

Investment Environment in Lao PDR 2017



ສປປລາວ MPI

ກະຊວງແຜນການ & ການລົງທຶນ Ministry of Planning & Investment

Outline:

- 1. Key Challenges that current regional Investment trend poses to Laos**
- 2. How does the revised Investment Promotion Law fosters responsible investments?**

Outline:

1. Key Challenges that current regional Investment trend poses to Laos

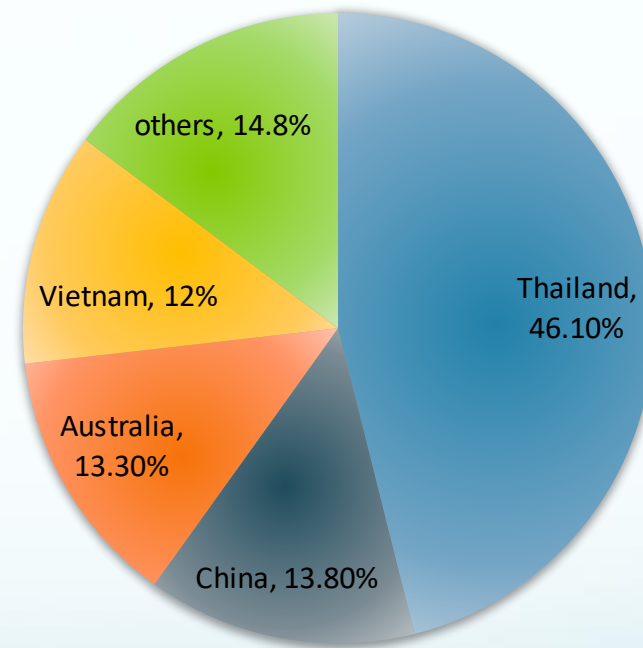
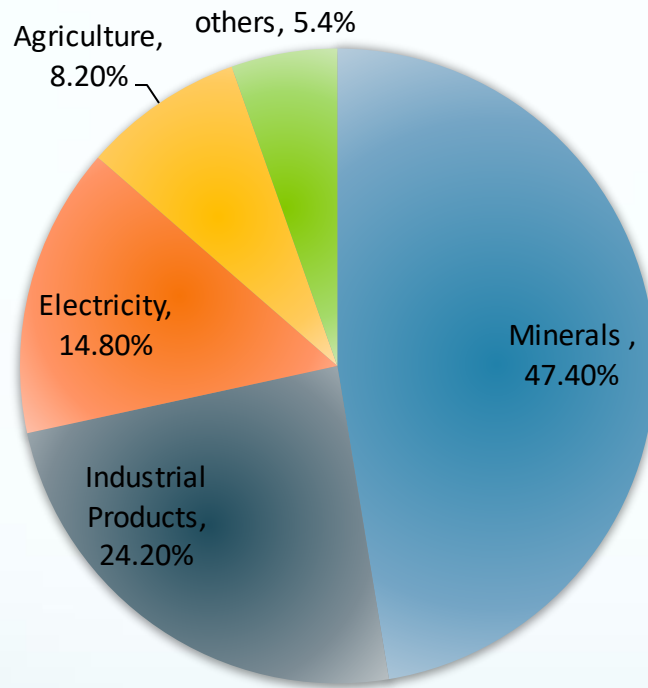
2. How does the revised Investment Promotion Law fosters responsible investments?



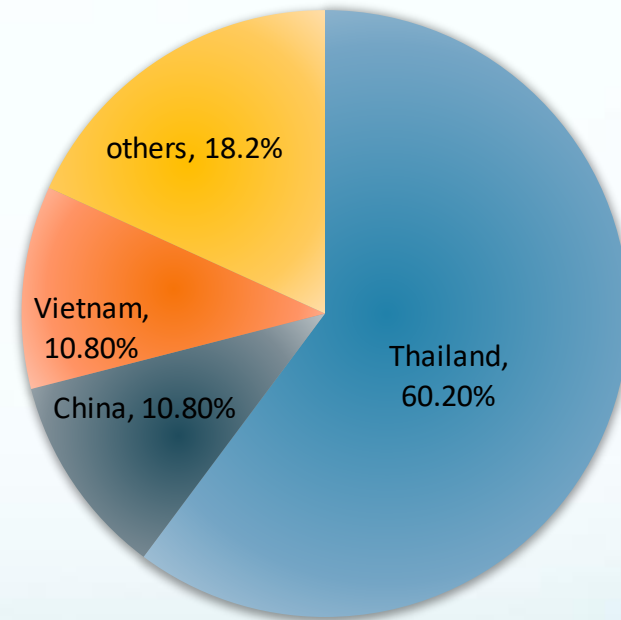
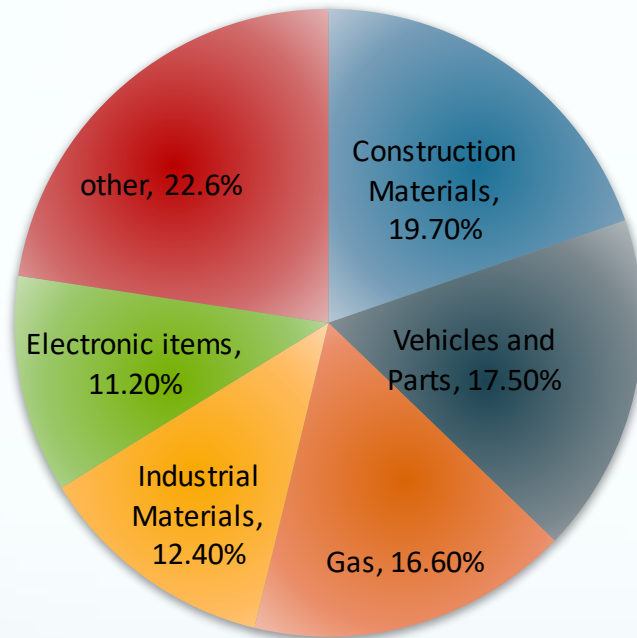
ASEAN Summits 2016

Vientiane, Lao PDR











Export (2010-2015)



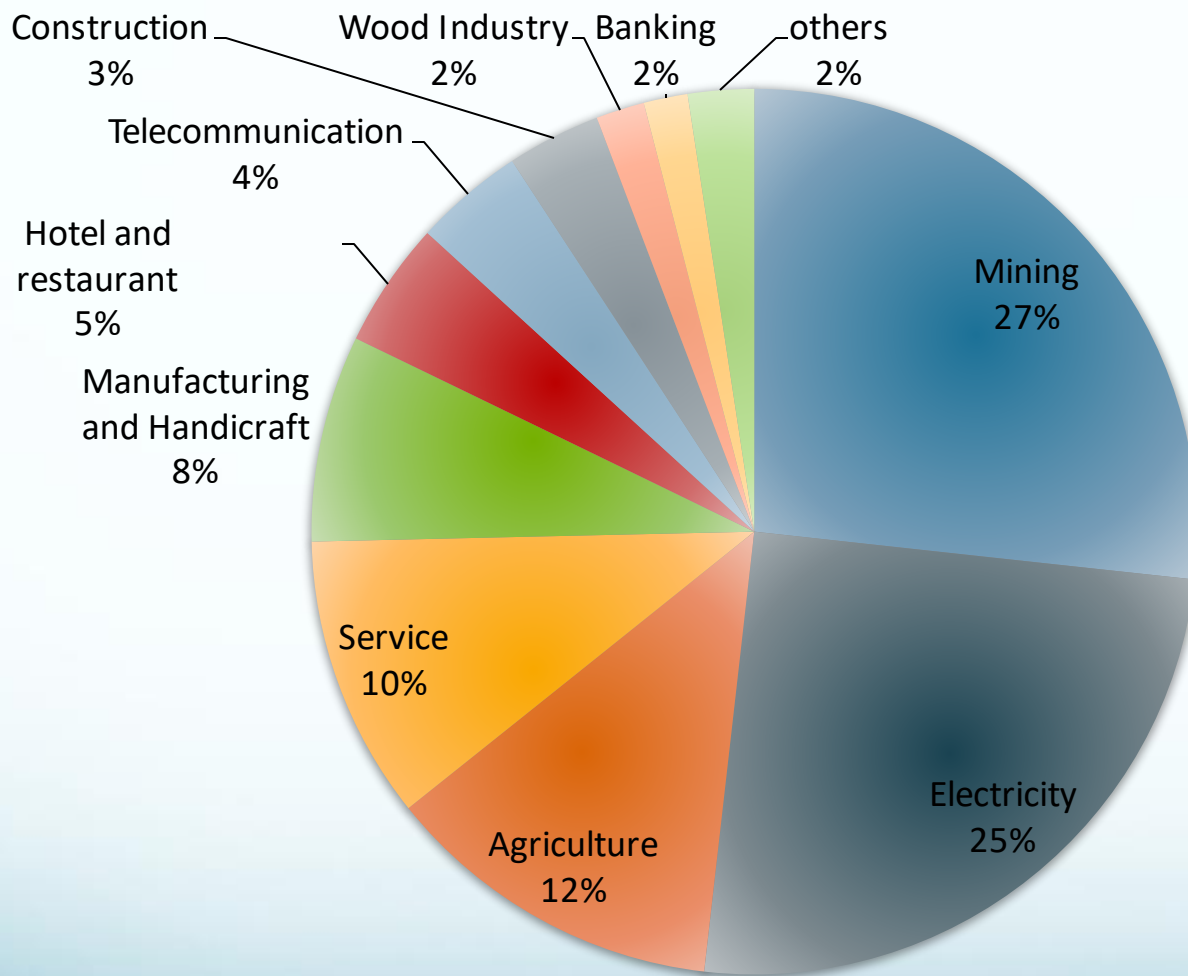
Import (2010-2015)



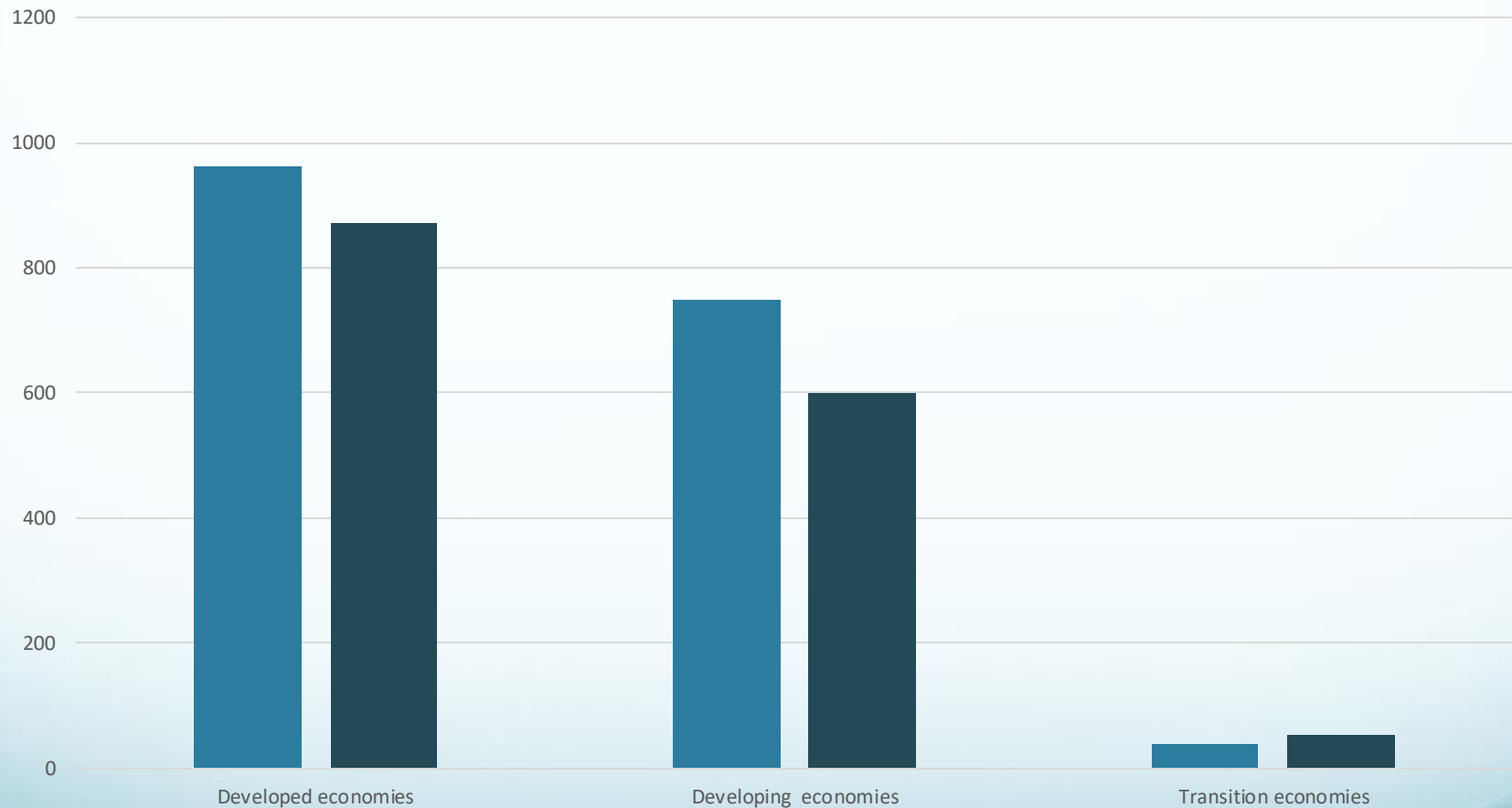
Top 10 FDI Countries (1988-2015 (March))

					
	No.	Country	Projects	Value (USD million)	
	1	China	830	5,396	
	2	Thailand	746	4,455	
	3	Vietnam	421	3,393	
	4	Korea, South	291	751	
	5	France	224	490	
	6	Japan	101	437	
	7	Netherland	16	434	
	8	Malaysia	101	382	
	9	Norway	6	346	
	10	Britain	52	197	

FDI By Sectors (1989-2014)



Global FDI inflows 2015 and 2016 (US\$ billion)



Source: Global Investment Trends Monitor by UNCTAD

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Ease of Doing Business in

Lao PDR

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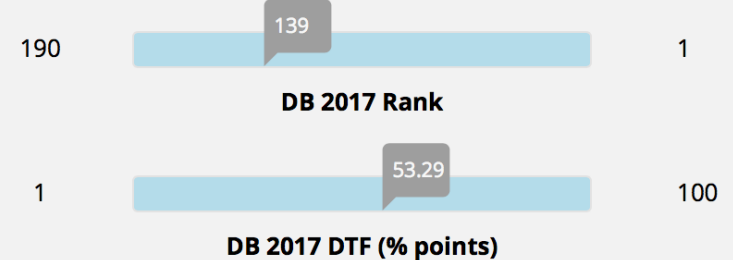
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(1730.1KB, pdf)

Region	East Asia & Pacific
Income Category	Lower middle income
Population	6,802,023
GNI Per Capita (US\$)	1,730
City covered	Vientiane



Topics	DB 2017 Rank	DB 2016 Rank 	Change in Rank	DB 2017 DTF (% points) 	DB 2016 DTF (% points) 	Change in DTF (% points) 
Overall	139	136	↓ 3	53.29	52.44	↑ 0.85

Source: The World Bank

Topics	DB 2017 Rank	DB 2016 Rank 	Change in Rank	DB 2017 DTF (% points) 	DB 2016 DTF (% points) 	Change in DTF (% points) 
Overall	139	136	↓ 3	53.29	52.44	↑ 0.85
Starting a Business ✓	160	168	↑ 8	72.42	67.36	↑ 5.06
Dealing with Construction Permits	47	42	↓ 5	75.11	75.06	↑ 0.05
Getting Electricity ✓	155	158	↑ 3	48.67	45.19	↑ 3.48
Registering Property	65	64	↓ 1	68.70	68.70	-
Getting Credit	75	70	↓ 5	55.00	55.00	-
Protecting Minority Investors	165	166	↑ 1	35.00	35.00	-
Paying Taxes	146	143	↓ 3	56.98	57.01	↓ 0.03
Trading across Borders	120	116	↓ 4	62.98	62.98	-
Enforcing Contracts	88	86	↓ 2	58.07	58.07	-
Resolving Insolvency	169	169	-	0.00	0.00	-
✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.						

Source: The World Bank

Outline:

1. Key Challenges that current regional Investment trend poses to Laos

2. How does the revised Investment Promotion Law fosters responsible investments?

Investment Promotion Law (revised 2016)

- Fostering responsible investment by defining clearly in Part 6 Section 2 the responsibilities and obligations of investors to the government, the society and the environment.

Article 72:

- on obligations to the government, the investors shall pay taxes and duties, cooperate with government parties, employ locals and transfer knowledge to locals, and fulfill other obligations according to the law.

Article 73:

- on obligations to society, business shall offer social benefits to their employees, respect culture and tradition, compensate for loss and damages incurred from business operations, aim to reduce poverty and support local businesses, offer charity and donations to social development, and fulfill other obligations according to the law.

Article 74:

- on obligations to the environment, business shall strictly oblige by the safe environmental guidelines and practice environmental protection, fostering sustainable green environment, repair any environmental damage caused by business operations, and fulfill any other obligations according to the law in order to ensure maximal environmental safety.

Moreover:

- For all investments involving the use of natural resources and may have any environmental impact, we must seek approval from line ministries, such as Ministry of Natural Resources and Environment. If for any businesses or investment that may have high environmental impact and social impairment, such investment will need to through an additional layer of approval process from the National Assembly. In essence, we can guarantee only quality investments with minimal negative impact to get approved and operated in Laos PDR. By providing clear approval procedures and business obligations in the new law, we can ensure only responsible investments to be approved and fostered.

Many Thanks

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