

The Impact of Tourism Policies Toward The Tourists Arrival in ASEAN: A Case Study Of Laos PDR

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Abstract

This research article has been presented about tourism promoting policies of Laos PDR. Focus on the analyzing of the effectiveness of tourism promoting policies of Laos PDR, which will focus on details of contents guidelines on tourism promoting policies including the activities and methods. Together with results compared of the tourists' satisfactions in tourism products within Laos PDR. The public sectors that related to tourism promoting policies are the Ministry of Information, Culture and Tourism; and the Lao National Television. The finding of this article suggests that tourism promoting policies for Laos PDR was effectiveness so far. However, the methods of tourism promoting of Laos PDR has not invested heavily on tourism sector but still the tourists keep visiting Laos PDR.

Keywords: tourism policies, tourism management, Laos PDR

1. Introduction

Tourism is a dynamic industry and has continuously growth throughout the world. According to UNTWO's forecast, the number of tourist will increase to 1.6 billion, with revenue of US\$ 2 trillion in 2020. (WTO, 2000). In 2007, there were more than 898 million tourists, an increase of 6% from the previous year of 846 million tourists, and a generation of income worth approximately US\$800 billion worldwide. Therefore, tourism has become one of the largest income earning industries to the target countries, along another material, chemical, oil and food industries.

In regional arenas, for instance in the ASEAN countries, tourism has grown significantly so far. In 2010, more than 73 million tourists traveled to ASEAN countries; increasing 11% from the previous year (Department of Tourism Development, 2016). In this region, inbounds tourist increased 47% (as of 2010) due to the great tourism cooperation among ASEAN member countries, which may involve in combined the diversity of cultural and natural tourism resources. In Laos PDR, tourism has strongly grown during the year 2011-2016 at 30%, representing more than 2.7 million tourists and it generated income more than 406 million USD, accounting for 8% of GDP. Therefore, tourism has become the second powerful earning industry after the mining sector in the country.

However, the contribution of tourism promoting policies needs to be proofed and analyzed in terms of the effectiveness when compared to Thailand's tourism promoting policies which is perceived to be success in terms of facilitating the enormous tourism industry of Thailand. For instance: Thai government's invested on tourism sector 7,136.7 million THB (about 216.3 million USD) in 2016 (National Statistical Office of Thailand, 2016) with the number of tourist arrivals was 66.5 million (Ministry of Tourism and Sports, 2016). And collected the revenue from tourism around THB 2.51 trillion (Vanhaleweyk, 2014). In addition, the Tourism Authority of Thailand (TAT) was expects to receive more than 164 million domestic and foreign tourists in 2014, generating a record-breaking at 2 trillion THB (about 65 billion USD) in revenue (GLOBAL TIMES, 2013) that above target.

Department of Tourism Development under the Ministry of Information, Culture and Tourism of Laos PDR has not injected some funding on the advertisement and promotion of tourists' activities and tourists' sites due to its lesser economic development (Tourism), even though the tourists keep visiting Laos PDR with a slightly increase of number each year. On other thoughts, the promotion of tourism in Thailand seems to be effectiveness and the government has pay attention to the promotion of tourism sector in Thailand by regularly increasing the investment on tourism sectors.

For instance: in the 2010, the Ministry of Tourism and Sports had put up 4,113 million THB on tourism sector; in the 2011, the money was increased up to 7,017 million THB; in the year 2013, the amount of money was 11,926 million THB and in 2014 the government push further investment on tourism sector with 13,807 million THB (National Statistical Office of Thailand, 2014). This showed that the Ministry of Tourism and Sports of Thailand has seen the important role of tourism sector which plays a significant part in country's economic development that is affected to other sectors' development such as transportation; the hotel and accommodation industry; the food and restaurants; and other service sectors which link to tourism service sectors.

Therefore, the purpose of this research was analyzed the effectiveness of tourism promoting policies of Laos PDR which will focus on details of contents guidelines on tourism promoting policies including the activities and methods of promotions which are used to compare with the results of tourists' satisfactions in tourism products of Laos PDR. The satisfactions of tourists are many elements including the nature; the culture; the people and another thing. Those elements are believed to be a contribution to the success of tourism industry of Laos PDR which also in line of the national tourism promoting policies.

2. Data Analysis

The information for analyzing in this paper used secondary data from Laos Public Agency and Thailand Agency to creating an unconstructed interview guideline for focus group conducting methodology by using analogous confirmation method (Morse, 1993, pp. 300).

3. Program Advertisement and Promote Tourism

Overall guidelines for advertisement and promotion of tourism for 2006-2020 aims at maintaining the increase of international tourists 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 the future will still be from regional countries, which mean the 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 to cover higher rate. Targeted Achievement is in the table below:

Table 1: Targeted achievement

Year	No. of tourists entered into Laos PDR	Revenue from tourism (USD)	Duration of stay of international tourists
2010	1,600,000	220,000,000	8 days
2015	2,200,000	320,000,000	10 days
2020	3,000,000	370,000,000	11 days

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 aim to main markets advertisement through domestic and international media; internet, information centers all around the country. Organize visit to tourism site (as known as farm 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. To achieve the key tasks specified above, it is necessary to emphasize to the following programs:

Program 1: Produce printing and advertising materials

This program is necessary as printing and advertising materials, those are the key factors and tools for advertisement to make both domestic and international tourists be informing about tourism sites and products available in the country.

Program 2: Implement and extension of tourism information centers

Provision of on-site information to tourism is necessary, as they known more sites as possible which will help to attract them to prolong their duration of stay.

Program 3: Advertise Laos's tourism through media and tourism trade fair

Advertisement of Laos's tourism through domestic and international media plus various activities in the form of advertisement in countries where tourism is well aware as it can operate at all times with unlimited scopes. Such advertisement aims at 2 targets: Domestic and international tourism.

Program 4: Participation in 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. This would bring more opportunities and more attentions.

Program 5: Promotion of tourism activities

Laos People of all ethnic groups have their own traditional festivals with become great potentials in tourism promoting. In instance Boun Khoun Khao: the harvest festival, Boun Pi Mai, the new year festival and many small festivals occur in villages and provinces around the country all year.

Program 6: Cooperation with domestic and foreign business sectors in the advertisement and movement towards marketing, 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.

When Laos PDR first opened its door to international tourists in 1990, only 14,400 international arrivals were recorded. By 2005, the number had risen to nearly 1.1 million arrivals that generated over 146 million USD in foreign exchange. By 2011, the number of arrivals was 2.7 million, with revenue of 406 million USD. For the past 20 years, tourism has been the number one earner of foreign exchange, outpacing garment manufacturing, electricity exports and the mining sector (Tourism Development Department, Statistical Report in 2011). Over 70% of tourist arrivals to Laos PDR are regional tourists with the remaining 30% from the long-haul market that includes Europe, America and the Asia-Pacific region. Some priority markets for tourism industry are Thailand, America, France, The United Kingdom, Japan, Australia, Germany, Canada, Vietnam and China (LNTA, Statistical Report on Tourism in Laos 2016).

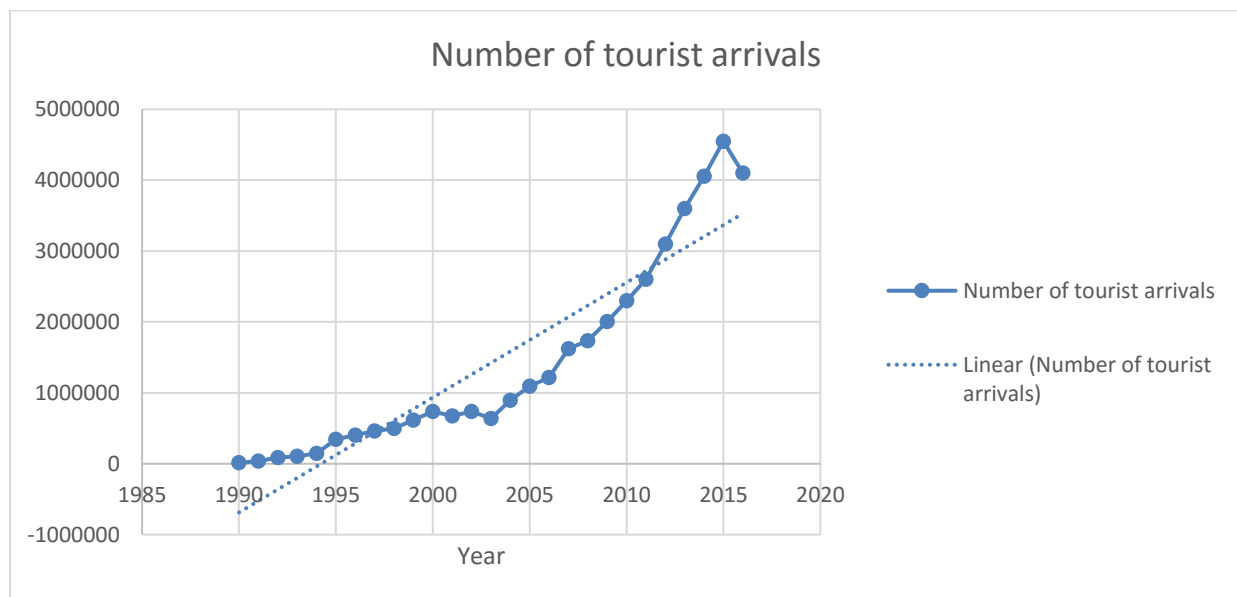


Figure 1: The Increase of Tourist Numbers in Laos PDR since 1990
(Source: Lao National Tourism Statistical Report, 2016)

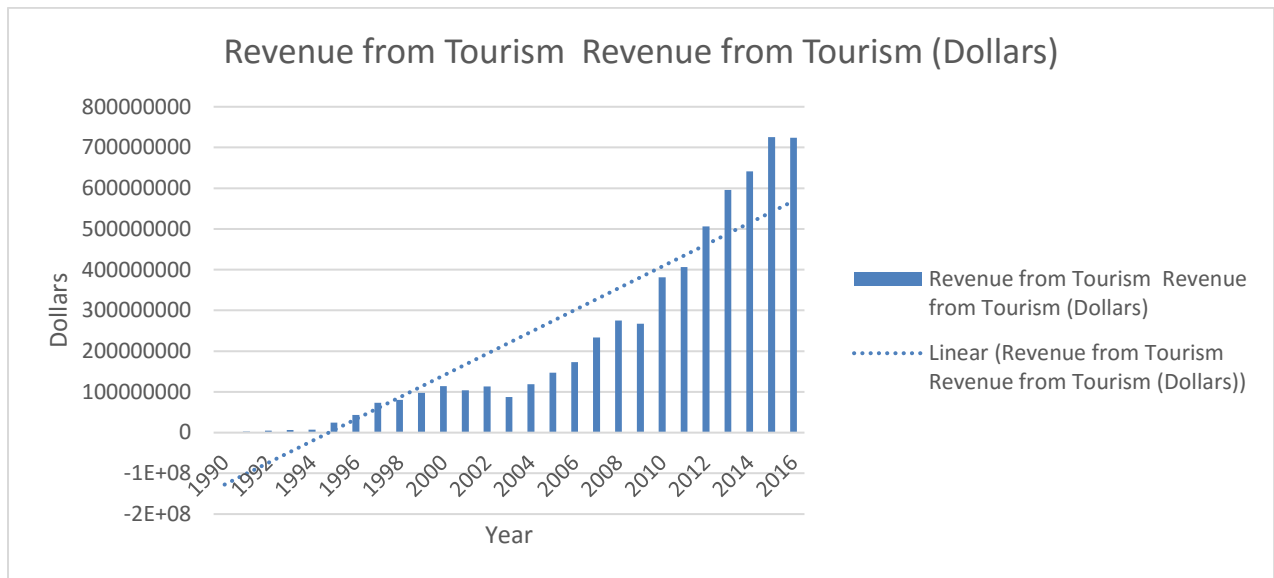


Figure 2: The Growth of Revenue from Tourism since 1990

(Source: Lao National Tourism Statistical Report, 2016)

The Lao Government has made significant investments to promote growth and investment in the tourism sector. There have been large investments in the transportation (road) networking from north to south and east to west that now conveniently links the Laos PDR to neighboring countries. Three international airports are opening in Vientiane, Luang Prabang and Pakse. Furthermore, the national electricity grid, water supply and other public infrastructure have been upgraded and expanded. As well as, this communication tools allow easy and reliable communication with the outside world.

There are 17 international immigration checkpoints, of which 13 checkpoints issue visas on arrivals. In addition, the country supports visa-free agreements with 8 ASEAN countries; and exempts visa requirements for Japanese tourists for a period of two weeks.

Despite substantial progress as a developing country, Laos PDR still requires large investments in infrastructure and the government is actively encouraging foreign investment as outlined in the 2004 investment law. Foreign investment is encouraged in all products and service industries in any areas that do not have a negative impact on national security, the environment, and do not adversely affect peoples' health or their culture is willing welcome. Foreign investors and their property are entitled to full protection under the Law of Laos PDR.

Foreign investors are permitted to invest in Laos PDR in three ways: first, as a business cooperation by contract; second, as a joint venture between foreign and domestic investors where foreign equity should not be less than 30% of the total registered capital; or as a 100% foreign owned enterprise.

According to the 2005 Tourism Law, foreign investment is encouraged in the following sectors:

- Activities involving tourism promoting;
- Activities involving tourism communications;
- Activities involving tourism transportation;
- Investment in the accommodation sector;
- Investment in the food and beverage and entertainment sector;
- Handicrafts and souvenirs;
- Investment in tour companies.

Investment in the tourism sector has been liberalized to allow 100% ownership in hotels and restaurants. Furthermore, foreign investment in tour companies is set to 30% minimum and 70% maximum for foreign shareholders.

In 2009, Laos PDR had a total number of 1,493 tourist attractions, an increase of 985 designated tourist sites from 2005. Currently, there are 435 cultural sites, 849 are natural sites and 290 historical sites. Of these, more than 500 sites are still awaiting investors to develop facilities and services at the sites. There are 364 sites that are currently opened for business but many are in need of further investment and improvement. (LNTA, Statistical Report on Tourism in Laos PDR, 2009) that aims to increasing 5 percent per year.

At the same time, Laos PDR has been improving its management of tourism, its administrative systems and strengthening its private sector tourism-related businesses. For instance, the Lao National Tourism Administration has been elevated to Ministerial level and the Lao Association of Travel Agents and the Lao Hotel and Restaurant Association have been established. In 2009, there were 166 registered tour companies (in 2003, there were only 41 tour companies), 1,148 restaurants, 357 hotels and 1,344 guesthouses with a total of 26,558 rooms. The average room occupancy rate was 54% in 2009 compared to 45% in 2003. (LNTA, Statistical Report, 2009).

Tourism is the second largest economic contribution to Laos PDR after the mining sector. In 2009, the revenue from tourism was 267.7 million USD, while the mining sector was worth 539.4 million USD. In 2011, the revenue from tourism was 406 million USD, whereas the mining sector was worth 1,237 million USD (Tourism Development Department, 2011) in 2016, the revenue raising up to 724.2 million USD. Consequently, the industry currently employs over 30,000 people, including many village based guides and other village level service providers that have been trained by the various community-based ecotourism programs active in the country.

Laos PDR is a small country in mainland Southeast Asia, but tourism has the potential for development based on cultural diversity as well as, historical and natural assets. The existing forest covers 41% of the country's land mass, with 20 national protected areas harboring a wealth of biodiversity and globally important species. The Mekong River harbors beautiful scenery, archaeological sites and distinctive Lao arts and heritage. There are also many historic sites (the Plain of Jars, Vat Phou Champasak and Luang Prabang etc.) and 49 hospitable ethnic groups with diverse lifestyles, cultural practices and customs.

One instance of Laos PDR's heritage is Luang Prabang, is a living UNESCO world heritage site first settled in the 14th century. This town has become a "Tourism Mecca" in Southeast Asia, which is popular with both regional and long haul visitors. Another instance is Vat Phou Champasak and the Ancient City of Settapura that dates back to the 5th century; the Plain of Jars in Xieng Khouang with over 3,000 large stone urns spreading over 60 major sites, with each jar weighing from 2 to 3 tons and believed to be about 3,000 years old. This exceptional heritage has been an ongoing effort by UNESCO and the Lao government.

In Houaphan Province, the Hin Tang Archaeological Park and the historic caves at Viengxay exist, one of fifteen National Heritage Sites. (LNTA: Tourism Guide Book, 2010). Some of the exceptional natural tourist attractions are Li Phi, and the Kone Papheng waterfalls, the largest waterfall in terms of its volume in Southeast Asia and the 7.5 km Konglor Cave underground river can accommodate small tourist boats.

There are 20 National Protected Areas, and some with established community-based ecotourism programs. One successful project is the Nam Ha Ecotourism Project, recognized as a "best practice" poverty alleviation project by UNDP that received both a UN Development Award and British Airways Tourism for Tomorrow Award. Other tourism destinations include the charming towns of Muang Ngoi in Luang Prabang, Muang Sing in Luang Namtha, Vang Vieng in Vientiane Province, Pak Beng in Oudomxay, Don Sao in Bokeo and Don Khone-Don Det in Champasak. In addition, Laos PDR has many traditional festivals held every month throughout the year as mentioned above.

Laos PDR clearly sees the importance and the benefit of tourism industrial, therefore the government continues to support and strengthen the role of the tourism sector through its enactment of a tourism law, marketing and promotion, and the public-private sector cooperation. Moreover, Laos PDR has cooperated with ASEAN and international organizations such as the UNWTO (United Nation World Tourism Organization) and the Netherlands Development Organization (SNV) to improve the Veing Xay historic caves, to draft the tourism law decree, and to work on some projects in southern Laos PDR. In addition, priority areas that required improvement such as; building human resources, developing infrastructure and upgrading services in the tourism sector and sustaining through the implementation of community-based ecotourism projects in Houaphan, Luang Namtha, Luang Prabang, Khammouane, Champasak and other provinces.

4. Conclusion and Recommendation

The Lao Government policies have formulated significant investments to promote growth and investment in the tourism sector. There have been large investments in the transportation for improvement transferring from north to south and east to west that nowadays conveniently links the Laos PDR to neighboring countries that aims for tourism and investment sector and launching tourism advertisement and promotion efforts shall have to achieve the following key areas: the first area is addressing to the publication of printing materials and advertisement tools on tourism with efficient contents.

The second area is advertisement shall be in various forms; tourism exhibition / fair organized regionally and internationally by aim to main markets advertisement by using differences media; internet, broadcast television and information centers all around the country and the last area that should do, to study and analyze tourism market to attract constant number of tourists. To achieve the key tasks specified above

Laos PDR has been improving its management of tourism, its administrative systems and strengthening its private sector tourism-related businesses. For instance, the Lao National Tourism Administration has been elevated to Ministerial level and the Lao Association of Travel Agents and the Lao Hotel and Restaurant Association have been established. Tourism is the second largest economic contribution to Laos PDR after the mining sector. In 2009, the revenue from tourism was 267.7 million USD, while the mining sector was worth 539.4 million USD. In 2011, the revenue from tourism was 406 million USD, whereas the mining sector was worth 1.237 million USD and in 2016, the revenue raising up to 724.2 million USD that signed to launch promoting policy for rising arrival tourism and revenue from tourism.

Recommendation of this study examined the outcomes of the performance of tourism promoting policies of Laos PDR in comparison to the tourism performance on the topic: 'The Impact of Tourism Policies Toward The Tourists Arrival in ASEAN: A Case Study of Laos PDR'. The argument have been set up that Laos government has input some small amount of budget in the promotion of tourism sectors even though the tourist keep coming to visit Laos PDR. On the other hand, Thailand tourism has been invested with a big funding from the government, cost 7,136.7 million THB (about 216.3 million USD) in 2016 which in returns can attracted a large number of tourists that was about 66.5 million and earned a lot of revenue from tourism, in 2016 the revenue from tourism was 2.51 trillion THB.

Based on the contents shown in figure 1 to figure 2, Laos PDR succeeds in term of tourism promoting policies. Even though Laos's tourism is considered as a small industry comparing to Thailand's tourism industry because of the investments on tourism sector are different. All of Laos PDR Public Sectors are need to consider that if Laos PDR should pay more attention to the promotion of tourism sector by getting lessons learned from Thailand as the country with a success on tourism industry which they have well implemented the tourism plans and guidelines for gain more revenue to the country from tourism industry or not.

Percentage of research conduct is 50/50 (Krish Rugchatjaroen and Simonekeo Senesathith)

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