



TOURISM INSIGHTS • 2019

A SNAPSHOT OF EMPLOYMENT AND SKILLS IN THE TOURISM AND HOSPITALITY SECTOR IN LAO PDR

Information for Employers, Training Providers and Policy Makers

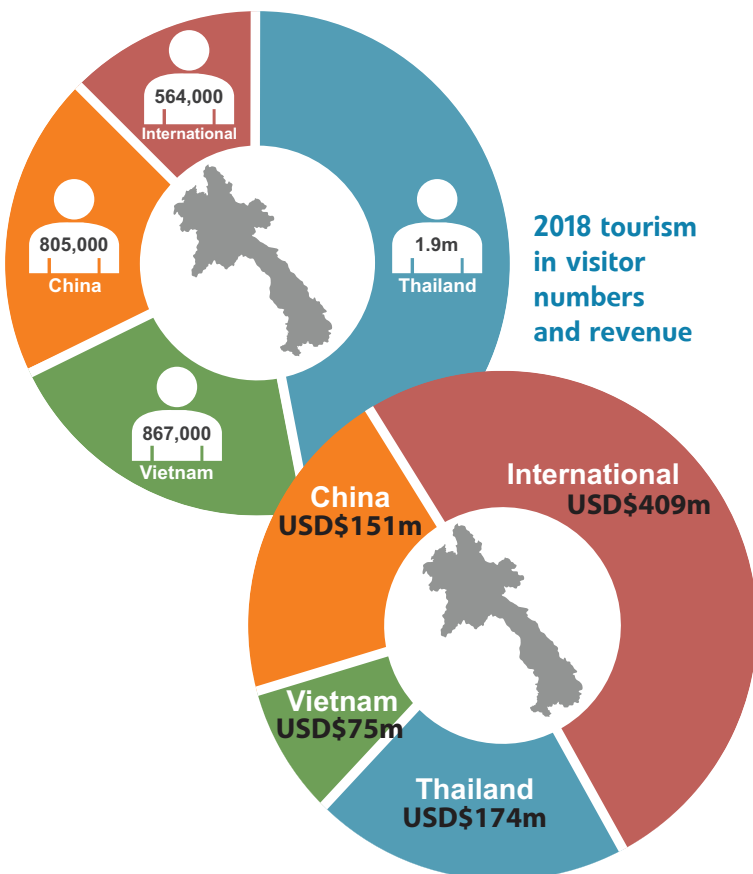
Tourism at a glance

In 2018, almost 4.2 million international tourists visited Lao PDR, an 8.2% increase from 2017. About 3.6 million (86%) were regional tourists from neighbouring countries such as Thailand, Vietnam, China, Cambodia and Myanmar. 564,000 (14%) were international tourists from other countries. It is estimated that there were over 2.8 million domestic tourists in 2018.

It is projected that around 4.7 million tourists will visit Lao PDR in 2020, spending USD\$ 905 million, and that by 2025 there will be 5.5 million international tourist arrivals generating USD\$1.15 billion revenue.

Growth in Chinese tourism

The number of visitors from China to Lao PDR is growing. In 2018, the 805,000 visitors from China (+26% from 2017) accounted for 19% of all tourists as well as 19% of expenditure. This compares to 6.5% of visitors and 4% of expenditure six years ago. The amount spent each day by Chinese tourists increased greatly in 2018 compared to previous years. Their USD\$80 daily spend was close to the international tourists daily spend of USD\$90.



International visitors account for 38% of all visitor days, they stay longer - an average of eight days compared to two days - and spend more in Lao PDR every day than regional visitors.

In total, tourists spent USD\$811m in the country. This income supports tens of thousands of direct jobs in the tourism and hospitality sector. In 2018, the total regional spend of USD\$402m, an increase of USD\$92m from 2017, is largely attributed to the increased spending power of visitors from China.

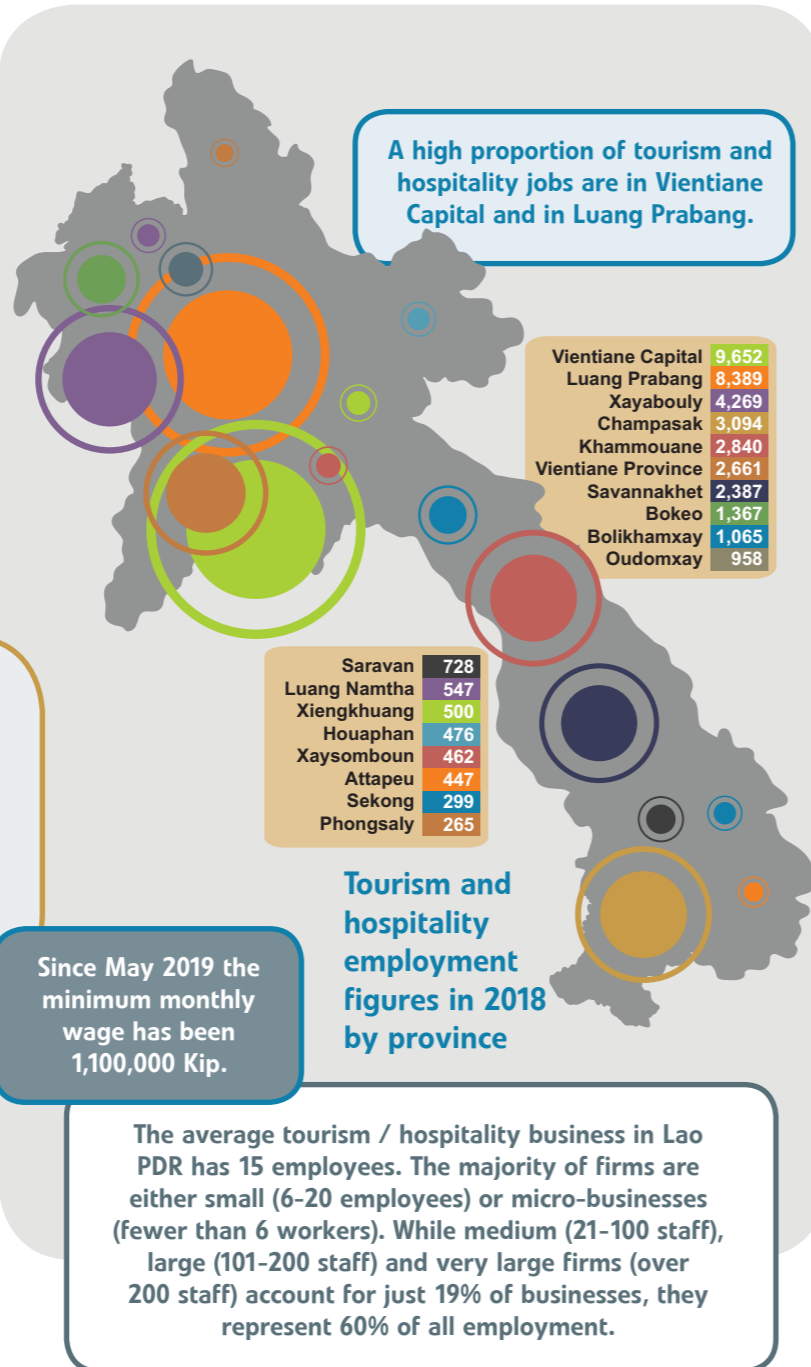
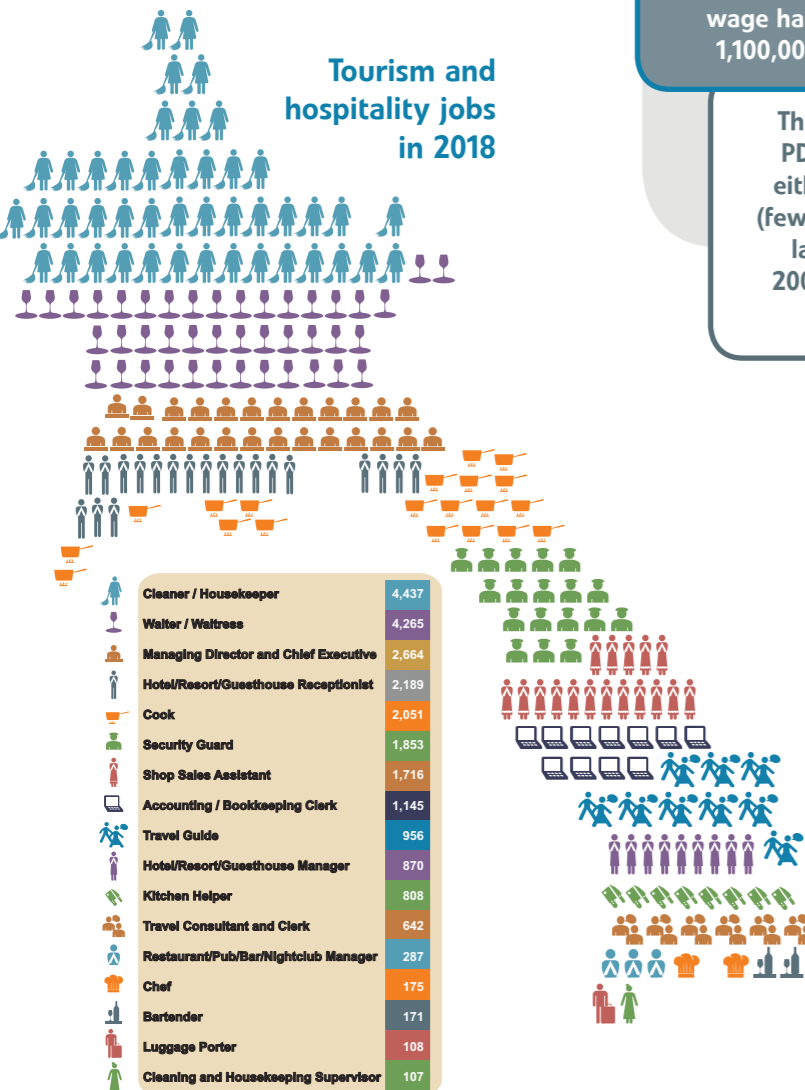
This bulletin provides data on developments in the tourism and hospitality sector. It also provides information on where you can find trained personnel and how you can grow your own business by building skills in your tourism workforce. In preparing this bulletin care has been taken to provide users with timely and accurate labour market information at the time of publication. Since labour market conditions are dynamic, some information presented may have changed since publication. Users are encouraged to refer to other sources for additional information on the local economy and labour market.

Build Lao PDR's tourism workforce

If realised, future growth and the development of new tourism markets will create substantial demand for additional well trained staff with a wider range of skills. This requires attention at a number of different levels and across a range of skills areas, including upskilling existing workers and developing the skills the industry needs.

Tourism labour highlights

In total, medium and large businesses directly employ about 42,000 people. Another 12,000 work for small businesses with under 6 employees. Around 17,000 people work in tourism and hospitality occupations that are specific to the sector (tourism characteristic occupations) such as waitress and tour guide.



Since May 2019 the minimum monthly wage has been 1,100,000 Kip.

The average tourism / hospitality business in Lao PDR has 15 employees. The majority of firms are either small (6-20 employees) or micro-businesses (fewer than 6 workers). While medium (21-100 staff), large (101-200 staff) and very large firms (over 200 staff) account for just 19% of businesses, they represent 60% of all employment.

Labour shortage impacts

Employers find some types of jobs harder to fill than others. These are known as skills shortage areas. The skills shortage issue reflects less on the numbers available for work but rather on their capacity to meet the standards demanded by employers.

Yet investment in skills development in the sector is very low with just over one third (36%) of firms providing training for staff in the past 12 months. On average, employers invest just 2 hours per worker per year on training and development.

Employers can plan for longer term staffing provision by supporting existing staff to upgrade skills and qualifications.

Tourism vacancies - Jobs to fill

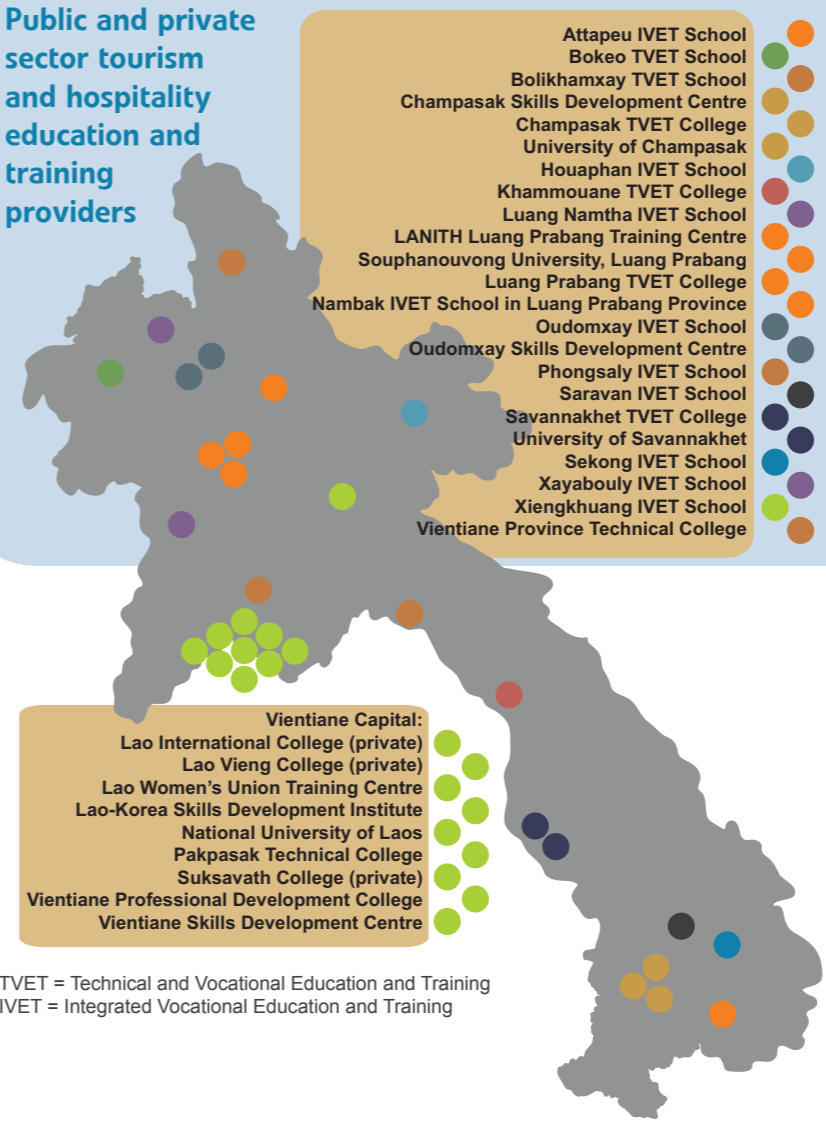
There is substantial regional variation in skills supply and demand. Graduates in some regions are unable to find local employment matching their qualifications and skills. In other areas employers cannot find sufficient graduates.

Recognising that achieving balance between supply and demand is challenging in the short to medium term, employers can address skills shortages by looking outside

their local area, whilst graduates who are mobile can take up employment outside their home province.

Demand for tourism and hospitality programmes has increased with enrolments growing from 2,000 in 2017 to over 3,500 students in 2018. Yet only 3% of employees in the sector have a tourism specific qualification, while an additional 27% have a non-tourism qualification.

Public and private sector tourism and hospitality education and training providers



TVET = Technical and Vocational Education and Training
IVET = Integrated Vocational Education and Training



Engage with educators

There is scope for the sector to work more closely with education and training providers to develop programmes with more practical content to deliver 'work ready' graduates. Such approaches can address regional and occupational nuances. Elements of this approach have already been worked into various Education-Enterprise Engagement initiatives which link tourism businesses with education and training providers to develop packages that target needs of the local industry.

Become China Ready - Grow your market

Growth in visitors from China: 2017 to 2018



With projected further increases in visitors from China comes the importance of being China Ready. You can help your business grow by investing in products and services targeting Chinese tourists.

Training programmes have been developed for vocational training institutes and tourism businesses to improve awareness and understanding of this growth market. The 'China Ready' training programme offered by the Institute of Mass Media, Culture & Tourism (IMCT) aims to support SME business owners and managers to capitalise on this trend. You can support your staff to develop their skills and cultural knowledge to ensure that your customers have the best possible experience.

Frequently Asked Questions

How do I find new employees?

You can attract a wider range of candidates by participating in Job Fairs, advertising online, for example on web-based and social media platforms, with an employment agency or on the new Ministry of Labour and Social Welfare LMI portal. You can also contact the schools, colleges and other training providers offering tourism and hospitality programmes.

Is there a tourism and hospitality training provider in my area?

Programmes are offered in most areas. The widest range of courses are at public technical and vocational education and training (TVET) schools and colleges. Courses are also offered at private TVET colleges and training providers, skills development centres (SDCs), the Lao Women's Unions and non-governmental organisations (NGOs).

Encourage your employees to develop their language skills

If your service deals directly with foreign visitors, your staff's language skills are important to improve the visitor experience. Many public and private colleges offer training in a range of languages.

For a cost effective way to improve the English language skills of staff, encourage them to download the free English language App for Tourism and Hospitality "Sabaidee English"

Visit the App or Play Store and type: Sabaidee English

How can I build my business for a secure future?

Be aware of trends in the tourism sector. Evaluate how your business currently services these trends. For example, an increase in Chinese tourists, growing demand for outdoor activities, changing language requirements and so on. Plan your services to match new demands. Recruit staff with the skills to service new markets, and support existing staff to improve their skills.

What can I do to keep my staff?

Providing a safe and secure work environment for all employees is a good starting point. Support employees with training and development opportunities as well as offering attractive employee benefits.

Support your staff to study – Build your service quality

Do you have staff members who want to study while they work? There are plenty of courses available to help them get started. Promote the diverse opportunities and pathways available.

For more information about TVET tourism and hospitality programmes,

visit www.tvet-laos.org and download the TVET App.

Visit App Store and type: TVET

Visit Play Store and type: TVET LAO

Advertise job vacancies – Build your workforce

The Ministry of Labour and Social Welfare website now has a labour market information (LMI) portal for both employers and job seekers. You can use it to advertise job vacancies to a wider range of candidates and to find other information to help you develop your business.

Go to: <http://www.lmi.molsw.gov.la/>

This labour market information bulletin is informed by the findings of a 2018 *Tourism and Hospitality Enterprise Survey of Employment and Skills in Lao PDR* which was supported by the Skills for Tourism Project ●LAO/029.

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 the Luxembourg Development Cooperation Agency (LuxDev).

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