



“Hand in Hand with Laos and Japan Seminar”

INVESTMENT OPPORTUNITIES IN THE LAO PDR

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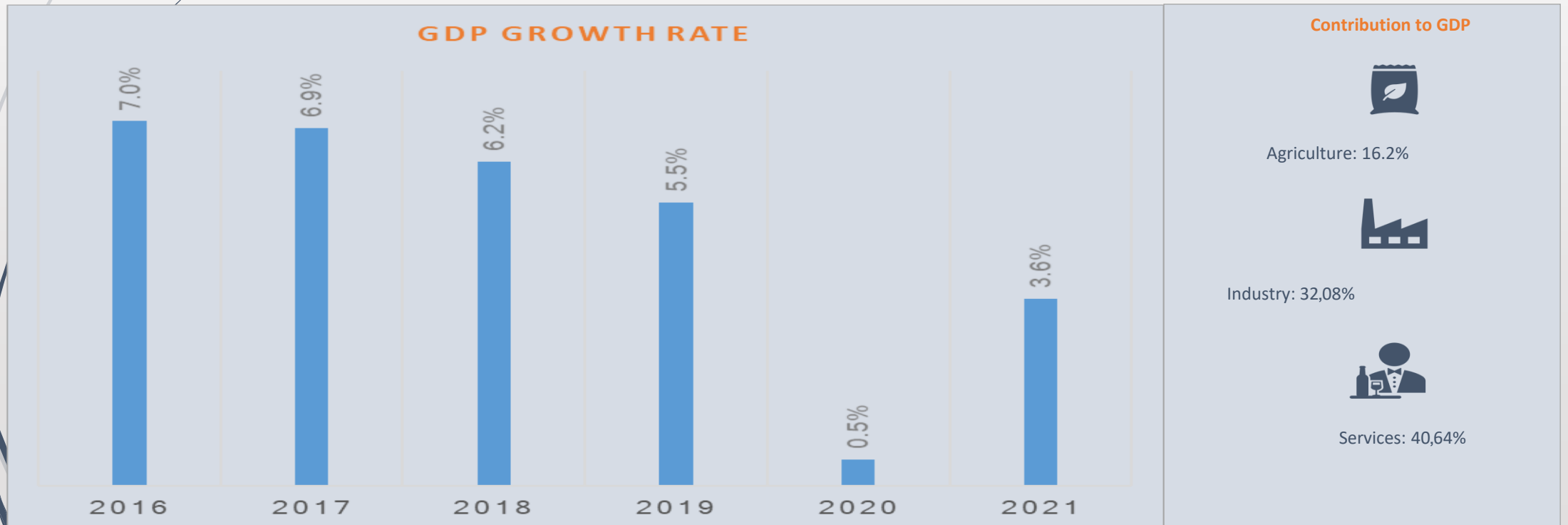
Main contents

1. Lao PDR's recent economic overview
2. Investment incentives
3. Investment opportunities

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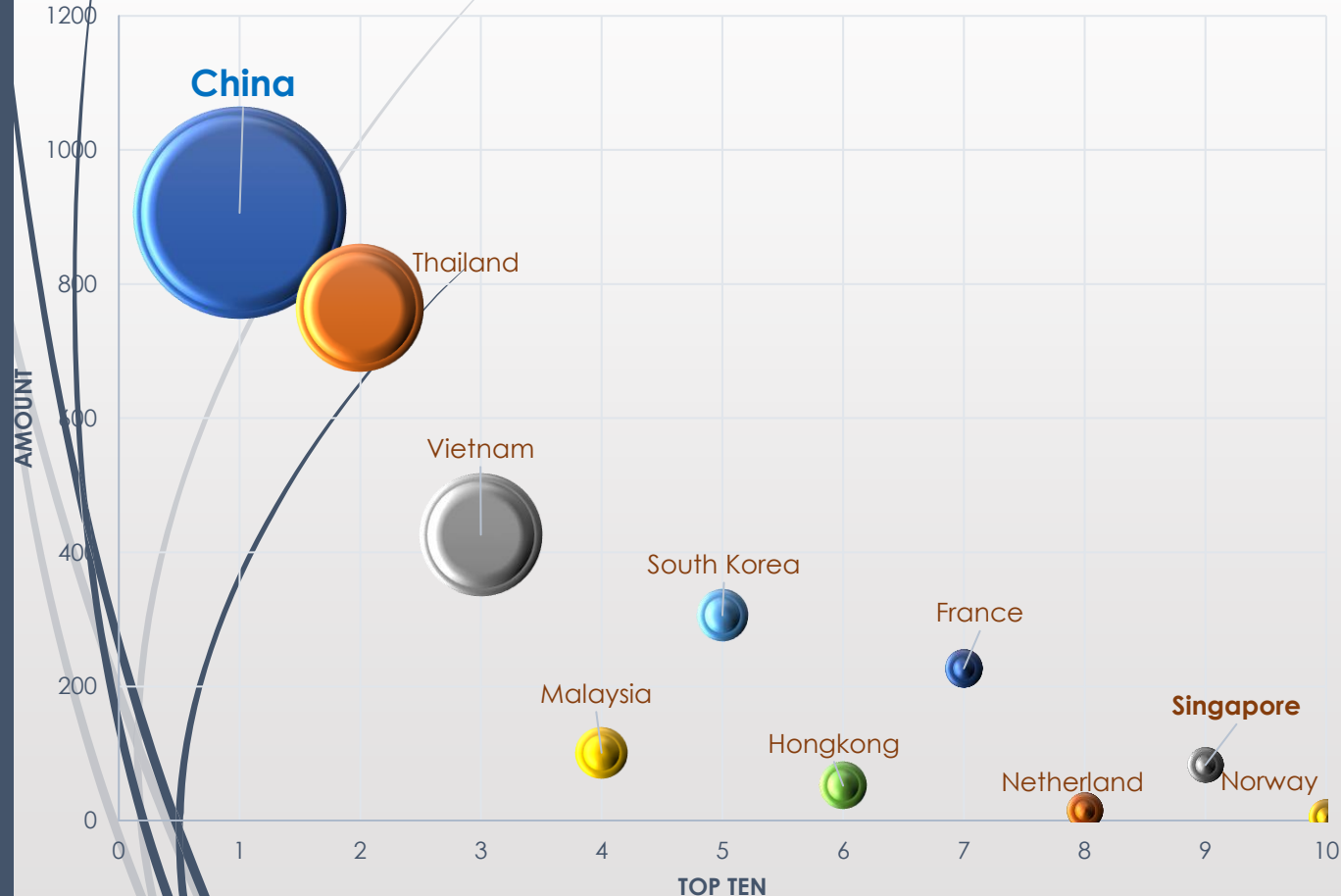
Lao PDR's recent economic performances

- GDP grew 6.4% per year between 2016 and 2019.
- In 2020, GDP grew only 0.5% due to the impact of Covid-19 and return to 3.6% in 2021.
- Structure of the economy: services sector accounts for 40.64% of GDP, industry sector accounts for 32.08% and agriculture sector accounts for 16.2 % of GDP.



Top 10 investment Ranking

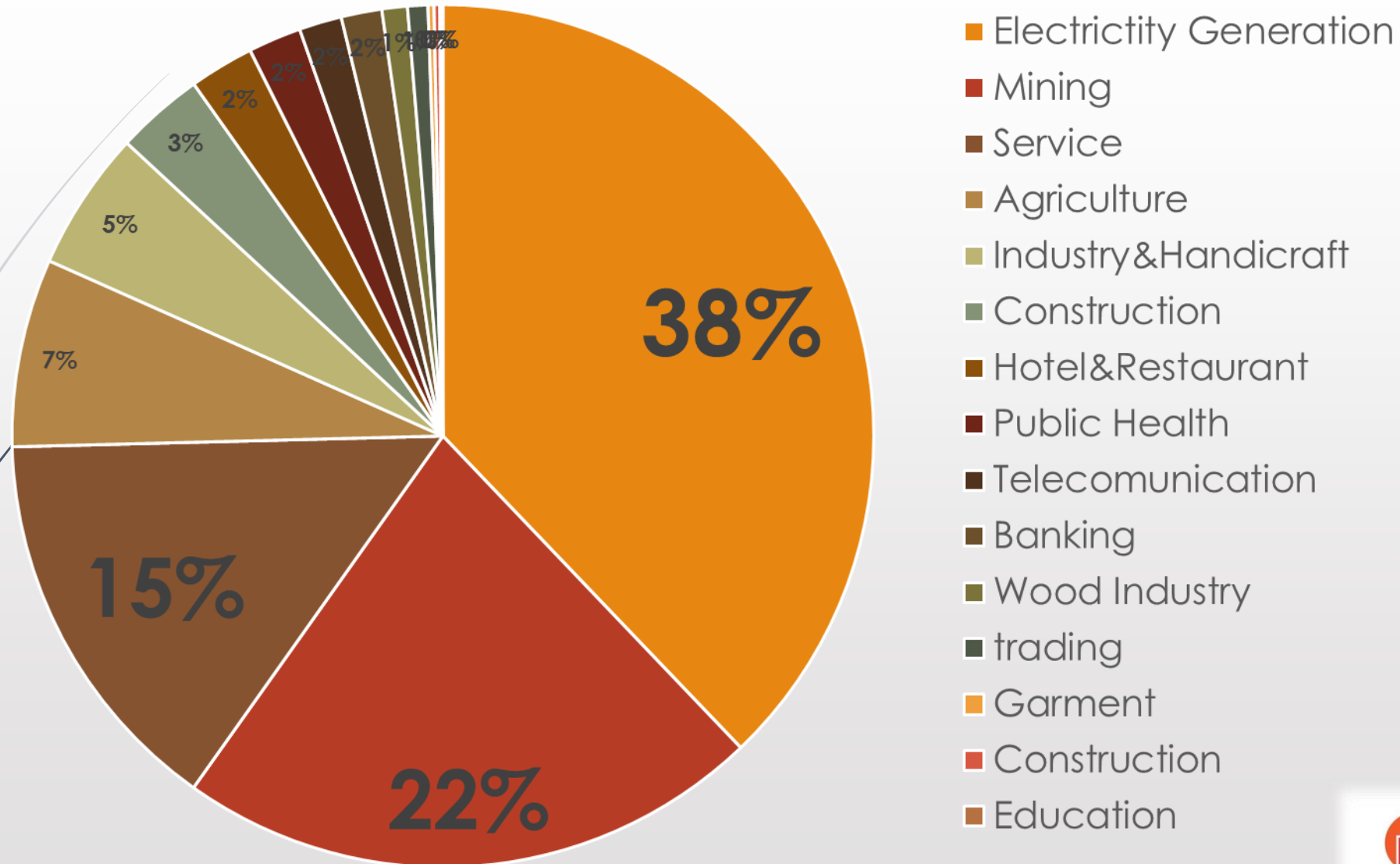
INVESTMENT CAPITAL BY COUNTRY 1989-2022
(Million USD)



No	Country	Unit	Value of Investment (US\$)
1	Lao*	2829	15,381,812,977
2	China	920	13,465,892,261
3	Thailand	764	4,728,453,493
4	Vietnam	425	4,208,910,907
5	Malaysia	101	767,128,844
6	Korea, South	312	758,848,151
7	Hong Kong	52	644,457,259
8	France	227	558,354,763
9	Netherlands	15	399,366,484
10	Singapore	83	362,349,918
11	Norway	6	346,435,550
12	Australia	90	194,662,582
13	United Kingdom	55	167,031,258
14	United States	119	150,949,732
15	Japan	106	121,130,049
16	Taiwan	76	120,538,116

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Approved Foreign Investment Project by Sector



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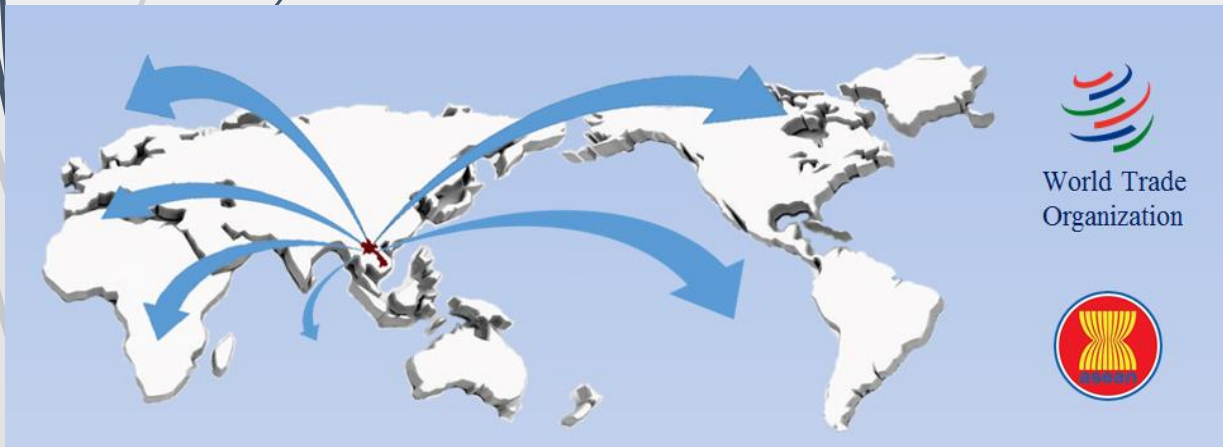
Japanese investment in Lao PDR

No	Sector	Unit	Local Share		Foreign Share	Value of Investment (US\$)
			Private	Government		
1	Agriculture	23	3,157,530	150,000	50,232,314	53,539,844
2	Industry & Handicraft	21	1,490,000		28,531,378	30,021,378
3	Wood Industry	5	719,800		19,126,400	19,846,200
4	Service	13	3,936,174	1,745,000	7,321,733	13,002,907
5	Garment	6	480,150		5,179,350	5,659,500
6	Construction	3			5,156,000	5,156,000
7	Trading	7	765,000		2,010,000	2,775,000
8	Hotel & Restaurant	5	457,500	20,000	1,262,500	1,740,000
9	Electricity Generation	1			1,000,000	1,000,000
10	Consultances	5	4,554		966,375	970,929
11	Education	2	306,000		344,000	650,000
TOTAL		91	11,316,708	1,915,000	121,130,049	134,361,757

No	Investment Type	Unit	Local Share		Foreign Share	Value of Investment (US\$)
			Private	Government		
1	100% foreign investment	58	0		86,805,921	86,805,921
2	Joint venture	33	11,316,708	1,915,000	34,324,128	47,555,836
TOTAL		91	11,316,708	1,915,000	121,130,049	134,361,757

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



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Export - Import & Trade Partner of Lao PDR

Our major exports

- Electricity (30% of exports)
- Mineral (Gold, Cropper..)
- Agriculture Product (rubber, Cassava, Banana, Coffee..)
- Manufacturing (paper, Garment, sugar, Potash, etc.

Our major imports:

➤ **Fuel**, Vehicle, spare part, pulp and paper, mechanical equipment, construction equipment and electrical appliances.

Trade Partner: Thailand, China and Vietnam. Other country are: Australia, Japan, US, Switzerland and Singapore

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Investment Incentives- Incentive by sector

9 priority sectors

1		The use of high and modern technology, scientific research, research development, the use of innovation, environmentally friendly, saving natural resources and energy;	5		Education, Sports - Physical Education, Human Resource Development, Skills Development, Vocational Training Institutions or Centers, Production of Equipment for Education and Sports
2		Clean, organic agriculture, seed production, animal breeding, industrial crops, forestry development, environmental protection and biodiversity, rural development and poverty alleviation activities	6		Establishment of modern factories, factories for the production of medicines and medical equipment, production and treatment of traditional medicine
3		Environmentally friendly agricultural products processing industry, natural traditional and handicraft processing industry	7		Investment, services and development of public infrastructure to address urban and residential congestion; Construction of infrastructure to support agricultural and industrial production; Freight forwarding, transit and international integration services;
4		Development of eco-tourism, culture and history in an environmentally friendly and sustainable manner	8		Policy banks and microfinance institutions to address the poverty of people and communities who do not have access to banks
			9		A modern shopping center promoting local products and world-renowned brands, exhibitions and markets for local products in industry, handicraft and agriculture.

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Incentives by Zones (location of investment)

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

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- ✓ 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

■ Exemption of Rental and Concession Royalty of the State Owed Land

Zone	Rental/concession fee	Additional Tax Holiday
Zone 1	10 years	5 years
Zone 2	05 years	3 years
Zone 3	Specified in SEZ Decree	



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3. Investment Opportunities

- 
- Service sector directly linked to the Laos-China Railway (logistics, dry-port...)
 - Energy (renewable, wind, solar, hydro)
 - Light and high-technology manufacturing linked with Global Value Chain (Thailand+1, Vietnam +1...)
 - Healthcare, Education, Tourism and other high valued added services
 - Agriculture and agro-processing

Looking for Japanese Investors for:

1

- textile, clothing, Household and footwear industry

2

- Electrical and electronic components industry;

3

- Industry of vehicles and agricultural machinery;

4

- Food and beverage industry



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Mode of investment

- ➡ FDI
- ➡ Joint venture with strong Lao business partners
- ➡ Contract farming for Agriculture production
- ➡ Public Private Partnership

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Investment Promotion Department

To boost competitiveness and emerge as a key economy in Southeast Asia and transforming itself into the most dynamic countries in the region

Kop Chai Lai Lai, Thank you

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