

ASEAN Forum on Sustainable Investment

*4-5 November 2021
Virtual Meeting*

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LAND OF AMPLE OPPORTUNITIES AND SUCCESS

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



Strategy (2016-2025)

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











8th NSED (2016-2020)

- GDP Growth 7.5%
- Graduate from LDC by 2020

Investment Performance

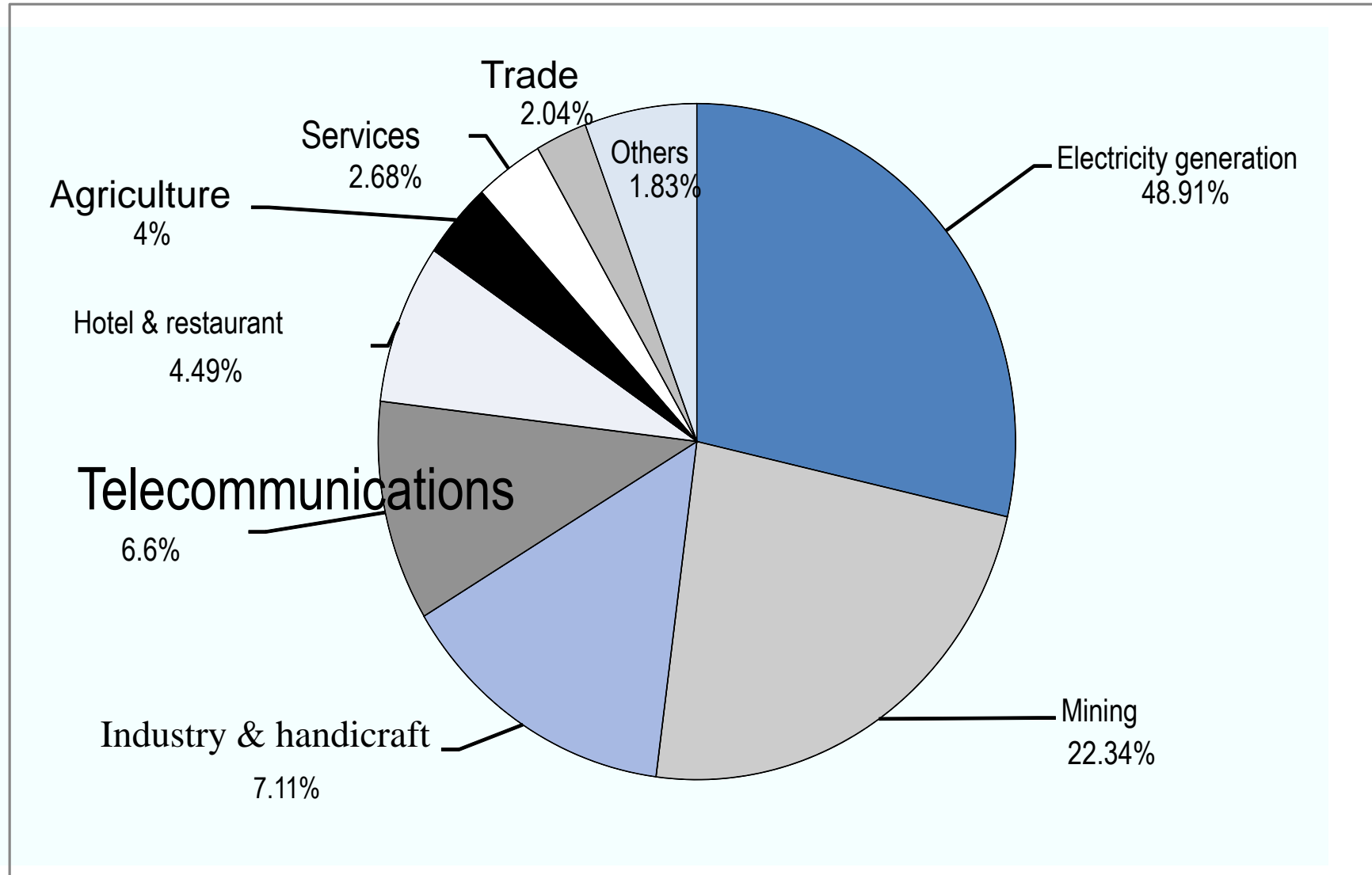


Top 10 FDI Countries 1989-2020

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

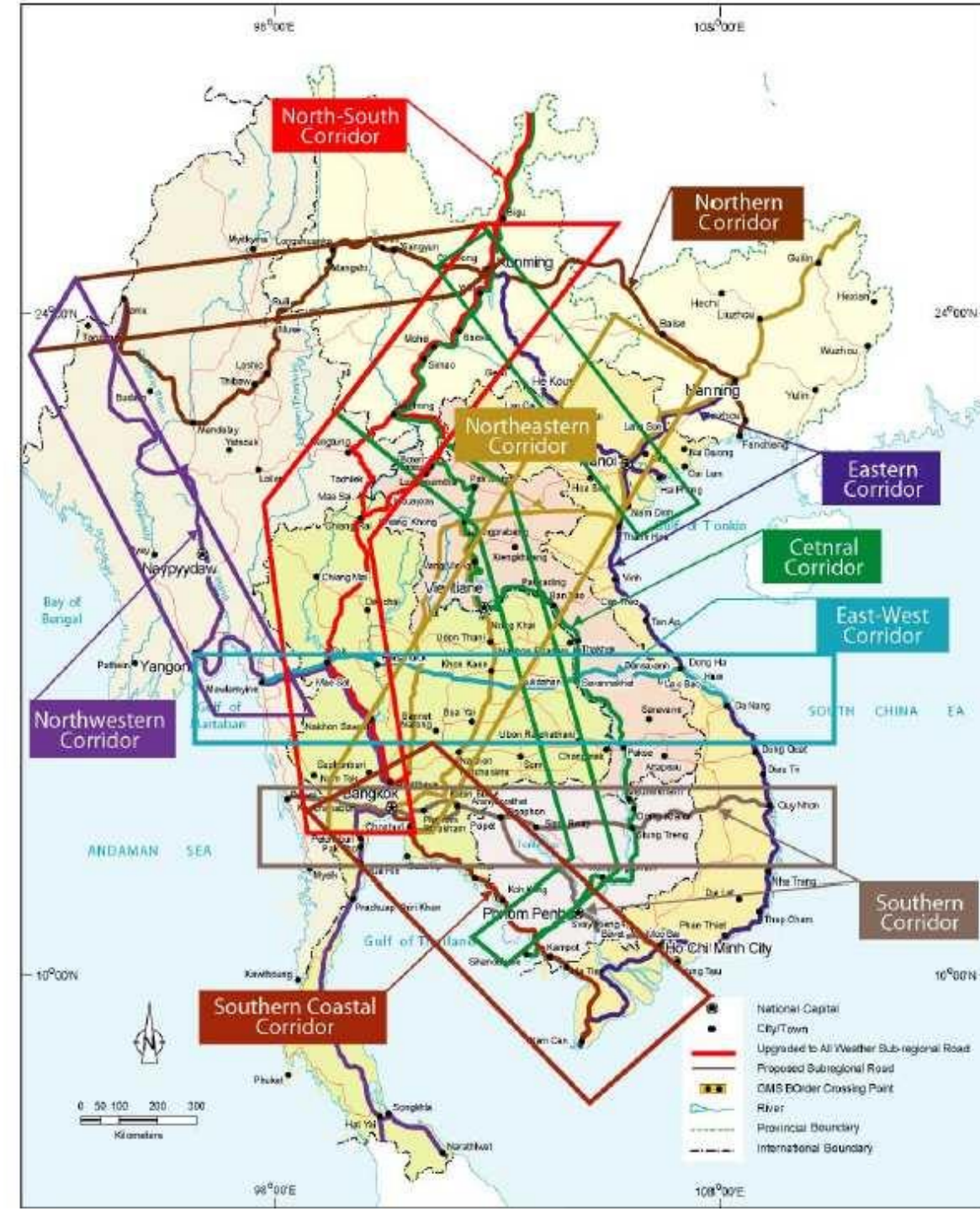
- Laos-China high speed railway from Vientiane Cap to Yunnan Province (to be completed in 2021)
- Laos-Vietnam railway from Khammuan Province to Ha Tinh Province and to Vung Ang port (FS)
- Lao-Thai railway from Khammuan-Savannahnakhet-Champasack-Vangtao (FS)

Highway

- Laos-China highway (Vientiane Cap. to Vientiane Pro. to be completed in 2021)
- Vientiane Cap to Hanoi (FS)
- Vientiane Cap. – Bolikhamxay - Savannahnakhet - 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
- Savannahnakhet 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 Activities



A courtesy call, Aichi, Japan



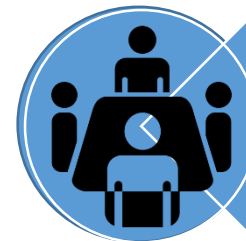
Laos Investment Promotion Dialogues in Osaka, Japan



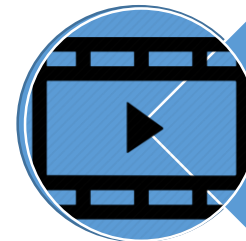
Trade and Investment Forum



Domestic and International Exhibition



Specific Project Mission



Advertisement, Media...



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



China Daily



Laos Investment Promotion seminar in Hanoi, Vietnam

Support **A**ctivities



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

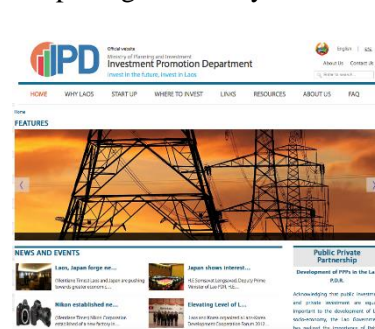


Comparison of score and rank of each indicator

	Score	Rank
Overall	51.26	154
Starting a business	72.66	164
Dealing with construction permits	76.75	140
Getting electricity	82.48	148
Registering property	86.56	88
Getting credit	77	73
Protecting minority investors	51.07	172
Paying taxes	64.18	168
Trading across borders	62.88	124
Enforcing contracts	66.22	97
Resolving insolvency	188	188



Opening Ceremony of OSS



IPD website:

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...

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