



SKILLS FOR TOURISM PROJECT • LAO/029

TOURISM INSIGHTS

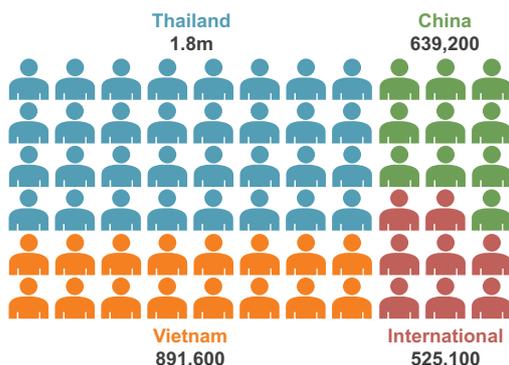
A SNAPSHOT OF EMPLOYMENT AND SKILLS IN THE TOURISM AND HOSPITALITY SECTOR IN LAO PDR Information for Employers, Training Providers and Policy Makers

Tourism is well recognised as a key driver of socio-economic development in Lao PDR. As well as arming you with information about current employment patterns in the sector, this bulletin provides details on tourism characteristic occupations that are in high demand and where you can find trained personnel.

A sector with a positive outlook

In 2017, almost 3.9 million international tourists visited Lao PDR. About 3.3 million (86%) were regional tourists from neighbouring countries such as Thailand, China, Myanmar, Vietnam and Cambodia, and 525,000 (14%) were from other countries. These tourists spent almost USD\$650m supporting up to 55,000 direct jobs in the sector.

At present international visitors stay longer and spend more per day than regional visitors. The 525,000 international visitors make up 34% of all visitor days and spend more money during their visits than all of the 3.3 million visitors from neighbouring countries.



Tourism and hospitality enterprise employment and skills in Lao PDR

A 2018 tourism and hospitality enterprise employment and skills survey - the most comprehensive of its type undertaken - provides a picture of employment in the sector across all provinces as well as Vientiane Capital.

By 2020 international tourist arrivals are expected to grow to over 5.5m and generate over USD\$932m in revenue. By 2025 international tourist arrivals are projected to reach almost 7m and generate USD\$1.2b in revenue. If realised, this growth will create substantial demand for additional well trained staff. While information in relation to domestic tourism is in short supply, it is estimated that there were over 2.2m domestic tourists in 2017.



Tourism and hospitality enterprise employment and skills in Lao PDR

The average tourism / hospitality firm size in Lao PDR is 15 employees. The majority of firms are either small (employment 6-20 persons) or micro-businesses (employing 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.

Wholly Lao-owned enterprises represent the majority of firms (91.9%) and collectively employ the most workers (85.7%), but they are predominantly smaller scale operations averaging 14 persons employed.

In total, medium and large businesses directly employ about 42,000 people. Another 12,000 work for small businesses with under six employees.

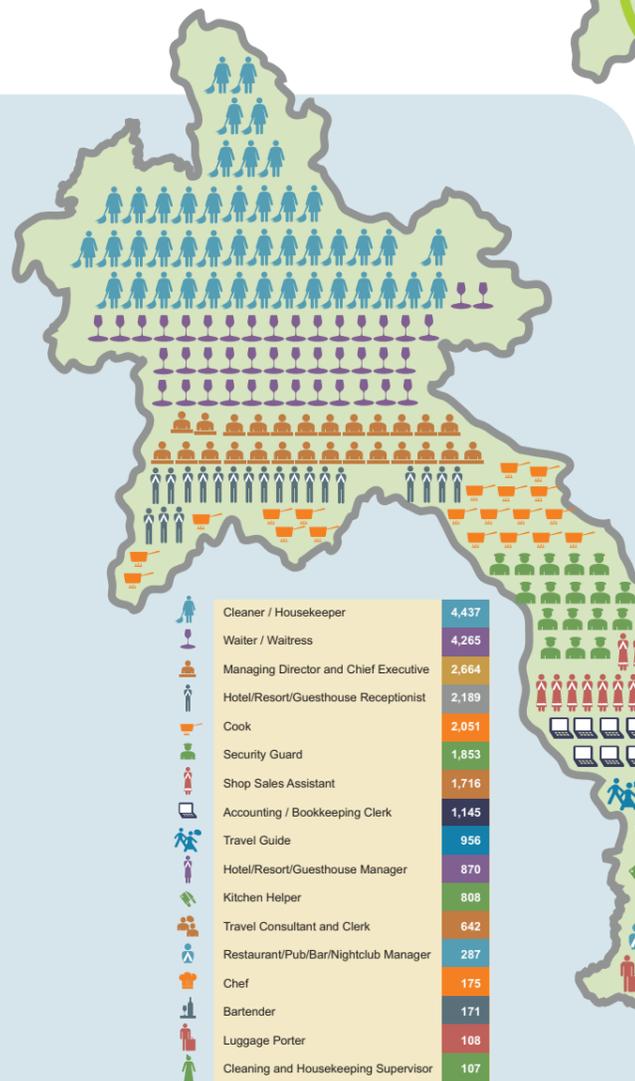
A high proportion of tourism and hospitality jobs are in Vientiane Capital and in Luang Prabang.

Vientiane Capital	9,652
Luang Prabang	8,389
Xayabouly	4,269
Champasak	3,094
Khammouane	2,840
Vientiane Province	2,661
Savannakhet	2,387
Bokeo	1,367
Bolikhamxay	1,065
Oudomxay	958

Saravan	728
Luang Namtha	547
Xiengkhuang	500
Houaphan	476
Xaysomboun	462
Attapeu	447
Sekong	299
Phongsaly	265

The minimum monthly wage in Lao PDR rose to 1,100,000 Kip in May 2018.

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.



Matching supply and demand

There is substantial regional variation in skills supply and demand. As a result graduates in some regions are unable to find employment in their local area that matches their qualifications and skills, whilst in other areas employers are unable to find sufficient graduates to meet their needs.

Recognising that achieving balance between supply and demand is challenging at least in the short to medium term, employers can address their skills shortages by looking outside their local area for staff, whilst graduates who are mobile can take up employment opportunities outside their home province.

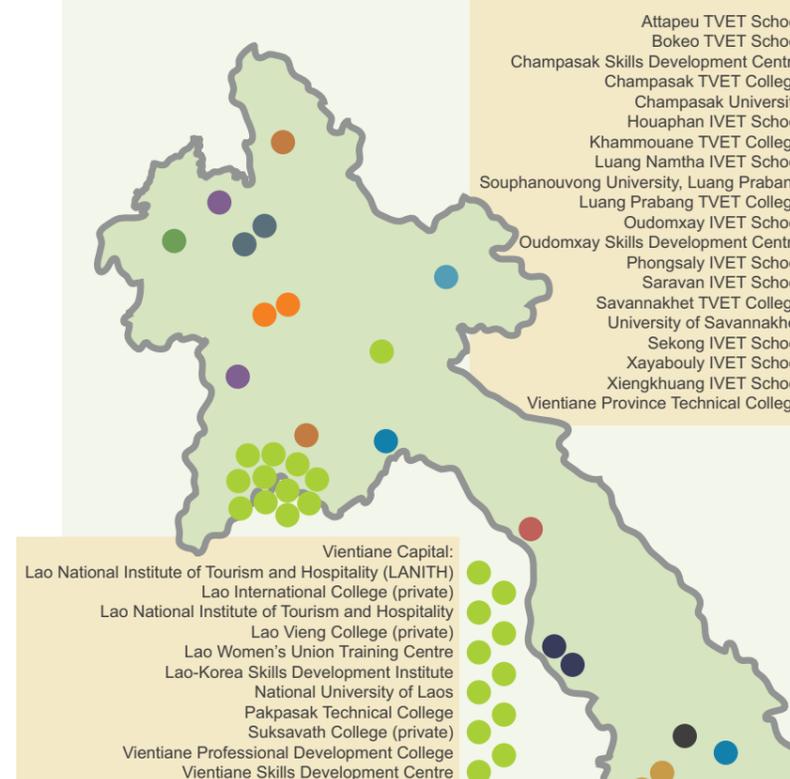
Approximately 2,000 young women and men graduated from tourism and hospitality programmes across Lao PDR in 2017. Yet only 3% of employees in the tourism and hospitality sector have a tourism specific qualification, while an additional 27% have a non-tourism qualification.

In spite of this, 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 are investing just two hours per worker per year on training and development, perhaps a reflection of the current challenging business environment.

Whilst some businesses report hard-to-fill vacancies, many firms fail to use formal means of recruitment and rely on informal methods such as word of mouth or wait for walk-in job applicants.

Employers often seek new recruits with higher qualification levels than may be required for the job. For example, requests for an under-graduate degree are not uncommon in job advertisements for receptionists and waiters.

Public sector tourism and hospitality education and training providers in Lao PDR



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

For more information about TVET tourism and hospitality programmes, visit www.tvet-laos.org and download the TVET App for iOS or Android.

iOS: Visit App Store and type: "TVET"

Android: Visit Play Store and type: "TVET LAO"

Making recruitment more effective

Most firms, including those reporting hard-to-fill vacancies, only use informal recruitment channels such as word-of-mouth and walk-in candidates.

Whilst these are important sources of new staff, recruitment may be more successful by:

Using formal recruitment methods

Such as newspaper or online advertising, or using a recruitment agency.

Being realistic about qualifications required

A university degree is not necessarily required to be a good receptionist or waiter.

Looking outside the immediate area

There are many schools, colleges and other training providers that offer tourism and hospitality programmes.

Engaging with tourism and hospitality education and training providers

Businesses can work with education and training providers to better align programmes to their needs. Student internships can be a useful means to identify new talent.

The top five tourism characteristic occupation vacancies are:



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"

iOS: Visit App Store and type: "Sabaidee English"

Android: Visit Play Store and type: "Sabaidee English"

Offering attractive employee benefits

Many employers offer benefits in addition to basic salaries such as accommodation, meals on duty, uniforms and service charge.

Investing in training

Upskill existing staff to move into vacant posts by providing appropriate training and support.

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.

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).

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

October 2018