

Country Paper on Tourism Development in Lao PDR

Southeast Asia and the Greater Mekong Sub-region (GMS) are a part of the world with a wealth of tourism resources. There are many World Heritage Sites and amazing natural, cultural and historic attractions that can be developed into quality multi-country itineraries. In Lao PDR, also known as the Land of the Dok Jampa Flower and Jewel of the Mekong, we have many wonderful tourist sites and attractions including world-class archaeological sites, historic sites, and rich natural heritage. There is also the special customs and traditions of our ethnic groups that reflect the peaceful, friendly, hospitable and genuine nature of Lao People and Lao culture

Due to its geographic location and abundant natural resources, the Lao Government is implementing policies that support the development of history, nature and culture-based tourism as a key strategic sector to underpin the country's sustainable socio-economic development. The Government is also promoting the role of tourism in the evolving process of regional development, economic integration, investment and commerce here in the GMS and ASEAN. We believe that tourism facilitates cultural exchange and learning among the international community, and builds peace, friendship and mutually beneficial cooperation with all friendly nations around the world - both near and far.

The policy of the Government has emphasised the participation of local people and other stakeholders in tourism marketing and promotion, the upgrading of existing attractions and the development of new tourist destinations. Festivals are being revitalized, promotional activities staged more regularly, and there is now more and more Lao participation in regional and international tourism trade fairs. In addition, a tourism law and many tourism-related regulations have been enacted. In regard to policy development, 100% foreign ownership is now permitted in hotels and restaurants and 30-70% foreign ownership is permitted in tour companies.

To meet the need for improved public infrastructure, the Government is investing heavily in national and local roads. We have recently successfully completed major road works on the East-West and North-South Economic Corridors. Mekong Bridges have been constructed in many places, international airports improved, more direct international air-routes opened, and more than 21 international immigration points are now open, 18 of which offer 30-day tourist visa-on-arrival services. Citizens of all ASEAN countries have been granted visa exemptions as well as Japan, Russia, South Korea and Mongolia, Switzerland and Luxemburg. There has also been a liberalization of regulations on the use of border passes for citizens of neighboring countries.

Due to the above-mentioned supportive policies the Lao tourism industry has experienced very impressive growth during the past decade - the average annual growth in arrivals has exceeded 20.7%, with the number of tourists increasing from approximately 700,000 in 2000 to 2.5 million in 2010 generating 381 million US\$. Moreover, in the 11 months of 2011 arrivals were 2,47 million and increased 10% when compared to the same period last year.

For many years now, tourism has been an important contributor to improving socio-economic conditions and generating revenue for local people in many countries. However, in the past 2-3 years the tourism industry has faced many challenges and difficulties. Some of these problems are the result of unstable oil and food prices, the global financial crisis, and subsequent recession in many countries. There was also the emergence of the new and deadly A (H1N1) virus, a threat to human health that has had serious negative effects on the tourism industry.

This situation has brought together National Tourism Organizations and industry stakeholders in many countries, including all of you attending this conference, to exchange ideas and search for new solutions to overcome the difficulties we are facing. I believe that the current situation calls for increased cooperation among the global community to ensure a coordinated response and implementation of policies to solve this adverse situation and turn it into an opportunity for improving frameworks of cooperation and mutual support and ensuring that the benefits of tourism are distributed more widely. Doing so will help place the tourism industry in a favorable position to stimulate and revitalize sustainable socio-economic growth and prosperity.

The government of Lao PDR has adopted the National Tourism Development Strategy to 2020 that has a number of projects and work-programmes which aim to capitalize on the country's tourism potential and stimulate national socio-economic development in concert with other economic sectors. A focus of the National Tourism Strategy is to increase efforts to support development of a Lao tourism industry that is centered on sustainable ecotourism, especially activities that promote conservation and continuation of the fine customs, traditions and cultural practices of our national ethnic groups. Government policy also aims to protect the country's healthy environment and natural resources that are the foundation of the tourism industry. Another pursuit is to increase integration of Lao tourism into regional initiatives and use tourism as a tool to quickly add value to locally produced goods and services. In addition, tourism growth is targeted to stimulate production of agricultural products and handicrafts by local communities, which will help to reduce seasonal under-employment and generate jobs and income to alleviate poverty.

For the year 2012 Lao government will host many significant events such as Visit Lao Year 2012, ASEAN National University Sport Game and ASEM Summit.

