can be better. In addition, if company can find the customer directly, it can deduct the cost list in expenses and services chargers will be cheap and net profit will be increase too.

For the office administration, if company can train all the employees before they start working, it can be more effective in their working process. Therefore, it should have HR department. Then, advertising and promotion activities should have for this business in the future. As researcher opinion, the local travel and tour business sectors will available for the ecotourism services, it can be develop rapidly and can run the business more effectively.

## 5.6 Suggestions for Further Study

In the future, Myanmar students who will study Master program or PhD program, researcher wants to encourage to writing their research or thesis about on ecotourism by this study. Otherwise, if there is some environmental maintenance training school or available as the main subject in the learning curriculum, ecotourism business can develop more in the future. Therefore, by this study, researcher wants to give suggestions to create more regarding ecotourism business planning, to think how to make money from the natural environment without destroying, take care on your environment, save our world and love your precious environments.

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