

# ASEAN Forum on Sustainable Investment

*4-5 November 2021  
Virtual Meeting*

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**Investment Promotion Department**  
**Ministry of Planning and Investment**



# **L**AND OF **A**MPLE **O**PPORTUNITIES AND **S**UCCESS

INVESTMENT PROMOTION DEPARTMENT, MPI

# Outline

1. Economy **Profile**
2. Investment **Performance**
3. Investment **Opportunities**
4. Investment **Diversification**
5. Promotion **Activities and Supports**



# 1. Economy Profile

## Lao Government Policy toward Economic Development



### Vision 2030

- Knowledge
- Green
- Sustainable

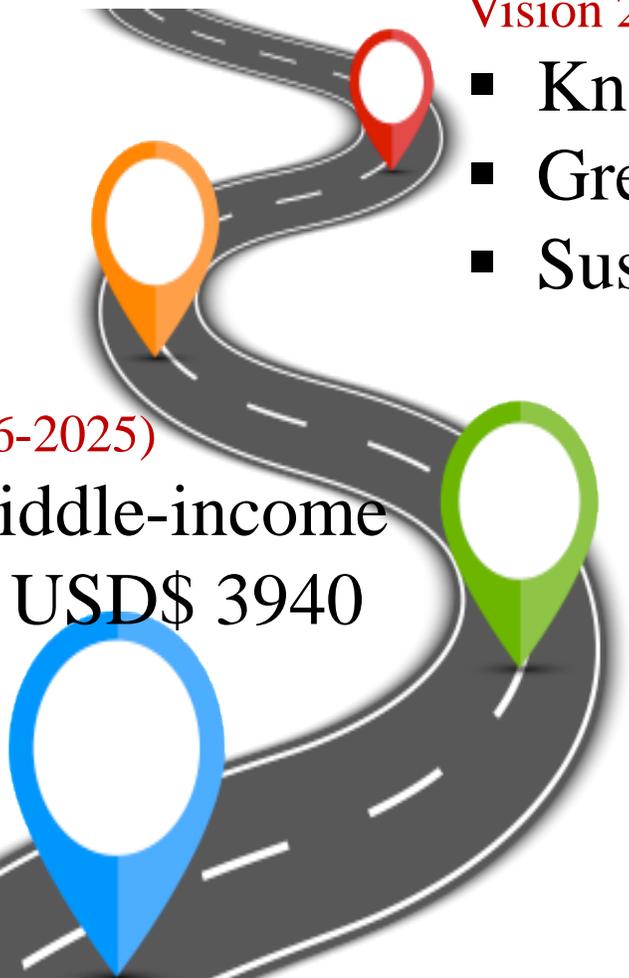


### 8th NSEDP (2016-2020)

- GDP Growth 7.5%
- Graduate from LDC by 2020

### Strategy (2016-2025)

- High middle-income
- GDP ≈ USD\$ 3940



# Investment Performance

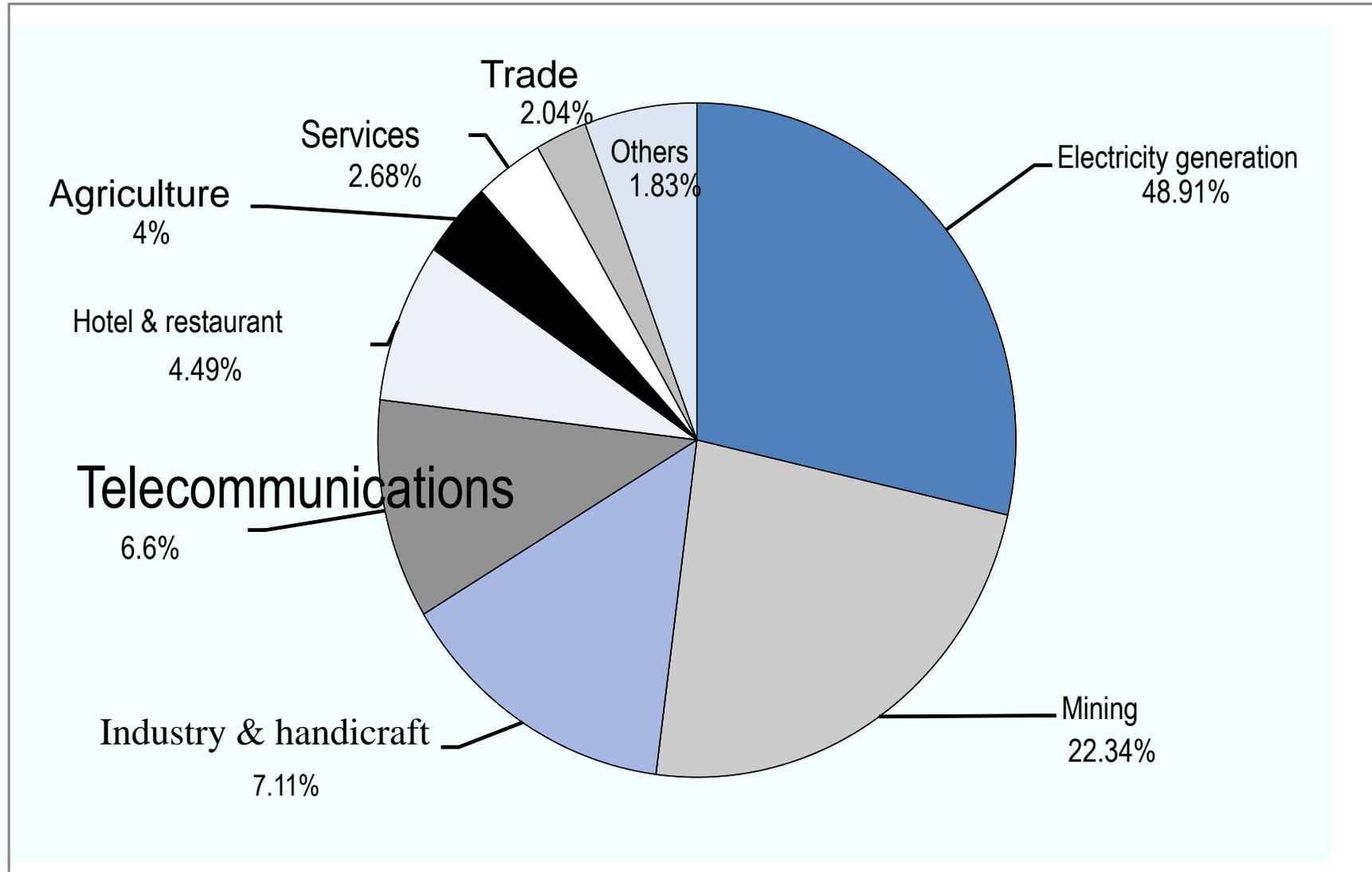


# Top 10 FDI Countries 1989-2020

Ranking	Country	Projects	Value (\$USD Million)
1	 China	870	10.059
2	 Thailand	761	4.716
3	 Vietnam	423	3.972
4	 Malaysia	101	794
5	 Korea, South	296	751
6	 Hong Kong	52	644
7	 France	225	546
8	 Netherland	15	399
9	 Norway	6	346
10	 England	56	277

Source: Investment Promotion Department, Ministry of Planning and Investment, September 19, 2019

# FDI By Sectors (1988-2020)



Source: Investment Promotion Department

# Investment Opportunities



# WHY LAOS ?

## Integrated to regional and international arena

- Member of international organization
- Anything But Arms (ABA)
- Normal Trade Relation (NTR) with USA (February 04, 2005)
- Bilateral Investment Treaties with 26 countries
- Member of WTO



## Comparative Advantage

- Plentiful unexploited natural resource
- Large area of fertile agriculture land
- Lack of natural disaster
- Varieties of tourism development sites



## Competitive Advantage

- One of the most Politically stable country in the region
- Socio-Economic and Financial stability
- Low crime rate, Safety orderly society
- Low labor costs
- Laws and regulation in place
- Land lease



# WHY LAOS ?

## Railway

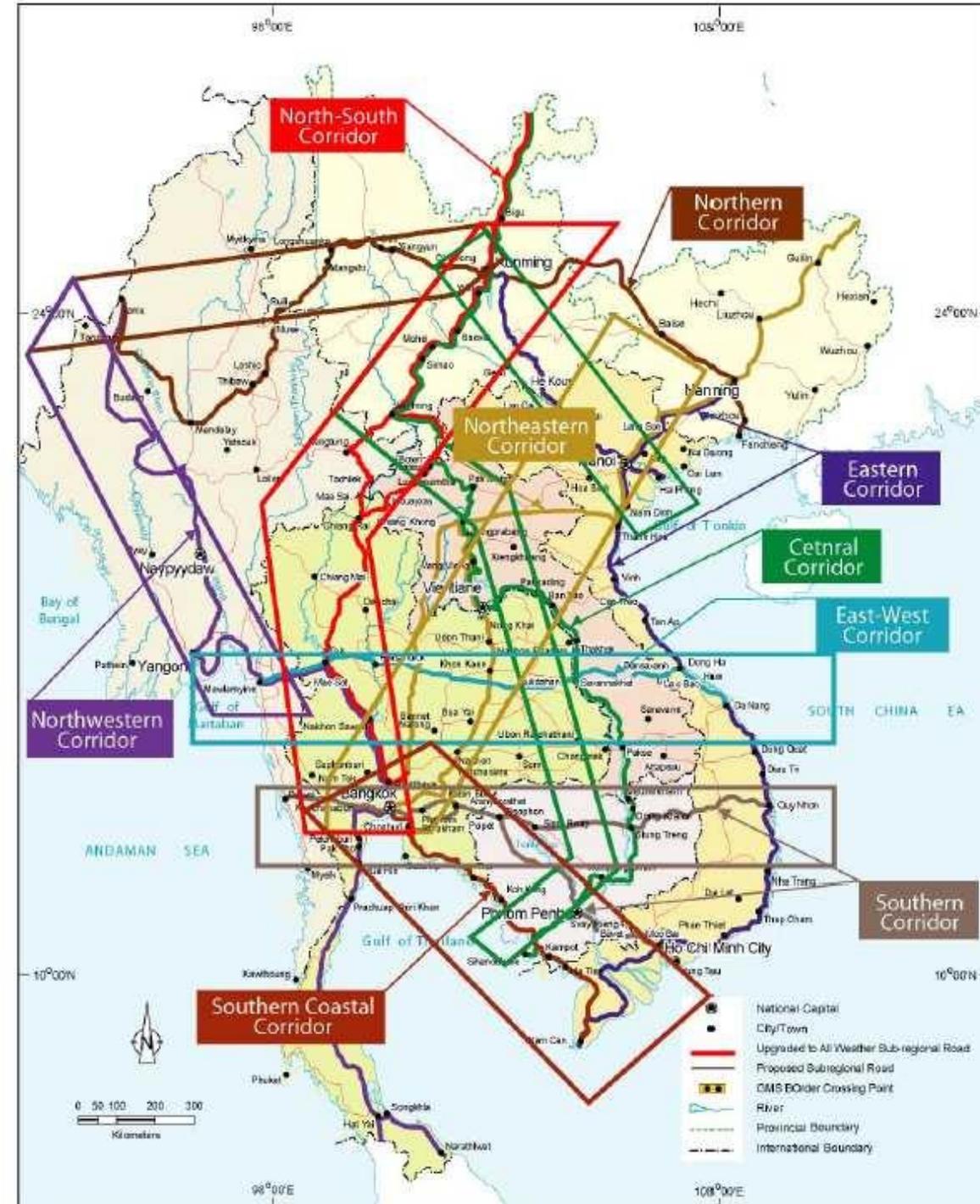
- Laos-China high speed railway from Vientiane Cap to Yunnan Province (to be completed in 2021)
- Laos-Vietnam railway from Khammuan Province to Ha Tinh Province and to Vung Ang port (FS)
- Lao-Thai railway from Khammuan-Savahnakhet-Champasack-Vangtao (FS)

## Highway

- Laos-China highway (Vientiane Cap. to Vientiane Pro. to be completed in 2021)
- Vientiane Cap to Hanoi (FS)
- Vientiane Cap. – Bolikhamxay - Savahnakhet - Salavanh – Champasack
- Khammuan-Nampao (Laos-Vietnam border)
- Improving national highway such as Road No. 13, 12, 8, 9, R3 and etc.

## Logistic & Port

- 4 int'l airports, 27 int'l borders
- Savahnakhet dryport
- Luangnamtha, Khammuan, Champasack (FS)
- Laos-Vietnam international port (Vung Ang, Ha Tinh Pro.)



# Incentives by Business Sectors



1. High and modern technology Business



2. Clean Agriculture



3. Agro and Forestry Processing industry



4. Tourism development industry



5. Education



6. Healthcare



7. Infrastructure



8. Banking, Micro-Finance



9. Modern commercial, Trading centers

# Incentives by Zones

Zone	Tax Holiday	Additional Tax Holiday
Zone 1	10 years	5 years    
Zone 2	04 years	3 years    
Zone 3	Specified in SEZ Decree	—

\* Also apply for exemption of rental and concession royalty of state land for investment per sector

# Value-Added Tax and duty incentives



- ✓ Import of materials, equipment which may not be supplied or produced in the Lao PDR, to form the fixed assets, and of machinery and vehicles directly used for production.
- ✓ Import of raw materials, equipment and parts to be used in the production for export
- ✓ Use of domestic raw materials which are not natural resources for producing finished and semi-finished products for export

# Investment Diversification

# Investment Diversification

- Presently, the Government require for quality development in order to meet the implementation of the public policy and vision for sustainable development and green growth to serve society and the government in the new period, as well as to achieve the goal of integration, regional and international integration, which the Government has signed international conventions at the United Nations.
- To reach the need of sustainable development on connectivity, the region and international connectivities, the Lao Government has considered and approved the Decree on Public Private Partnership (PPP) on dated 21 December 2020 to be the specific regulation to promote and attract new investment form is PPP investment project.

# Investment **Diversification** (Cont.)

- To consistence with the Government vision 2030 in expanse the sustainable development specially to compete the benefit of using an existing potential from land lock to land link country, which the Government currently is paying an attention in divert the investment promoting sector by reduction natural resources based to diversified to other promoted sectors such as 1. Services sector. 2. PPP sector.

For Services sector, the outstanding services expect to growth and drive the economy is:

- Logistic
- Transportation
- Dry port
- Services surrounding including Tourism services.

# Investment **Diversification** (Cont.)

For Public Private Partnership sector, Government benefit:

- Reduce the risk and burden of Government budget in the development of infrastructure and services each year.
- Create opportunities for the private sector to become more involved in development pursue with the new development direction
- Promote and attract investment in various forms so that investors or developers have more options to invest in Lao PDR.
- Build trust and confidence in the government, business and international organizations to provide assistance.

# Promotion **A**ctivities



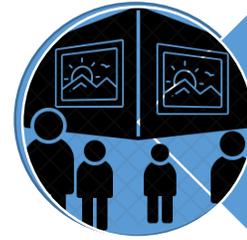
A courtesy call, Aichi, Japan



Laos Investment Promotion Dialogues in Osaka, Japan



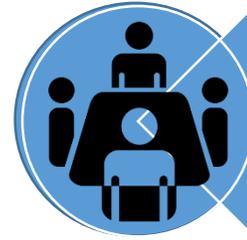
Trade and Investment Forum



Domestic and International Exhibition



Dian Chi Forum for Lancang-Mekong Cooperation, Yunnan, China



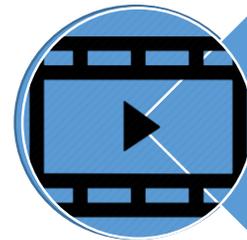
Specific Project Mission



China Daily



Laos Investment Promotion seminar in Hanoi, Vietnam



Advertisement, Media...

# Support **A**ctivities



Laos-Japan Public and Private Sector Joint Dialogues, VTE, Laos



Comparison of score and rank of each indicator	
Score	Rank
2018	2019
Overall	
51.26	51.26
154	154
Starting a business	
72.66	68.89
164	189
Dealing with construction permits	
75.76	87.84
40	89
Getting electricity	
82.86	82.77
148	188
Registering property	
68.56	84.93
88	88
Getting credit	
68	68
77	73
Protecting minority investors	
51.02	51.97
172	174
Paying taxes	
64.18	64.22
168	155
Trading across borders	
82.88	76.12
124	78
Enforcing contracts	
66.22	41.89
97	162
Resolving insolvency	
188	188



Opening Ceremony of OSS



IPD website:

[www.investlaos.gov.la](http://www.investlaos.gov.la)



Investment Promotion and Supervision Committee



Laos Business Forum



Public and Private Sector Joint Dialogues



Doing Business Reform



One Stop Service



Hotline, website...

# For further details, kindly contact:

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### FEATURES

### NEWS AND EVENTS

- Laos, Japan forge ne...**  
(Vientiane Times) Laos and Japan are pushing towards greater economic...
- Japan shows interest...**  
H.E Somsavat Lengsavad, Deputy Prime Minister of Lao PDR, H.E...
- Nikon established ne...**  
(Vientiane Times) Nikon Corporation established of a new factory in...
- Elevating Level of L...**  
Laos and Korea organized a Laos-Korea Development Cooperation Forum 2012...

### Public Private Partnership

#### Development of PPPs in the Lao P.D.R.

Acknowledging that public investment and private investment are equally important to the development of Lao socio-economy, the Lao Government has realized the importance of Public