Part I

General Situations

I. International Tourism and Lao Tourism in recent years.

1. World Tourism Situation.

Tourism is one of the industrial sectors that rapidly grow widely in many countries around the world. At present, many countries have paid special attention to the development and promotion of tourism, as it is a key sector for socio-economic development. Tourism has contributed to the followings:

- Tourism has directly generated foreign currency for the country.
- Tourism supports related investment such as travel, hotel, restaurant, transport, and souvenir businesses.
- Tourism creates employment for people in the service and production sectors, for instance, the export of raw materials.
- Tourism contributes foreign currency accumulations and facilitates domestic financial liquidity and distributes income to rural remote areas.

Realizing tourism industry as important, in 1975, the World Tourism Organization (UN-WTO) has been established to replace the International Tourism Federation established earlier in 1925. At that time, there were only 109 members countries. Until 2005 WTO has total members of around 150 countries, and seven self-governed territories, and joint members from businesses, and 300 educational institutions. Lao PDR has become the member of World Tourism Organization (WTO) by accession in 1971.

In 2003, UN-WTO has been adopted as UN Technical organization in change of tourism. WTO plays a key role in defining policy to develop and promote international tourism, sustainable development with the aims to economic development, transfer of modern technology, support public – private development, technical assistance in formulating tourism master plan for member countries; conducts social economical, cultural and environmental assessment as technical references paper for member countries.

The establishment of UN-WTO provided great advantages to tourism industry, especially to resolve the problems, in case of crisis, that may adversely impacts to tourism industry
such as terrorisms, natural disaster, epidemic of diseases including the creation of service standards and safety for tourists.

With great attention to the development and promotion of tourism, the number of Tourist globally increases. In 1990, the number of global tourists increase to 455 millions persons, revenue generated was 264 billion US$. Until 2000 the number of global tourists increased to 687 persons, revenue generated was 473 billion US$. In 2005, the number of tourists were 805 millions and revenue generated was 640 US$. And the projection for 2020 will be about one billion and 560 million tourists with the expected revenue of 1.550 billion US$.

2. The Status of Asia-pacific and ASEAN and Mekong Sub-region Tourism.

Tourism in Asia-pacific region increases to 7% per annum. In 2020, there were 111 million tourists, 120 millions in 2003, 114 in 2003. The number of tourists has dramatically declined in 2003 due to the epidemic of respiratory disease or Zarr. The numbers of tourist start to increase again to 145 millions in 2004 and 154 millions in 2005.

ASEAN member countries is one of the region that tourism sector also rapidly grows. ASEAN countries have ranges of mutual cooperation policies and integrated bilateral agreements including tourism. The purpose is to strengthen ASEAN region by reducing disparities between the new and old members; and to secure stability and security in all ASEAN member countries.

The old ASEAN member countries are in well-established conditions and environments, especially the infrastructure development and facilities, entry-exit regulations, traveling, well-developed accommodations, and quality services, and tourism advertisement and promotion is seriously taken care. For new member countries, even their infrastructure and facilities are insufficient; however these countries are the destinations that draw the interest of tourists. New member countries have its own policies to promote tourism that are in line with new current tourism trend initiated since1990. ASEAN has jointly implemented projects to promote tourism under the slogan “promoting the region as a single destination. “ In order to make the policy and promoted tourism measure to be integrated, ASEAN leaders have signed ASEAN tourism Agreement on November 4, 2002 in Phnom Pen, Cambodia with the aim to cooperated each other on tourism and to strengthen tourism industry in ASEAN and to be competitive with international countries.

The Agreement also aims at getting rid of barriers and to provide mutual conveniences such as Entry-Exist visa exemption for some ASEAN citizens, advertisement and promotion of ASEAN Tourism (VAC). Cooperation among private and public sectors such
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as cooperation with ASEAN Tourism Enterprise Association, ASEAN Association on Restaurant and Hotel, ASEAN Aviation, etc.

Cooperation has also been extended to cover the area of human resource development, service standards, traveling in ASEAN and tourism investment in ASEAN and other facilities. The outcome of the cooperation between ASEAN member countries could be highlighted as: In 2005, ASEAN region has welcomed more than 50 millions international tourists, 15.7 out of the total numbers were from Malaysia, 11.7 millions from Thailand, 1.4 millions from Cambodia, 1.1 millions from Laos, 1 million from Brunei, and 656 thousands from Myanmar. The emerging of ASEAN tourism is equally well known as Caribbean and Mediterranean region.

In addition to ASEAN cooperation frameworks, other programs for 6 counties in the Mekong sub-region (Yunnan and Kuangshi, China), Myanmar, Thailand, Laos, Cambodia and Vietnam have been initiated by ASEAN Development Bank. The Bank has function as focal point since 1993. The programme includes tourism cooperation which have been implemented continually such as:

1.) Programme to promote Mekong sub-region to become a single destination by jointly implement tourism activities, for instance, organization of workshop and seminar, study tour for travel agencies and international media; create GMS tourism website; participate in international exhibition and develop means for advertisement.

2.) Programme to develop human resource in tourism sectors by organizing TOT on tourism, tourism and hotel management, promotion of tourism marketing and other related topics.

3.) Programme to promote participatory eco-tourism to develop sustainable tourism, in which, each member countries already have policy on the development, and as a result, many projects have gone a great success. Lao PRD has been financially and technically supported by friendship countries, from financial institutions and international organizations such as: ADB, WB, EU, SNV, New Zealand and AID, GTZ, DED, UNESCO, WTO, FRANCE, etc.

4.) Programme to facilitate travelers for the entry into and exist out of the country, the staying in sub-regional counties by addressing to the improvement of immigration system along international borders; authorization of visa on arrival and fees collection.

Up to present, the Mekong sub-regional countries have signed different agreements such as: Agreement on transport of goods, civilian communication, telecommunication integration, electricity system, and personnel administration system reform.
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Under ACMECS, there were many programmes agreed upon and being implemented actively.

The increasing global, regional and sub-regional tourism cooperation has provided a lot of benefits that, as result, will significantly contribute to socio-economic development.

3. Tourism in Lao PDR:
   3.1 GOL open door policy on Tourism.

Following the IV Party congress in 1986 which defined new intergrated policy and open door policy, tourism has gradually been raised important. The government has identified and declared the implementation, development and promotion of cultural, natural and historical tourism as to foster the growth in tourism and other service sectors. The government has dedicated its efforts in developing infrastructures such as the construction of the roads to link all northern, central and southern parts.

For 45 years, the government has been attempting to extend more entry and exist checkpoints in various parts in order to link with many different countries, In addition, visa exemption for some member countries have been granted. Airport facilities have been upgraded to foster the growth in tourism.

At present, there are total 15 international checkpoints (please see annex). Tourists are able get visa on arrival along the 13 checkpoints. There are now three international airports in Vientiane Capital, Luang Prabang and Pakse. Visa exemption has been granted for seven countries, except Indonesia and Myanmar.

Following the order No.15/PM dated 20/06/2006, to replace 30-day arrival visa to 15-day arrival visa.

However, most of international checkpoints not have proper management and it is unclear whether those international checkpoints are under which organizations. The collection of service fee is not the same, and very often they mostly do not follow the Prime Minister’s order No.12/PM, dated on 27/11/2002 on collection of fee throughout the country. This is often leading to opportunism. These minor issues, indeed, irritate the whole society.

The programme to develop infrastructure to serve tourism assisted by many financial institutions and donor countries in the forms of grants and soft loan such as the construction of road No. A3, No. 8, No. 9, No.12, No. 18B; the construction of Mekong bridges; improvement and construction of access roads to tourism sites, airports, electricity system, water supply, telephone, etc. In additions, aviation links to tourist towns of each country have been developed.
By implementing the above policy and promotion of Tourism, tourism sector has been rapidly and increasingly growing. In general, from 1990 to 2005, the number of tourists entered in the Lao PRD increased at the average rate of 27.6% per annum. In 1990, there were only 14,400 tourists, 37,113 in 1991 with 2,250,000 US$ as revenue. From 1990 to 2000, the Visit Laos Year had begun which reflected to the huge increase of tourists, for instance, there were 737,208 tourists in 2000 and earned the revenue of 113,898,285 US$. Tourism sector has been rank as the number one of exports. In 2004, after the hosting of ASEAN Fair, the number of tourists increased to 894,806 persons and earned 118,947,707 US$ as revenue. Tourism sector has still been ranked as the number one of exports. In 2005 there were 1,1 million tourists entered in to Lao PRD. Based on the recent growing number of tourists and regular flow rate, it is estimated that there will be 1,6 million tourists in 2020; 2,2 millions in 2015; and 3 million in 2020 with expected revenue of 250-350 million US Dollars per year.

3.2 Organizational Structure and Staff in Tourism Sector

Since 1990, the government steadily and continually has been improving the organizational machinery and structure by designating tourism sector to be under different sectors, which caused the organizational structure in unsecured status. Until, 1992, the Prime Minister has issued decreed No.100/PM, dated 23/12/1992 on designating tourism sector to be National Tourism Authority (NTA) as equivalent to a department. In 2004, the government has issued decree No.91/PM, dated 30/06/2004 on raising National Tourism Authority as an agency which is chaired by the Minister and the budget has also been raised at level I. These changes significantly have the positive impacts to tourism development, especially in the area of globalization and regional and global economic integration.

The formulation of tourism law adopted at the VIII congress of the fifth National Assembly Members held on November 2005 has contributed to increase the role and significance of tourism industry for Lao and foreign countries.

In the past 2 years, based on the decree No. 91/PM, the NTA has improved its own organizational structure by shuffling staff of all levels in order to increase efficient management and administration. The improvement of the organization structure has also affected the changes at local levels. In many provinces and in some districts, new tourism offices have been provided for efficiently function. And many provinces have opened tourism meeting to raise awareness of all sectors involved in tourism in general and in particular, the tourism entrepreneurs.

However, despite the improvement of organizational structure throughout the country, those organizations and personnel are not yet strong and capable enough to respond to
the current demand. For instance, it is not easy to improve the organizational structure and identified roles at central levels. These factors, in fact, contribute to make tourism at provincial and district levels remain under developed.

3.3 Tourism planning and development.
3.3.1 Planning to develop tourism sites.

Following, the party and government policies on developing cultural, natural and historical tourism sites, the Natural Tourism Authority (NTA) has cooperated with sectors concerned and local authorities to research and plan and develop national tourism sites projects in order to prioritize the significance of each sites aiming at developing, protecting and investing in these sites. Up to present of about 985 sites have been surveyed and identified. 257 sites out of the total have been identified as cultural sites, 570 as natural sites, and 162 as historical sites. So far, 364 sites have already been in service (list of all sites have also been attached). At present, there are many dominant and charming sites that are nationally and internationally well-known such as That Luang Stupa, Hoprakeo (Emeral Budha) temple and Watsisaket in Vientiane Capital. The other two world heritage towns are Luang Prabang and the Watphou in Champasack where most of archeological objects are found and stored such as ancient town of Sethapura, Standing Stone in Houaphanh, Plain of jar in Xiengkouang province which will be soon designated as world heritage sites, Khone waterfall in Champasack and other sites that can also draw the interest of tourists.

In addition to cultures, Lao PDR also poses traditional customs and festivals and rituals such as: new year festivals of Hmong, and Khmu ethnic groups, boat racing, fire rocket festival; Baci; Wedding ceremony and other charming rituals.

3.3.2 Development of Participatory Eco-Ttourism.

Based on the geographical locations, natural abundance, historical and cultural aspects, Laos has its old special character that attract more tourists in rural remote areas, especially those living by the protected forest, caves, rivers, well-known tourism sites and ethnic villages. For instance, Namha project in protected Luang Namtha province has proved that eco-tourism is one of the successful eco-tourism projects. Each year, about 2000 tourists come to the area which, in turn, provides direct and indirect benefits to local villagers. The project also creates jobs for number of people in rural remote areas. The project also helps to conserve the natures; reduces slash and burn practice; promotes village production; and helps to preserve good customs of ethnic people. In 2001, the project has been awarded by (UNDP) New York as a model project to contribute to the reduction of poverty, and in 2002, the British Airway has also awarded to this project. At present, the lesson from the model project in Luang Namtha has already been applied by other 8 province of phongsaly, Luang Prabang,
xiengkhuang, Vientiane, Bolikhamxay, Khammouane, Savannakhet and Champassack. The project drew a lot of attraction by tourists and more important than that is the International Agencies continue to support such efforts.

3.3.3 Tourism that link province to province and provinces with the neighbouring countries.

Based on special geographical setting; type of tourism sites and road communication that link all the provinces and province with neighboring countries. There are many roads attracts tourists such as:

- **Inter – links between province to province.**
  - Phongsaly – Oudomxay – Luang Prabang
  - Luangnamtha – Oudomxay – Luang Prabang
  - Luanprabang – Vientiane – Vientian Capital
  - Luang Prabang – Xiengkhuang – Houaphanh
  - Bokeo – Oudouxay – Luanprabang.
  - Vientiane Capital – Bolikhamxay – Khammouane – Savannakhet.
  - Champassack – Saravan –Xekong – Attapeua.

- **Between Provinces and Neighbouring countries.**
  - Borkeo – Luang Namtha – Muangla ( China )
  - Luang Namtha – Bokeo – Xiengkhuang ( Thailand)
  - Xiengkhuang – Namgandlong Road No_ 7 (Vietnam)
  - Khammoune – Kunagbiu ( Vietnam)
  - Muknahan – Savannakhet – Khuangchi ( Vietnam)
  - Vientiane Capital – Pakse –Siem Riep ( Cambochia ) ( by air)
  - Luang Prabang – Chiangmai ( by air)
  - Champassack – Ubonratchani ( Thailand)
  - Other tourism roads

However, the planning and developing tourism sites is not well integrated. Tourism, therefore, only grows in some big towns. On the other hand, due to the lack of fund and budget, most of tourism sites have not been improved and upgraded to attract tourists.

3.4 Tourism business management and investment in tourism activities.
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- To promote tourism, the government has identified the following policies, decrees and regulations to supervise and manage all tourism businesses throughout the country both public and private sectors such as:
  - Provision No.195/PMO dated 30/10/1997 on Hotel and Guesthouse Management.
  - Provision No.1107/CPI dated 30/08/1999 on Basic Criteria for Guesthouses.
  - Provision No. 626/CPI dated 07/07/1999 on Management of Tour Guides.

In 1989, the National Tourism Company had been established as a unique travel company during the time. In 1996, a joint-venture state-private company had been established. In the later years, many state-private, and joint venture companies have been continually established.

In 2006, there are total 85 units (see annexes). Tourism businesses are preferably reserved for Lao nationals, but the VIII Congress Resolution of the fifth National Assembly Members has adopted the Tourism laws, which permits foreign countries to invest in tourism sectors. Public management towards tourism is more efficient and progressive.

All issue related to the establishment of business operation shall be addressed at early stages including the collection of fee and taxes to national budget and to Tourism Promotion Fund. The increased number of tourists has encouraged Lao society to actively invest in tourism business. For instance, there are more improvement of hotels, guesthouses, and resorts; the extension of restaurants and entertainment places; development of tourism sites; souvenir production; food production; transport, etc. In 2005, there were to total 165 hotels with 5,974 rooms, 923 guesthouses and resorts with 9,854 rooms.

At present tourism related activities have provided direct employment to 300,000 persons. Such business development and qualitative and quantitative tourism activities have contributed to large towns to host International conferences efficiently. Under the leadership of the NTA, Tourism Association, Lao hotel and restaurant Association at central level, and service groups of tourism sectors in many provinces have also been established to support and promote tourism.

However, we still found that the management and implementation of tourism business regulation at each level is different. Most of existing regulations are old, which have not been updated to suit the current growth of tourism.
Most of tourism activities and businesses have grown quantitatively, most operators lack of knowledge and ignore quality. Most of them are more household/family business; tax evasion is often found; service standard are not yet secured. Some tourism business, hotels, guesthouses, restaurants, entertainment places still make use of the gaps of law and regulations to commit actions against Lao good norms and morals.

3.4 Advertisement and promotion of tourism marketing

In recent years, NTA has collaborated with the Tourism Business Association, hotels, and restaurant to advertise and promote Lao tourism both at the regional and international levels. For instance, the participation in ASEAN Tourism Fair (ATF), CITM in Kunming, China; EXPO in Ichi, Japan; China-ASEAN EXPO, Nanning, China; JATA in Tokyo, JATA in Singapore and Malaysia; ITB in Berlin, Germany, SMT in France, WTM in London England; BIT in Milan, Italy; and other exhibitions organized in ASEAN and Mekong sub-region countries.

National and international Caravan tours have also been organized. In additions, the address has also been paid for publication of posters, stamps; and development of website on eco-tourism and etc. To response to the demand of tourism information for tourists and interested individuals, NTA has established tourist information center at the office of NTA in Vientiane capital and in many provinces such as Luang Namtha, Oudomxay, Houaphanh, Luang Prabang, Khammouane, Savannakhet and Champasack. Also, NTA publishes a magazine to promote Lao tourism. At present, the magazine draws greet interests of viewers.

Through the efforts in advertising Lao tourism as mentioned above, Lao tourism become well known in international market and attracts more tourists from the region and from international countries annually. In 2005, the total number of tourists came from three main continents: Asia-Pacific covers 82.10%, 11.99% from Europe, and 5.48% from North America.

There are two types of tourists in Laos: type (1) international tourists (long distance) and regional (border tourists). Border tourists mean tourists from the countries border with the Lao PDR such as Thailand, China, Vietnam, Myanmar, and Cambodia.

Based on 2005 records, duration of stay is between 4.5 days with average per capita expenses of about 37 US$ per day.

Attention for future advertisement should be addressed and supported on a regular basis in order to attract more tourists to Laos.

3.5 Human development.
Staffs in tourism sector still have limited knowledge. The immediate need in tourism sector in Lao PDR shall be the development of staff ranging from technician to managers to be knowledgeable in technical skills.

The other factors that hinder tourism development are the lack of qualified educational institutions and professional training center on tourism.

On the aspect of macro and Micro management, NTA has organized training for tourism personnel in various related topics. Since 1990, the training has been given to 820 tour guides, 3247 persons from hotels, guesthouses and restaurants.

Apart from that, trainings under the international cooperation programme have also been organized, for instance training on statistic, planning for tourism development, TOT, tourism management, tourism marketing promotion, and other related topics.

In the report on tourism training that NTA undertook the survey in collaboration with SNV 2003, it mentioned gaps between needs and capacity to supply skilled labor to tourism industry and the most significant gap is the lack of vocational training on tourism in university and higher vocational institutions. The existing training course that NTA could provide is just the basic training. Again, trainers are not qualified, training aids are not updated. Therefore, capacity development and national curriculum are the real need of tourism industry in our country so as to be modern, sustainable, competitive and integrated in the international region.

3.7 International cooperation.

Following the government’s policy on international and economic integration, NTA has steadily sought technical and financial assistance to develop and promote tourism in Lao PDR. The followings are international cooperation:

- Tourism cooperation programme with ASEAN members, ASEAN +3 (china, Japan, Korea) ASEAN+1 (India) and with other negotiating parties has been implemented;
- Tourism cooperation programme with the countries the Mekong sub-region has also been implemented;
- Multilateral tourism cooperation programmes such as: ACMECS (Cambodia, Laos, Thailand, Myanmar and Vietnam), Emeral triangle (Cambodia, Laos, and Thailand), Development Triangle (Cambodia, Laos, and Vietnam), East, west economic corridor (Vietnam, Laos, Thailand, and Myanmar), North-South economic corridor (Yunnan, China, Laos and Thailand) and other economic cooperation frameworks.
- Bilateral Agreement on Tourism has been implemented such as Vietnam, Cambodia, Thailand, Myanmar, China, Malaysia, and France.
- Cooperation programmes with NGO and International Organizations, namely UN-WTO, PATA, CUSO, CANADA, New Zealand AIDS programme, UNESCO, SNV (Nether land), WWF, WCS, IUCN, DED, ADB, WB and others have also been implemented.
- Although the international cooperation increase, but implementation is not efficient and often delayed due to the lack of appropriate organizational structures and working mechanism.

3.8 **Sectors with direct and indirect relation to tourism:**

Tourism industry relates to all sectors, but the sectors that have direct and close relations with tourism sector are:

- The number one sector that has direct and close relation with tourism sector are the Ministry of Foreign Affairs for the international cooperation; the Ministry of Security and Tourism Police with regards to checkpoints, entry visa, collection of fee, extension of duration of stay, which in the past, the Lao embassy or consular abroad issued 30 days visa. The border checkpoints can only issues 15 days visa, but now checkpoints can also issue 30 days visa on arrival. Border pass is only permitted for entry to one province, but can be used to travel to nearby provinces as well, but the practice is not unanimously implemented everywhere.
- The other sectors that also have close relations with tourism sector is the cultural sector with regard to the creation of tourism sites inventory and management of natural, cultural and historical sites; collection of admission fees; development and restoration of the tourism sites; management of entertainment places, etc. All these issue need close consultation between the sectors concerned in order to reach consensus management. Besides, the industrial and handicraft sector has also been cooperated for the production of goods and national symbolic souvenirs. With the Communication Sector in terms of construction of roads access to tourism sites and international integration; collection of transit fee; construction of facilities along the roads; civil aviation; inland, water way and airway transport which are in bad condition and the numbers are in sufficient to meet the growth in tourism; the service are not comply with international standards; policy on ASEAN free skyway has not yet been implemented. With Public Health Sector on cleanliness of the towns, other service centers, cleanliness of and safety of foods and drinks, health issues and emergency assistance to tourists. With Forestry and Agriculture sector for the production of foods and protection of national protected forest and national tourism sites that are potential for tourism routes. With Science Technology and Environment (STEA) mainly for the environmental issues. Tourism sector also closely involves local authorities throughout the country.

**Factors of success:**
- With the right and appropriate policies, regulations, development plan and more importantly with support from all levels of leadership.
- With active duty performance and high responsibilities of tourism staff.
- With support and cooperation extended by ministries, sectors and local authorities, people of all ethnic groups and all economic sectors.
- Because of the efforts of tourism units that endeavored to develop their service standards to meet the demand of tourists.
- Solidarity and unity within NTA in tourism performance.
- The open of visit Laos year 1999-2000; the hosting of ASEAN Tourism Forum in 2004; the 10th SEAN summit in 2004; The ASEAN Ministerial Meeting and IPO which marked significant history and built up good picture for Laos.
- The cooperation with international and neighboring countries.

**Causes of weaknesses:**

- Organization structure and personnel system at central, provincial, district levels are not yet sufficient to meet the demand of qualitative standards. Mandate of the organizational machinery is not balanced with the growth in tourism. The knowledge and understanding of social public towards tourism is not deepened.

- Working style of each levels are not oriented to new quality. No ownership and creative ideas. Most of staffs are waiting for orders.

- Inter agency coordination between public and private is not harmonized and continuous. Each is on there own ways.

- Coordination among sectors concerned and local levels is not well done.

- Provisions and regulations are not sufficient and updated.

**Lesson learned:**

Based on the past performance and the growth in tourism, we could draw the lesson learned as follows:

1) Dissemination of government-party’s policies on development and tourism promotion to all social sectors to deeply and correctly understand is the key factors and could not be ignored.

2) Institutional strengthen at both central and levels is the fundamental factor to the success in development and promotion of tourism; there should be enough numbers of qualified, capable, creative staffs who are endeavored to their
responsibilities; together with the improvement of working style; maintain internal solidarity.

3) Planning and development tourism sites shall have to be in line with the policy of tourism development that are natural, culture and historical tourism. The development must equally be distributed throughout the country; especially the remote provinces in order to make all provinces of the country become the unique cycle of tourism and linked.

4) Increase coordination with sectors and local authorities is the key factors both for raising the awareness on tourism development and infrastructure and facilities development. Management and development must support the corporation, coordination, participation of all levels and sectors concerned including communities and other associations to secure for safety, quality service; setting of reasonable fees; promotion of domestic goods production; production of souvenirs; promotion of fairs and traditional festivals to boost tourism.

5) Seek for cooperation and assistance from international organizations on markets in neighboring countries in order to develop and promote Lao tourism into regional and global integration.
Part II
Tourism Development and promotion Strategic plan 2006-2020

1) **Objective of 2006-2020 tourism strategic plan**

The 2006-2020 tourism strategy is a master plan document to define policy, guidelines and overall goal of the development and promotion of tourism which will be in line with the party congress resolution, national socio-economic plan and strategy in order to strengthen and development tourism to become an industrial sector that generate foreign exchange revenue for the country; provides more employment; promotion the cultural conservation and preserve the nation good norms and customs including the protection of abundant natural resources; promotes sectoral products in order to contribute to poverty reduction of all ethnic groups. This strategy is the ground strategy for international integration. The strategy is also fundamental for formulating the plan and action plan for short and medium term for development and promotion of tourism in the macro tourism management, tourism development plan, tourism business and activities management, advertisement promotion and tourism marketing, human resource development, international cooperation, cooperation with line sectors, etc.

The objective of 2006-2020 tourism strategy is also for raising awareness on significance and benefits gained from tourism of the line sectors, local authorities, entrepreneur, villages and communities.

Though tourism sector in Lao PDR are growing rapidly, but in order to secure the development and promotion of tourism in a continuous, sustainable manner moving forward to international integration, it is very necessary to formulate this 2006-2020 strategy.

2) **Reference and Processes of Formulation of the 2006-2020 Tourism Strategy.**

This strategy is written in reference to:

- Tourism development policy specified in the V, VI, VII Party congress’s resolution.
- Socio-economic development strategy (2001-2020) and Socio-economic development plan 2006-2010.
- Summary report of the past performance implemented by NTA and based on the current actual tourism situation in Lao PDR.
- Results from consultation and experiences sharing with sectors concerned, local authorities, business sectors, community, and some of expatriate experts.
The progress to formulate this technical paper began from summarizing and analyzing information systematically. The finalization of this paper has been done through comments in consultation workshop and seminar.

3. **Untapped potentials, opportunities and challenges to tourism development in Lao PRD**

From the lesson learnt and successful performance implemented by nationwide tourism sectors for 15 years, we could find out the following untapped potentials, opportunities, and challenges towards long-term and immediate tourism development:

3.1. **Untapped potentials and opportunities.**

Lao PRD owns national, culture and historical tourism sites in its own characteristics. The geographical location composed of plateau, plain, and mountainous areas. The climate is tropical, warm, cool and seasonal cold with green forest cover of 41% of the total areas. This includes 20 National Protected and Biodiversity Conservation areas; provincial and district protected areas, Limestone Mountains, splendid stalagmite and stalactite spreading throughout many different provincial and local areas. In additions, Lao PDR is a country with rich water resources. There are many rivers and streams flow through from North to south. The beauty of rivers are added by rapids, waterfall, especially Khone fall islands which considered as “Jewel of Mekong.” Lao PDR is also located in the hub of Mekong sub-region which serves as a link and transit point to five neighboring countries.

- Cultural aspects, Lao PRD composed of many diversified ethnic groups, cultures, customs and its own characteristics, written and spoken language, typical way of dressing. Lao people are generous with splendid smile, honest, and helpful to each other. Lao people upholds traditional festivals and rituals which they celebrate every year. The most pride of Lao is the architectural and historical town, Watphou Champasack; plain of jar, That Luang Stupa, Standing Stone in Samneau Town, etc.

- The potential factor for Laos is peace, and political stability. Economy is in continuous growth rate; tranquility and safety society. Infrastructure has been developed and improved.

- Opportunities are the global and regional economic growth in the rapid pace and integrated according to globalization; especially in 2020, the UN-WTO has estimated that China and India will become the world 1st and 2nd richest countries respectively. And of course these two countries will become the significant market for Lao Tourism.
3.2 Current challenges and constraints.

In promotion and development of tourism, the challenges that can occur at all times are the impacts from global situation such as:

- International political turmoil, international terrorism, epidemic diseases, which will binder the long distance travelers.
- Increase in oil price that affect the service cost.
- Competition on tourism market are high, each countries have used high technology and upgrade their standards and quality services; on the other hand, they lower the costs to attract more tourists to their own countries.
- Laos has poor and limited infrastructure such as roads communication linking our countries to neighbouring countries; access roads to main tourism site; limited telecommunication network and international transport; most of transport modes are in old condition, especially airplanes.
- Entrepreneurs undertaken tourism businesses are facing with insufficient fund; lack of experience; Limited professional skills.
- Organizational structure and personnel management in tourism can not yet catch up with the growth of tourism.
- Implementation of policy and regulations to facilitate the entry into and exist out of the country are not equal; some places are to lax in terms of restriction that some times affect the national security; and some areas are too strict that in turn, hinder the travel without reasons.
- In general development of tourism sites is still at primary level. At some sites, infrastructures are not available. Service modes do not attract tourists.
- The restriction and cessation of unwanted exotic culture including drug, women and child, prostitution are still needed particular attention.


4.1 Strategy and overall goals.

Based on the government policy on the tourism and on the summary of strength and weakness in the past, the strategy and overall goals on development and promotion of tourism 2006-2020 has been proposed as follows:

1.) Develop Lao to be globally well-know tourism in terms of culture, natural and historical tourism in sustainable and participatory manner
that can strongly contribute to socio-economic development and poverty reduction of poor people of all ethnic groups.

2.) Development and promotion of tourism in Lao must be complying with actual capacity, with development focus and certain targets with the aim at maintaining good picture and reputation of our country.

3.) Development and promotion of tourism in Lao shall be in line with support to local socio-economic development that will surely contribute to the growth of the national economic framework continuously.

4.) Development and promotion of tourism in Laos shall be attached to national security natural protection, protection of culture and good honors and customs of all ethnic groups.

5.) Development and promotion of tourism in Laos shall be in line with the promotion of responsibilities of all sectors and localities, and of all economic sector and general publics. These all aims at the growth in tourism industry in order to be part of international and regional integration.

6.) Strengthen tourism cooperation with international organizations and other countries; especially the countries in Asia-Pacific, ASEAN, and Mekong Sub-region.

7.) Continue to update regulations and conditions that are necessary to facilitate the entry-exit process, in country travel, traveling linked to neighboring countries in order to make Lao PDR to be integrated transit country including regional and international integration.

8.) Continue to improve organizational machinery and management mechanism in tourism including tourism development plan, advertisement and promotion of tourism; creation and development of tourism products with diversified forms; tourism awareness raising; personnel development in tourism sector; support and promotion of investment in tourism activities; collaboration with sectors and localities.

4.2 Overall goals for development and promotion of tourism for 2006-2020.
The overall goal for development and promotion of tourism for 2006-2020 is the attempt to make Lao tourism in the front sector of the country as well as of the region. That means, to become integrated and modernized tourism industry with the same and harmonized management both at macro and operational levels. All infrastructures are linked and integrated both in the country and in the region. Tourism activities and products shall be in diversified forms and colors.
Expectation to 2010, the numbers of tourisms will be increased to 1.6 million persons, 2.2 persons in 2015, and 3 millions in 2020. The estimated revenue is between 200-370 millions US dollars respectively. Construction of Hotels,
guesthouses and resorts will be encouraged in order to provide 16,000 rooms by 2010, 20,000 rooms in 2015 and 25,000 rooms in 2020. By 2010, it is estimated to have additional natural and cultural tourism sites, 2 of them will be designated as world heritage, 4 national levels, and 10 provincial levels. By 2020, 2-3 additional world heritage level sites will be declared, 5 national levels. 10 provincial level and increase five tourism towns.

4.3 **Sectoral Strategy, guidelines and detailed overall goals.**

In order to implement strategy, guidelines and overall goals identified, it is necessary to address the following eight areas in eight programmes:

4.3.1 Plan to improve and reform organizations and tourism management:
Strategy and specific guideline for this plan is to continue the improvement of organizational structure in the tourism sectors at central, provincial and district. Levels to be strengthen and coordinated according to vertical and horizontal line. With mechanism that can supervise the management sufficiently; with knowledgeable personnel. To implement this strategy with success, it is necessary to address the followings:

- Continue to improve organizational machinery at central and local levels to be in line with prime minister ‘s decree NO. 91/PM, dated 30/06/2004 and tourism Law No.10/NA, dated 09/11/2005 which interprets that central levels must as a key agency being prepared to be ministry in the future. At provincial level, if it is a large province with steadying growth in tourism, tourism sector shall be raised to be as one of provincial independent services. At district level, the unit or focal points shall be raised to office of tourism.
- Continue to clearly identify job descriptions at central and local levels as reference for civil servant recruitment.
- Formulate and complete provisions of the NTA to identify mandates. And roles of the tourism sectors at provincial and district levels as ground for decentralization between central and local levels in the year 2005-2006.
- Continue to provide training to civil servants in tourism sector to increase their knowledge in order to be equal to international standards aiming at developing tourism management with quality and efficient services. By the year 2010, 70% of civil servants in tourism sector will be qualified to bachelor degrees.
- Improve tourism office at provincial and district levels to become predominant as other public sectors in terms of working spaces, budge, vehicle, and improvement of tourism fund.
Since 2005-2006 the tourism sector budget shall be raised to level I according to Prime Minister’s decree N. 91/PM in 2004.

4.3.2 Programmes to formulate plan and develop tourism.

To achieve the tourism strategic programmes, the following detailed programmes shall be addressed:

Programme 1: Survey and make inventory list of tourism sites.

National Tourism Authority (NTA) in collaboration with provincial tourism office, local tourism sectors concerned continue to survey and collect information on tourism sites and sources in order to prioritize; make inventory lists of those sites that have been surveyed such as tourism sources at district, provincial and national levels. All these efforts are aimed for appropriate use in sustainable manner.

Programme 2: Planning to develop tourism source.

Survey and collect information of tourism sources that have already been made inventory lists in order to assess social, economical and environmental impacts, and to design and plan to prioritize as appropriately to each of the sites so that efficient and sustainable development could be secured. Collaborate with provinces to identify and prioritize tourism sources and sites in order to propose to government to further seek for funding to improve those sites. Manage those sites to attract tourists.

Programme 3: Formulation of regional master plan.

Based on the socio-economic development plan of the government that divided socio-economic plan according to region, the tourism development and promotion plan has been identified as follows:

* Northern region:

The Northern part is mountainous and sloppy areas with cold temperature, forests, and many rivers and streams namely Mekong Namtha; Namou; Namkhan and other rivers; diversified ethnic groups and their own local customs and local characteristics.

There are 6 National protected forests in the following five provinces:

- PhouDang hae National protected forest in Phongsaly province with the total areas of 2.220 km².
Lao PDR Tourism Strategy 2006-2020

- NamHa National protected forest in Luang Namtha province with the total areas of 2.224 km².
- NamAod National protected forest in Houaphanh province with the total areas 1.915 km².
- NamPoui National protected forest in Xayabouly province with the total areas of 1.912 km².
- PouLeuy National protected forest in Luang Prabang and Houaphanh provinces with the total areas of 1.465 km².

The total protected forest area in the Northern part is 11.470 km² of the total national protected areas.

- Based on geographical conditions, tourism sites, natural resources, biodiversity, diversity of ethnic people and their unique customs and livelihood style, the tourism development strategy therefore, has been identified as a participatory approach, which is the vital priority and have already been introduced elsewhere with successful results as mentioned in part I. In the Northern region, Luang Prabang has been selected as center province to extend tourism to other provinces. The plan to conserve Luang Prabang as national and world heritage town is for cultural, natural and historical tourism in sustainable manner.

- Tourism information center in Luang Prabang has been established to serve tourists and interested persons the information on Luang Prabang and other northern provinces.

- Tourism spots in Bokeo, Luang Namtha, which is in target of North-South economic corridor, will be built. And Rood N3 A will be used to link international tourism sites, starting from Thailand crossing Lao PDR to China (Yunan Province), Myanmar – Pakbaeng Road to link with northern part of Thailand through Oudomxay to China and through Oudomxay and Houaphanh to Vietnam. Other route is from Vietnam to Luang Prabang, Oudomxay, Luang Namtha to southern part of China or to Thailand, Myanmar and Vietnam.

1.) Aiming at developing dominant and well-know tourism sites each province in order to attract tourists.

2.) Extend economic tourism with participation by villagers and collaboration with sectors concerned in visiting the nature, learning customs and culture and life styles of ethnic people with the aim to reduce their poverty.

3.) Attention should be addressed to infrastructure development: roads that link provinces to provinces, airport, electricity systems, water supply, telecommunication for easy access and to respond the requirement and development of tourism in each period.

4.) Promote cycled tourism among northern provinces such as:
Lao PDR Tourism Strategy 2006-2020

* Xayabouly- Luang Prabang – Oudomxay,
* Bokeo – Luang Namtha – Luang Prabang,
* Phongsaly – Houaphanh – Xiengkhuang,
* Phongsaly – Oudomxay – Luang Prabang.

Promote inland, waterway and airway tourism with provinces and neighbouring countries such as:

* **Inland travel**
  - With China:
    * Huaykon – Muangnean – Pakaeng (Oudomxay to Republic of China)
    * Xiengkhong – Huayxay (Bokeo) – Boten (Luang Namtha) to Republic of China
    * Xiengkhuang – Luang Namtha – Oundomxay – Luang Prabang.
  - With Thailand:

* **Waterway travel**
  - With China:
  - With Thailand:
    * Xiengkhong – Huayxay – Pakbaeng - Luang Prabang.

Promote water travel along Mekong’s tributaries where possible and along the existing ones, for instance, Namtha, Namou, Namkhan rivers.

* **Airway travel**
  - Make use of Luang Namtha airport – Oudomxay, Huayxay to link with Luang Prabang and Vientiane Capital.
  
5.) Promote public investment in standardized infrastructure like hotels, guesthouses, resorts, restaurants, inland waterway transport, etc...

6.) Promote the organization of traditional festivals and local rituals northern provinces such as Mong new year (Kinjiang) in Xiengkhuang, Khumukareu festival in Luang Namtha and Luang Prabang, the Kapok blossom festival in Bokeo, cotton flowers festival in Xayaboury, Lao newyear in Luang Prabang etc.
7.) Cooperation with sector and localities concerned to protect historical tourism sites such as plan of jar; develop it to be attractive site in future.
8.) Implement Viengxay District development plan to become historical and natural tourism according to make the studied master plan to be realized.

* Central part:

- Central part is plain and plateau areas with many well-known natural, historical and cultural tourism sites; there are nine national protected forests with vast areas and covers 43.24% of the total national protected areas throughout the country. The followings are names and locations of the national protected areas:
  - Phouphanang protected forest investment province with the areas of 1.525 square kilometers.
  - Phoukhaokhuay protected forest in Bolikhamxay province with the areas of 2.000 km².
  - Namkading protected forest in Bolikhamxay province with the areas of 1.690 km².
  - Nakai-Namtherne protected forest in Khammoune province with the areas of 3.710 km².
  - Strategy and Stalagmite protected forest in Khammoune province with the areas of 895 km².
  - Dongphouvieng protected forest in Savannakhet province with the areas of 1.970 km².
  - Xebangnuan protected forest in Savannakhet province with the areas of 1.260 km².
  - Phouxanghea protected forest in Savannakhet province with the areas of 1.060 km². The total national protected areas in the central part is 15,800 km². These protected forests are still in natural abundant and beautiful that can be adapted to be natural tourism sites.

- Improve and restore exiting tourism sites in Vientiane Capital to be quality and standard ones; develop future where possible. Study to create condition to facilities to promote tourism in the forums of meeting and seminar and international fair (MICE).
- Promote and develop tourism sites in Vangvieng, Namgnum, Namleuk, Nammung, reservoirs and Phoukhaokhuay in Vientiane Province to become ecotourism.
- Support and olan to develop ecotourism sites in Namtheun reservoirs to be become new tourism sites for relaxation.
- Continue to extend and develop more national tourism with participation by villagers central parts and secure quality, environmental and national protection in sustainable manner:
Lao PDR TOURISM STRATEGY 2006-2020

- Promote and development of tourism sites along road No.8 that is Laksao area in Bolikhambxay province that link to Vietnam.
- Develop tourism in historical, natural sites and other in Lhammouane province such as PhaThatSiKhotTaBong and cliffs, caves, hot spring, etc... promote tourism that link to three counties of Vietnam – Laos- Thailand along road No. 8,9 and route 12.
- Savannakhet province is a transit area from Thailand through Laos to Vietnam and from Vietnam through Laos to Thailand which is a great potential and need particular addressed in order to turn the transit areas to become stop over areas and more importantly to generate revenue for the province; other tourism products, for instance, Lamseun Battle Field 719 historical site, Dinosaur’s skeleton discovery site, Gold and Copper extraction sites, etc...
- Establish tourist information center in Sannakhet in order to incorporate all tourist information and source for the provinces in central part.

* Southern part:

The areas in southern parts are mostly plateau which good communication facilities if composed with the northern parts, in additions, there are much more types and sites of tourism which are close to large town, especially in Champassack province. There are six national protected areas as follows:

- Xeset protected forest in Saravan – Xekong with the total areas of 1.335 square kilometers.
- Phouxiengthong protected forest in Saravan – Champasack with the total areas of 1.200 square kilometers.
- Dongphouxao protected forest in Champasack with the total areas of 1.100 square kilometers.
- Donggamphanh protected forest in Attapeua with the total areas of 1.925 square kilometers.
- Xebangnuan protected forest in Savannakhet with the total areas of 1.260 square kilometers.

The total protected forest in the southern part is 9.270 square kilometers.

- Planning to develop culture, national and historical tourism as appropriately for short and long term in Champassack province, especially the development of tourism sources in Siphandon areas (Four thousand inlands) and Bolavan plateau.
- Develop and manage Khone fall areas, which is known as “Pearl of Mekong” to become integrated ecotourism.
Lao PDR Tourism Strategy 2006-2020

- Support and encourage infrastructure such as: roads, electricity, water supply and telecommunication to adopt tourism in southern part.
- Improve and upgrade border checkpoints to be international checkpoints, especially with Vietnam and Cambodia aiming at developing Development Triangle and Emerald Triangle development programmes.
- Survey and plan for development of tourism source in the southern provinces; plan to develop tourism routes among southern provinces, for example, develop Champassack, Saravan, Xekong, Attapeau to become an interesting tourism cycle; develop safari in Xekong – Attapeau and link to Vietnam and Cambodia.
- Plan to develop and promote agricultural tourism in Bolivan plateau as appropriately.
- Develop tourism that links the southern provinces with Vietnam, Cambodia and Thailand along routes 18 B, 13 south and route 15.
- Establish tourism information center in Champassack to incorporate all tourist information of the four southern provinces.

Programme 4: Develop provincial tourism master plans.

Coordinate with provincial tourism office and local authorities to survey and plan for provincial tourism throughout the country on periodical basis. Complete the development and implement it with the aim to develop diversified tourism to attract the interest and foster the increase of tourists.

Programme 5: Development of participatory ecotourism.

Based on the success of Namha participatory ecotourism scheme, and national resource potentials that are abundant with environment and Biodiversity, especially in the 20 protected forest and provincial protected forests. For the immediate and long term objectives, the NTA will have to cooperate with ministry of Agriculture and Forestry, Science Technology and Environment and localities to research and plan to development participatory ecotourism in those protected forests in order to promote the growth of country and especially local economy which, in turn, will contribute to poverty reduction of people of all ethnic groups; and support the conservation and preservation of natural environment and local good norms and customs.

Programme 6: Programme to use and promote domestic tourism products.

In order to prevent the leakage of revenue generated from tourism out of the country, promotion and support to tourism sectors such as: hotels, guesthouses, and restaurants; the use of domestic products mainly the agricultural products and products for food processing, interior decoration for hotels, guesthouses and restaurants to
achieve these objectives; collaboration with industrial and agricultural trade sectors should be considered. Encourage business sectors to produce standardized and quality goods; promote tourism business sectors to use domestic products more and more as to support, promote local economy; maintain foreign exchange in Lao PDR by setting a slogan called “Laos made, Laos use, Laos developed”.

Programme 7: Programme to preserve and protect environment in tourism industry.

The national tourism authority (NTA) in collaboration with science technology and environment agency (STEA), MTPC (Urban development unit) and provincial tourism offices to plan for the disposal of wastes and water treatment from hotels, restaurants and guesthouses.

- Plan to manage dumping sites, public toilets, waste treatment facilities in tourism sites.

Programme 8: Collection of tourism statistics.

NTA in collaboration with provincial tourism office, immigration police officers and national statistic center to survey and collect numbers of tourists and analyze the details, for instance their original routes, nationalities, interests, payment, duration of stay, etc...

NTA in collaboration with provincial tourism offices to survey and collect information of hotels, guesthouses, resort, restaurants and entertainment places.

NTA in collaboration with statistic center, state bank in setting up of tourism satellite account to analyze tourism related revenue and for the study of tourism revenue shares in GDP.

4.3.2 Programme to advertise and promote tourism:

Overall guidelines for advertisement and promotion of tourism for 2006-2020 aims at maintaining the increase of informational tourism with average growth rate not less than 20% per annum. Together, support for internal tourism (Lao tourists) shall be encouraged.

The targeted tourism markets in future will still be from regional countries that mean tourists from neighboring countries and ASEAN member countries. For long distance tourists from European countries are France, England, German, and USA, Canada; and from pacific countries are Japan, Korea, Australia, new Zealand, Taiwan which needed to be attracted more and more and to cover higher rate.

Targeted Achievement are as follows:
Lao PDR Tourism Strategy 2006-2020

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of tourists entered into Lao PDR</th>
<th>Revenue from tourism (US$)</th>
<th>Duration of stay of international tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.600.000</td>
<td>220.000.000</td>
<td>8 days</td>
</tr>
<tr>
<td>2015</td>
<td>2.200.000</td>
<td>320.000.000</td>
<td>10 days</td>
</tr>
<tr>
<td>2020</td>
<td>3.000.000</td>
<td>370.000.000</td>
<td>11 days</td>
</tr>
</tbody>
</table>

Whereas, tourism advertisement and promotion efforts shall have to achieve the following key areas:

- Addressing to the publication of printing materials and advertisement tools on tourism with efficient contents. Advertisement shall be in various forms: tourism exhibition / Fair organized regionally and internationally by aiming main markets advertisement through domestic and international media; Internet, information centers around the country. Organize visit to tourism site (Fam trip) for tourism media and international travel companies; organize caravan to open up new tourism routes and sites; promote traditional festival, tourism fairs, tourism campaign; designate national tourism authority representative to base abroad and provide tourism information to interested persons abroad.

- Study and analyze tourism market to attract constant number of tourists. Achieve the key tasks specified above, it is necessary to emphasize to the following programmes:

  **Programme1: produce printing and advertising materials.**

  This programme is necessary as printing and advertising materials are the key means and tools for advertisement to make both domestic and international tourists know were about tourism sites and products available in our country.

  In future it is, therefore, necessary to implement the following tasks:

  - Establish NEWS unit of NTA that are in charge of producing advertising tools; publish printing materials; publish tourism newspapers, signs, bulletin both in Laos and abroad.
  - Develop instruction manual for producing printing and advertising materials as references for tourism offices in printing and producing advertising materials in a standardized and consensus on the same brand.
Lao PDR Tourism Strategy 2006-2020

- Support units in tourism industry to produce their own advertising materials to contribute to the tourism advertisement.
- Continue to cooperate with individuals, companies within and outside Laos to print advertising materials to promote Lao tourism.

Programme 2: Implement and extension of tourism information center.

Provision of on site information to tourism is necessary, as they will know more sites as possible which will help to attract them to prolong their duration of stay. To achieve this effort it is necessary to emphasize on the following areas:

- Continue to improve tourism information center at the NTA’s agency;
- Assist the provincial and Vientiane Capital tourism offices to improve their tourism information center including the support to establish more tourism information centers for the other provinces; promote more tourism markets in their own provinces.

Programme 3: Advertise Lao tourism through media and tourism trade fair.

Advertisement of Lao tourism through domestic and international medias and various activities in the forms of advertisement in countries where tourism is well aware as it can operate at all times with unlimited scopes. Such advertisement aims at 2 main targets: Domestic and international tourism.

The actual tasks that are needed to implement is highlighted as follows:

Cooperate with magazines and Newspapers, agencies, national television and radio stations to broadcast the performance of tourism sector; and develop and broadcast tourism documentary film for Lao people as it is a way to prevent the leakage of foreign currencies.

- Advertisement through foreign newspapers, magazines and television is necessary, as it will help to attract more foreign tourists.
- Invitation to foreign tourism business and medias from targeted markets to visit tourism sites (Fam Trip) in Laos in order to cooperate with them in terms of advertisement to attract more tourists from those countries.
- Cooperate with business involved in tourism industry with in and announce more transit route and new tourism sites.
- Tourism advertisement (Road show) performing traditional arts of dancing at business meetings in the target countries of Western Europe, Japan, South Korea, Australia, New Zealand, North Europe, and North America should be organized.
Programme4: Participation international tourism exhibitions.

At present, international and regional tourism exhibition widely becomes the forum where all tourism related businesses have met and discussed on tourism business. To achieve this, the following fairs and exhibitions should be considered:

- World tourism exhibition (ITB) in Berlin, Germany
- World tourism exhibition (SMT) in Paris, France
- World tourism exhibition (WTM) in London, England
- ASEAN tourism exhibition (TRAVEX) organized by ASEAN member countries on the rotation basis.
- International tourism exhibition (CITM) in China;
- Tourism exhibition (TTM) in Bangkok, Thailand;
- Tourism exhibition (JATA) in Japan;
- Tourism exhibition (ASTA) in USA and Canada;
- With financial constraints at the initial phase of the implementation of this strategy, it maybe wise to use Lao embassies and consular abroad to participate in those exhibitions on behalf of National Tourism Authority. At the same time, selection and act on behalf of NTA in these countries is deemed necessary.

For long term, it is necessary to establish the representative office of NTA in the target countries mainly in France, German, England, Japan, China, Thailand, etc...

Programme5: Promotion of tourism activities

Lao People of all ethnic groups have their own traditional festivals with become great potentials in tourism promotion. Therefore, it is necessary to identify and prioritized festivals, and ritual activities for promotions such as Lao new year in Luang Prabang, Champassack, Vangvieng, Thakhaek, Watphou champassack, Inhang, Sikhottabong festivals; and rocket; and boat racing festivals of different ethnic groups. To achieve this programme, the followings shall be implemented.

- NTA is a focal point to organize meeting in collaboration with culture sectors and local authorities concerned to discuss and identify traditional festivals and rituals to promote tourism.
- Tourism companies shall have to include these festival events in their travel brochure.

In addition, tourism campaign together with activities and traditional festival to promote tourism should be organized such as traditional food festival, arrange festival celebration in Pakson, and Nambak; Durain, coffee-tea festival celebration in Paksong; Shrimp festival in Muang Ngoy; Traditional dancing with swords in Thoulakhom district; painting and singing contest on tourism.
Programme 6: **Cooperation with domestic and foreign** business sectors in the advertisement and movement towards marketing is the task that both macro and micro levels shall have to closely cooperate to undertake in various forms such as:

- Establishment of Tourism Marketing and Promotion Board composed of representatives from both public and business sectors concerned in order to undertake the campaign and seek tourism marketing within and outside the country.
- Support tourism industry to strongly contribute to the Lao Tourism campaign, especially to participate in regional and international tourism exhibitions by commitment.
- Contract and cooperate with international aviation that fly to Laos, Foreign tourism campaign and tourism publication agencies, for instance, lonely planet, etc... in order to advertise Lao tourism abroad.

### 4.3.4 Tourism business management programme.

This programme aims at systematically, orderly manage tourism business in Lao PDR so that tourism industry can become strong, quality sector under the regulations issued; create service standards that can be internationally competitive and contributed to socio-economic development.

NTA, therefore, has identified the programmes to manage tourism business into five programmes as follows:

**Programme 1: Amendment of legislations.**

In order to monitor, manage tourism businesses, there is a need to amend and formulate the following legislations:

+ Amended legislations:
  - Amendment of provision on implementation and performance by sectors / tourism offices in provinces and Vientiane Capital;
  - Amendment of provision on Hotel management;
  - Amendment of provision on tour guide management;
  - Amendment of provision on border tourist management;
  - Amendment of provision on management and usage of national tourism fund;
  - Amendment of provision on establishment and performance of tourism association.
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- Amendment of provision on establishment and performance of Lao hotel and restaurant association.

+ Recent established legislations:
  - Provision on hotel ranking;
  - Provision on hotel and restaurant management;
  - Provision on tourism sites management;
  - Provision on establishment and performance of district tourism offices.
  - Provision on tourism town management;
  - Provision on tourism transport management;

Programme 2: Travel business management.

To raise the quality service, and to secure travel transport avoiding unpleasant travel that may have negative impacts to Lao tourism, NTA shall have to work harder to implement the following key tasks:

- Improvement, research and sorting of types of tourism companies according to tourism law, which has just recently been promulgated.
- Improvement, research and sorting of types of guides to suit the current tourism business growth.
- Improvement, and establishment of tourism business growth at local and provincial levels to be capable of gathering and formulating plan to promote tourism.
- Collaboration with tourism police in inspecting, issuing warning instruction and implement measures against units that violated the regulation in appropriate manner.
- Grouping of independent tour guides to function according to the issued regulations.
- Collaboration with tourism business and sharing of information on performance undertaken by businesses and encourage those businesses to perform under the regulations.

Programme3: Accommodation and restaurants management.

In order to secure standard service along restaurants and hotels and to be comply with international system and to secure the choices by clients; and to protect the benefits of restaurant and hotel businesses, the national tourism authority shall address to the following main tasks:

- Ranking of types accommodations: hotels, guesthouses, resorts, etc...
- Ranking of restaurants and food shop.
- Improvement of staff working in hotels and restaurants.
- Collaborate with tourism police in monitoring, collecting statistics to violators or opportunists that acted against good customs.
Lao PDR Tourism Strategy 2006-2020

- Collaborate with hotel-restaurant association to encourage the business to correctly perform their business.
- Collect and update statistics of hotels, guesthouses, restaurants on a regular basis and as a ground information for further management and inspection of those business units,

Programme 5: Tourism sites management.

To orderly manage and develop tourism sites and to secure the environmental protection that are in line with tourism strategy, we shall have to address to the following tasks:

- Clearly identify and rank types of tourism sites.
- Issuance of specific regulations for each of the sites; performance report to NTA, tourism sectors / office at provincial levels and Vientiane Capital according to line of commands shall be done on a regular basis.
- Collaborate of the performance on a regular basis.

Programme 6: Management and promotion of tourism investment within and outside the country.

To support domestic and foreign investors with more interest on tourism sectors. So as to provide more employment and contribute to poverty reduction efforts, it is necessary to emphasize on the followings:

- Follow and grasp the tourism policy as guideline for tourism advertisement;
- Organize the dissemination of tourism development and promotion policies to build confidence for investors interested in tourism sectors.
- Dissemination of tourism law at national and international forum,
- Collect and summarize domestic and foreign investment in tourism sectors as ground information for further research.

4.3.5 Personnel development programme.

NTA increase its collaboration with committee for planning and investment (CPI), Ministries of Education, Foreign Affairs, Labor and Social Welfare, Hotels-Restaurant Association, Tourism Business Association to formulae programme to upgrade staff of tourism sectors as follows:

- Accelerate in conducing the short course training of trainers in hotel and tourism related field such as business administration, touring technique, hotel and restaurant and guesthouses service, prevention, foreign languages
with different appropriate approaches so that staff can use the knowledge gained to contribute to the development of tourism sector.

- Seek for assistance from neighbouring countries and international organization to construct hotel and tourism vocational training center to train staff and civil servant serving in different business units to be able to effectively performance their jobs.

- Organization long-term study on tourism for some students.

- Organize study tour and sharing experiences activities for leaders and senior staff.

- Develop personnel in tourism sector, mainly, leadership staff, managers, and technical staff at all levels both in and outside the country to be knowledgeable in hotel and tourism specially, including foreign language proficiency; and secure sufficient numbers of staff for future growth in tourism sector.

- Collaborate with the ministry of education to update curriculum on tourism as standards for setting up the sector at national university and at existing vocational training schools.

* Detailed personnel development programme

To successfully implement tourism strategy, the following programmes need to be addressed:

Programme 1: Provide teaching materials.

- Provision of modern equipment such as LCD, computers, colour overhead projectors, and it is estimate to achieve by 2006.

Programme 2: Training in basic tour knowledge, hotels, guesthouses, and restaurants services.

- Organize training for tour guides 2 times per year to upgrade tour guides at both national and local levels to be able to provide standard services and tours to respond to the increasing number of tourists. The target is 80 persons trained per year and regularly run this training programme until 2020.

- Organize training to upgrade of knowledge staff of hotels, guesthouses and restaurants at provincial and Vientiane Capital levels. This training scheme will be operated until 2020.

- Organize training and seminar for 10-20 trainers per time, per year and operate this scheme on a regular basis until 2020.
Programme 3: Development tourism curriculum.

- Collaborate with the Ministry of Educations, National University, public and private, educational institutions, Lao Tourism Association, hotels and restaurants association to plan for improvement and development of tourism teaching curriculum, it is estimated that there maybe bachelor and master degrees available by 2010-2020.

Programme 4: Cooperation with international organizations.

- Collaborate with JIWAS, ASEAN-JAPAN center, EU-ASEAN, ECMEC, SNV, DED, Assistance programme from the government of Belgium to conduct training and seminar on different topics related to tourism. The training should be operated on regular basis until 2020.
- Conduct survey and information collection and assessment of implement activities in provinces in order to organize one training per year and should be done on a regular basis until 2020.

Programme 5: Establishment of tourism and hotel vocational training center.

- Research and seek for funding source and draft project proposal to request international assistance to establish the tourism and hotel vocational training center.
- Collaborate with Vientiane Capital tourism office to find out location for construction of the tourism and hotel vocational training center.

Programme 6: Compilation of teaching and research materials.

- Collect, compile documents, text books, and to the extend to establish library.
- Formulate learning and teaching methods on tourism and hotel at different levels, for instance, short and medium term, primary, medium and high levels training.

4.3.6 International cooperation programme.

Increase the relational and cooperation with foreign countries and international organization aiming at seeking for technical and financial assistance to the development and promotion of tourism and development of personnel in tourism sector. Mutually cooperate to promote and expand tourism marketing on the win-win bases, especially with Asia-Pacific, ASEAN countries, Mekong sub-region and neighbouring countries that share borders with Laos and are bounded by tourism agreement.
Programme 1: Cooperation with international organization.

Collaboration with world tourism organization, PATA, SNV, DED, ADB, world bank, JBIC, JICA, and other organizations to seek for technical and financial assistance into the development and promotion of tourism.

Programme 2: Bilateral, trilateral and multilateral cooperation.

Extend cooperation with neighbouring countries, especially with ASEAN member countries, and Mekong sub-region countries in order to link Lao tourism with Vietnam, China, Cambodia, Thailand and Myanmar.

4.3.7 Investment promotion programme

To respond to this programme specified according to the development of infrastructure and economic etc... , the investment in tourism sector and tourism industry is also deemed necessary. This maybe divided into three parts as follow:

- Public investment.
- Private investment
- Public and private investment.

1. Public investment.

Public investment can be found in many areas, in particular, the development of economic infrastructure. What it means by public investment here is the investment in human development for hotel and tourism sector such as the construction of training center for hotel and tourism filed to respond to the need of business units and to upgrade the service standard of those units so that they become professional operators in future.

2. Private investment.

Private investment includes domestic and foreign investors. Most of the investments are policy oriented; and most of them have invested in the service sectors such as: restaurants, entertainment, sports, hotels, guesthouses, tour boat, souvenir for tourists, etc...

- Support the second houses policy for tourists to stay and spend more in our country.
- Support the vacation houses and recreational houses for elders living abroad.
Despite the private investment is booming but it is not enough, especially standardized hotels to accommodate tourists for medium and long term stay.

Besides the investment in hotels and guesthouses, it is found that private sector also are also capable of investing in order to service sectors according to the cases and condition in government policy oriented.


Support and promote public and private sectors to invest together according to suitable condition.

Part III

Implementation Measure

Tourism promotion and development strategy for 2006-2020.

- Based on the 11th resolution of the meeting of the fifth congress of the party central committee that identified tourism and administration as one of the eight prioritized programmes for medium and long terms national socio-economic development.
- Based on the 4th resolution of the VII congress of party central committee that suggested the tourism sector that “Attention should be paid to tourism sector in order to better develop tourism sites; development of personnel in tourism sector; improvement of appropriate tourism mechanism management sectors concerned and local authorities shall have to develop their own plan as appropriately.

For immediate and long term, tourism industry shall need to be improved, promoted and supported to achieve the targeted socio-economic development plan in general, and in particular the plan to develop tourism and tourism industry, which defined as follows:

- Disseminate and raise the awareness on policy to develop and promote tourism to all sectors concerned and fully understand the Lao tourism that will become key economic sector and modern tourism industry.
- Collaborate with ministries, organizations, technique and infrastructure to respond to the needs for tourism development for immediately and long term.
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- Identify the emerging aspects in tourism development to attract domestic and foreign tourism; and to establish tourism hub, which equipped with technical base and attractive products.
- Organize and conduct evaluation on implementation of tourism strategy; and evaluation for improvement and promotion of tourism to be in line with government’s policies.
- Interpret the strategy into action plan.

Part IV
Five year plan for 2006-2010.

I. Overall goals

To achieve the implementation of tourism policies and strategy, it is necessary to implement the follows:

- Development and promotion of tourism shall have to be in line with actual capacity. Development of northern, central and historical tourism that of the countries and neighbouring countries. Further improvement on quality services shall be deemed important in order to maintain good reputation of our country.
- Promote participatory ecotourism throughout the country in order to contribute to poverty reduction.
- Create the convenient approach for entry-exist the country and in country travel to promote tourism that link to neighbouring country so that Lao PDR will become the country with tourism link and transit.
- Raise awareness on tourism for civil servants, publics, and society throughout the country by aiming at contributing to tourism development and promotion.
- Manage and monitor the businesses to be line with regulations.
- Prevent acts against regulation or tourism strategy in Lao PDR.

1. Staff development plan.

- Improve organizational mechanism and personnel at central and local levels to be strong that can manage and monitors the performance of business units tourism sector according to decentralization and job description.
- Organize study tour and experience sharing act ivies abroad for leadership and senior staff develop personnel in tourism sector mainly the leadership, senior and technical levels.
- Assist the provinces and districts in development and promoting tourism.

2. Programme to formulate and develop tourism plan.
Inspect; evaluate the developed tourism sites in order to secure economic efficiency, environmental protection and culture conservation, and sustainable development.

Collaborate with sectors and localities concerned to restore the tourism sites that have not been surveyed to prioritize sustainable development.

Develop tourism cycle regions to link for instance:

* Northern part:
  - Luang Namtha-Bokeo tourism cycle along routes A3.
  - Luang Namtha-Oudomxay-Laungprabang tourism cycle.
  - Upper Mekong tourism cycle from Bokeo-Luang Namtha to southern part of China.
  - Mekong tourism cycle-Bokeo-Oudomxay-Luang Prabang.
  - Luang Prabang-Xiengkhuang-Houaphanh tourism cycle.
  - Xayabouly-Luang Prabang-Oudomxay tourism cycle.
  - Implement tourism master plan for historical sites in Houaphanh province.
  - Collaborate with sectors and localities concerned to develop infrastructure to link with provinces in the northern region such as roads, airport, etc....

* Central part:
  - Collaborate with parties concerned to improve existing tourism sites such as: in Vientiane Capital to be quality and standard and develop further elsewhere with conducive conditions.
  - Promote tourism sites in Vangvieng, Nam Ngeuam reservoir and Phouphanang to become perfect ecotourism.
  - Promote tourism along route No.8, 12 and to link with Vietnam and Thailand.
  - Plan to develop ecotourism in the limestone mountain national protected areas in Khammouane province; Dongphouvieng and Phouxanghae national protected areas in Savannakhet province.
  - Collaborate with sectors and provinces concerned to better improve the existing tourism sites.
  - Develop tourism service point along route 9 using grant aid assistance from JICA.

* Southern part:
  - Plan to develop national tourism in Khonphapheng, Lphi in the great Siphandon areas (Four thousand islands), Bolivan plateau, Watphou Champassack, Tadlo waterfall, Xeset in Saravan, Nonggaidak in Attapeau.
- Develop participatory ecotourism in the 4 southern provinces, especially in the national protected forests of Donghuasao in Champassack, Phouxiengthong and Xexet in Salavan, Dongamphanh in Attapeau and Xekong.
- Study and analyze tourism marketing in order to open up and expand lao tourism.
- Support and promote, build and improve website, and internet to provide tourism infrastructure posted by NTA, provincial tourism offices, and by tourism related business sectors.
- Promote and generate more tourism activities especially the various traditional rituals and festivals of people of all ethnic groups.
- Cooperate and Collaborate with Lao embassies abroad to promote Lao tourism.
- Be ownership in connection with airline companies in order to advertise Lao tourism; provide conductive conditions for foreign tourism reports to make documentary film on Lao tourism sites (Fam Trip).
- Support the direct fight from the countries selected as the targeted internationals markets.
- Research the policy to exempt visa for some targeted countries.
- Support the second house policy to attract more tourists to stay and spend more money in Laos.
- Support the development of vacation houses, residential houses for elders living abroad.

4. **Programme to manage tourism business.**

- Accelerate to improve the existing regulations and provisions to be in line with actual situation and formulae new and necessary regulations to manage tourism businesses, for instance:
  - Provision on implementation and establishment of district tourism offices.
  - Provision on ranking accommodation such as hotels, guesthouses.
  - Provision on tourism sites management.
  - Provision on restaurants management.
  - Provision on border tourists management.
  - Provision on commitment to tourism fund by tourism-related business.

- Accelerate to improve, sort, and establish tourism-related businesses to perform accordingly to regulations, laws on tourism.
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- Improve and classify types of guide to be in line with regulations and to suit their abilities.
- Disseminate tourism law and decree throughout the country.
- Support and cooperate with sectors concerned to improve, find out conditions to open up more border check points and improve the service standards among the existing international check points to effectively facilitate the entry-exist of tourists.
- Support and coordinate with public and private sectors at both central and local levels to provide conducive conditions to attract more tourists to our country.
- Establish, improve tourism business association such as: tourism business association, hotels, and restaurants association, tourism transport association, to actively perform the function as promotion of Lao tourism.

5. Programme to develop personnel

- Accelerate to provide short course training on tourism and hotels to technical trainers such as tourism administration, management and techniques, etc... in order to be able to develop tourism in Laos.
- Seek for financial assistance from neighbouring countries and international organizations to establish tourism and hotels vocational training center in order to train staff and civil servants and also to supply the businesses with qualified labourers.
- Send some students to study abroad for future development.
- Improve formulate and identify tourism curriculum as certain standard to be taught at tourism-related sectors.
- Collaborate with both public and private educational institutions to improve quality of teaching and learning.

6. International cooperation programme.

- Increase international relation and cooperation with countries and international organizations to seek for technical and financial assistance to develop and promote tourism, personnel development.
- Continue to implement projects and programme under the cooperation framework agreement such as: ASEAN, Mekong sub-region, development, triangle, Emerald Triangle, East-West corridor, North-West corridor and bilateral agreements.
- Continue and address the coordination with international organizations to formulate project and seek for funding to develop and promote tourism mainly from WTO, SNV, PATA, EDE NEWZELAND, Development organization, ADB, WB, and other international organizations.
7. Investment promotion programme.

7.1 Public investment.

Collaborate with CPI and sectors concerned to prioritize public investment in to key tourism infrastructures as roads linking provinces, access roads to tourism site, road link to other countries; seaport and waterway transport system where tourism is growing; extend the networks of telecommunication, electricity, water supply, which private sectors are not able to invest.

7.2 Private investment.

Collaborate with CPI and sectors concerned to promote private investment in constructing facilities to foster the tourism such as hotels, guesthouses, resorts, restaurants, transport, tourism sites, handicraft and agricultural products, etc.

II. Target achievement for 2010.

To achieve this plan as defined, NTA shall have to actively implement the following tasks:

- Improve organization machinery and mechanism to be in line with current situation, and law and regulation; raise the provincial tourism office to be department and establish district tourism offices where tourism is growing.
- Support and collaborate with sector concerned to develop and promote tourism throughout the country. Discuss on how to solve objects and constraints on order to develop and promote tourism.
- Improve policy and regulation on border check point management in order to facilitate to tourists with easy entry-exist; which are potential for tourism, there should clearly be the sector in charge of checkpoint management. Collection of fee should be the same and transparent at all checkpoints.
- Research to seek funds to develop participatory ecotourism. By 2020 the scheme will be introduced in all provinces: For the province where eco tourism is already applied, they should further developed.
- Classify and make inventory list of tourism sites that have been surveyed and continue to survey from 2006-2010.
- Formulate and achieve the master plan on tourism spatial tourism development by 2006.
- Formulate and achieve the master plan on Formulate and achieve the master plan sites for all provinces by 2007.
- By 2010, there will be 1.6 million tourists to visit Laos and 250 million US dollars as revenue will be generated.
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- Analyze and prioritize tourism sites that have been surveyed appropriately to potentials of each site. By 2010, there will be 600 sites.
- Promote investment and contrition of accommodation place, by 2010, there will be 20,000 rooms. Support and Collaborate with sectors concerned to develop infrastructures mainly the roads along east-West corridor, airport, etc...
- Collaborate with localities to mange according to sector and promote businesses sectors to actively participate in tourism develop.

Minster
Chairman of Lao National Tourism Administration