

SKILLS FOR TOURISM PROJECT • LAO/029

TOURISM INSIGHTS • 2020

A SNAPSHOT OF EMPLOYMENT AND SKILLS IN THE
TOURISM AND HOSPITALITY SECTOR IN LAO PDR
Information for Employers, Training Providers and Policy Makers

2019 TOURISM IN VISITOR NUMBERS AND REVENUE

In 2019, international
tourist arrivals reached
an all-time high

Average stay
for all tourists



5

4.8 million
Overseas visitors

+14.4%
on 2018

HIGHS

\$935 million

International
tourism
receipts

+15.2%
on 2018

Regional Tourists

4.15

million
visitors from
neighbouring countries
Thailand, Vietnam, China,
Cambodia and Myanmar

87%
of all visitors

International

632,000

visitors from other countries

13%
of all
visitors

spent
\$419
million

8

longest stay

spent most
\$84
per day

Visitors from

China

1.02 million

+27%
on 2018

21.4%
of all visitors
average stay

3

\$207
million

80
per day

22%
of all spend

LOWS

COVID-19 dominated 2020

Many enterprises

CLOSED
temporarily

60%
likely decline in
international visitors

\$500
million

estimated
loss in
tourism
revenue

Impact of COVID-19 on employment

- Downturn in tourism resulted in temporary closure of many tourism businesses with job losses reported.
 - Businesses in Luang Prabang and Vang Vieng targeting mainly international and leisure tourists were most impacted with over 80% reducing employees by 50%.
 - In Vientiane Capital, where many enterprises remained open, about 65% had reduced employees.
 - 70% of all businesses surveyed reduced employee numbers by 38%.
 - More female employees (40%) were laid off compared with male employees (34%).
- Ref: ADB Brief NO. 141 - The Impact of COVID-19 on Tourism Enterprises in the Lao PDR: Initial Assessment, June 2020

Ref: ADB Brief NO. 141 - The Impact of COVID-19 on
Tourism Enterprises in the Lao PDR: Initial Assessment, June
2020

Adapt and train

Once international travel restrictions ease, many tourism businesses will plan to re-open. It is estimated that minimum staffing levels will be maintained in the short-term. As the industry rebounds the demand for additional and appropriately skilled staff will increase. Retaining tourism jobs and skills will be vital to tourism's recovery.

Training implications

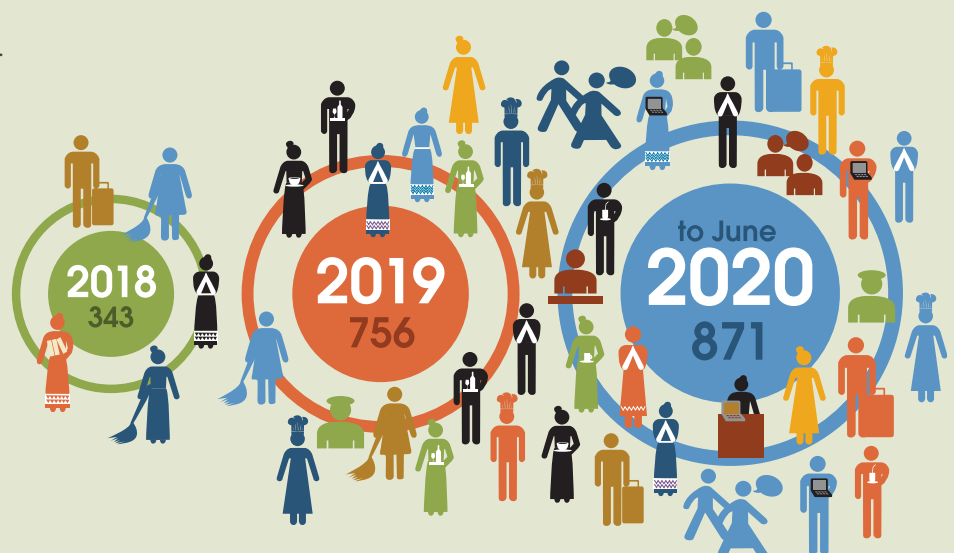
New sets of skills are required to safely operate in the post COVID-19 workplace. Some tourism business are required to introduce alternative revenue sources. Others may need to reorient, restructure and/or reimagine their operations. Businesses that previously attracted international markets need to consider the preferences of the domestic market. Training is required to make sure staff are ready for these changes.

Employers should plan for longer term staffing needs by implementing upskilling and reskilling programmes to prepare staff for the new workplace. A wide range of short training programmes to support tourism business with their training needs is offered by public and private training providers.

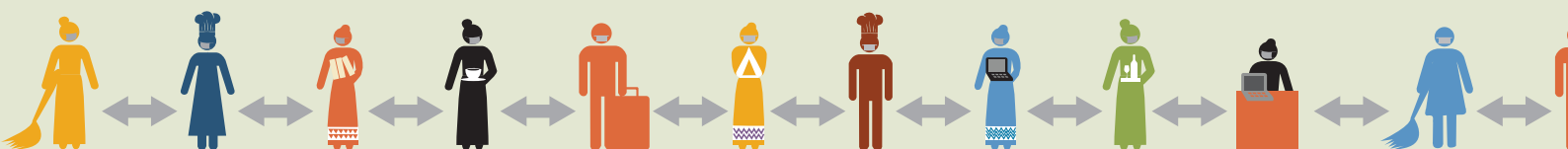
Employers can encourage staff to upgrade their skills and qualifications using distance and online learning technologies.

Upskilling training supported by the Skills for Tourism Project (LAO/029).

By end of 2019, 107 skills development programmes were delivered across all 17 provinces and Vientiane Capital. Participation increased from 343 participants in 2018 to 756 in 2019. By June 2020, a further 871 industry personnel benefitted from skills development training.



Visit www.typsy.com as an example of online training material for the hospitality sector



'In demand' job skills

As a sector that provided one in nine jobs in 2019, it is critical that educational provision is aligned to the skills requirements of industry. Educators will need to work with stakeholders to develop programmes relevant to the 'new normal' and with more practical content to deliver 'job ready' graduates.

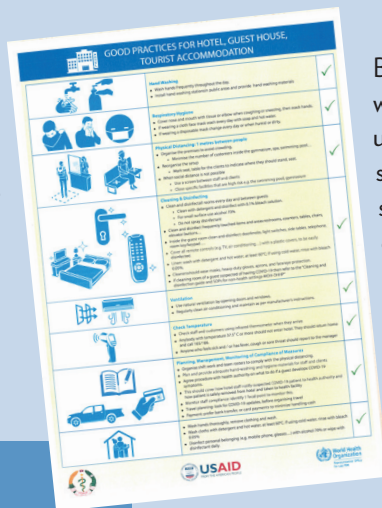
Safety standards

Tourists in the future will be more demanding and expect high levels of care and service. Training in health and safety protocols will be required. Implementation of the World Health Organisation 'Good Practices' will restore confidence and reassure customers that businesses can operate safely.

Technology tools

Many tourism jobs in most operational areas and back of house will be technology-led. Specialist skills will be required. Many services are turning contactless. Digital

payment, digital marketing and use of technology to target and communicate with customers will take on increasing importance.

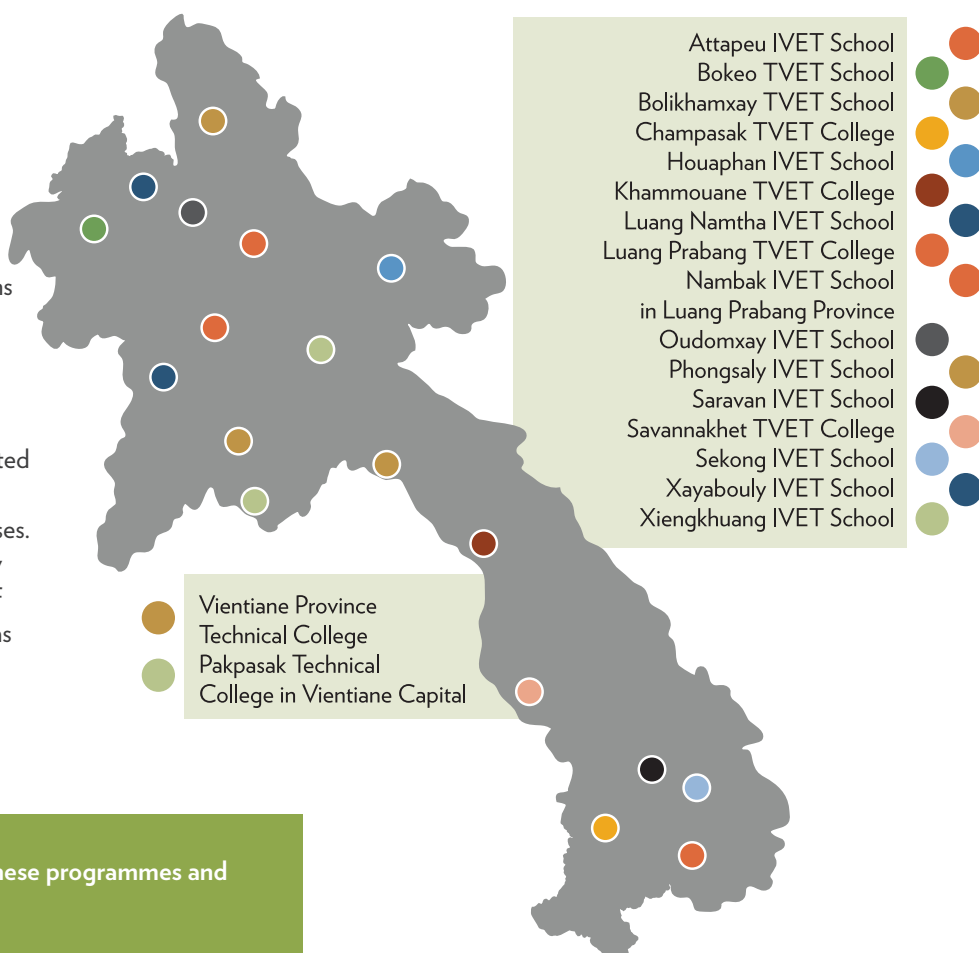


By working in partnership with education providers and using platforms where existing staff can build knowledge, skills and qualifications while continuing to work, industry can build a skilled workforce.

For tourism labour market data refer to Tourism Insights 2018/2019 available on <https://vientiane.luxdev.lu/en/activities/project/LAO/029>

Finding skilled workers

18 public technical vocational institutions in 16 provinces and Vientiane Capital offer tourism programmes. With more than 2,200 students currently enrolled in tourism and hospitality diploma programmes and over 800 who graduated in September 2020, this is an important recruitment source for tourism enterprises. Short vocational tourism and hospitality programmes are offered in a number of public technical vocational institutions as well as from other training providers.



For more information about these programmes and where they are offered visit



Tourism WILL recover

The tourism sector shall overcome the pandemic. The increase in international visitors that supported tourism growth before COVID-19 indicates that the tourism sector will recover. When and how that happens and what it looks like will depend on

- Lifting of international travel restrictions
- Ability of businesses to survive and recover
- Enhanced health and safety standards
- Social distancing implications on capacity
- Reduced or reimagined services
- Businesses reorienting to new markets
- Capability of staff to adapt to new operations

Influencing factors in tourism restart

- Tourism related sectors, accounting for 11% of total employment, are priorities for the Lao Government to promote and support.
- Lao PDR is considered a “low risk” destination, boosting consumer confidence.
- Stimulation of domestic tourism is underway.
- The cultural and natural attractions for which Lao PDR is renown will be a major asset in the recovery of the sector.

Boosting domestic tourism

In 2019, Lao PDR residents took

- 2.3 million domestic trips
- 2.6 million outbound trips



The challenge will be to convert this outbound tourism market into domestic travelers. Lao Thiao Lao marketing campaign, launched in September 2020, aims to boost domestic tourism.



To support and/or participate in the campaign contact the Lao National Chamber of Commerce and Industry (LNCCI).

www.facebook.com/laothiaolao
<https://lncci.la>

DOMESTIC TOURISM WILL LEAD THE RECOVERY OF THE SECTOR
ENTERPRISES THAT ATTRACT DOMESTIC GUESTS ARE MORE RESILIENT

The dynamic labour market conditions and lack of available data caused by COVID-19 means some of the information presented here may have changed since publication. Users are encouraged to also refer to other sources for additional information on the local economy and labour market.

This labour market information bulletin is informed by multiple sources: *The 2018 Tourism and Hospitality Enterprise Survey of Employment and Skills in Lao PDR* which was supported by the Skills for Tourism Project (LAO/029); *The Statistical Report on Tourism in Laos 2019*, published by Ministry of Information, Culture and Tourism of Lao PDR; *ADB Brief NO. 141 - The Impact of COVID-19 on Tourism Enterprises in the Lao People's Democratic Republic: Initial Assessment*, June 2020. The ADB survey modelled the methodology of the *2018 Tourism and Hospitality Enterprise Survey of Employment and Skills in Lao PDR*.

*Skills for Tourism supports improvements in tourism and hospitality technical and vocational education and training and skills development in Lao PDR.

A particular emphasis of the project is to support people from disadvantaged backgrounds to acquire the skills needed to work in hotels, restaurants and the greater tourism economy. A number of the initiatives referred to in this bulletin are supported by the project.

Skills for Tourism is co-financed by the Governments of Lao PDR, the Grand Duchy of Luxembourg and Switzerland, and is implemented by the Ministry of Education and Sports of Lao PDR and LuxDev, the Luxembourg Development Cooperation Agency.

November 2020

Skills for Tourism Project (LAO/029)
Khounboulom Road, Ban Watchan, Chanthabouly District, Vientiane, Lao PDR
T +856 21 253 156 F +856 21 253 157
Email: lao029@luxdev.lu

Published by: Ministry of Education and Sports
Lane Xang Avenue, Ban Xieng Yuen, Chanthabouly District, Vientiane, Lao PDR
T +856 21 216 004