

## “Business and Investment Opportunities in Laos”

Thursday, 17<sup>th</sup> June 2015, Zunfthaus zur Waag,  
Münsterhof 8, 8001 Zurich

### BRIEF

Laos is a largely mountainous country located in upper Southeast Asia. It borders Thailand to the west, Cambodia to the south, Vietnam to the East and China to the north. Area of border countries are Burma (235 km), Cambodia (541 km), China (423 km), Thailand (1,754 km), Vietnam (2,130 km).

Total Area: 236,800 km<sup>2</sup> (91,429 sq mi)

Capital: Vientiane

Government: Socialist Republic

### LAOS - YOUR PREFERRED LOCATION FOR FOREIGN INVESTMENTS

Natural resource development in Lao PDR has helped the country achieve consistently high economic growth rates throughout the last decade. Real **GDP growth** will average **7.6% a year in 2015-16**, supported by rising exports of tourism services and recent developments in agriculture, hydropower and mining. Construction is booming and the garment industry is expected to see an export growth as the previous years.

Laos has abundant mineral wealth, much of which remains unexploited although many foreign firms are active. Laos' copper exports account for 40% of total exports and 10% of GDP. By 2017, copper production in Laos is expected to surpass 200 thousand tons per year, strengthening its status as **one of the top 15 copper producing nations** in the world. The power sector, especially hydropower and coal, is open to foreign investment, with many international firms represented. The cross-border sale of electric power has to transpire as scheduled. That means demand from neighboring Thailand, Vietnam and China is secured and the construction pipeline of more than 15 thousand megawatts of power plants (about half the size of Thailand's current capacity) is fully met between now and 2020 for overseas electricity sales. Currently, Laos exports about \$600 million (19.5 billion baht) worth of electricity or about 20% of total exports, solely to Thailand.

Agribusiness has also attracted foreign investment. **Agricultural modernisation** must be accelerated to increase productivity and take full benefit of the country's natural fertility.

Nevertheless, **technology transfer** is in dire need to improve crop yields. Despite water resources aplenty, extensive and effective water management is still key to enable export potential among many crops; namely, coffee, rice, sugar and rubber. But perhaps as important is how the country diversifies into non-resource sectors, especially tourism. Such diversification will make economic growth more sustainable in the longer term. For tourism, Laos (especially Luang Prabang) has garnered growing interest. The country was cited as the best tourist destination for 2013 by the European Council on Tourism and Trade paving the way for a double-digit increase in tourist arrivals going forward.



Revenue from mining and hydropower can certainly help promote. It is no surprise, then, that global mining firms are eagerly awaiting the next round of mining concession bidding, and that **80% of the upcoming hydropower projects have landed themselves foreign developers.**

If these large-scale FDI projects come through as commercially expected, **Laos will easily become the fastest growing country** in Asean.

Coupling that with growing wallets and rapid urbanisation rates, we can perhaps project a greater appeal for Laos' economy. **Laos has the fastest growing urbanisation rate** in Asean **at 35%**, already thumping Myanmar's 33%. The economic development will increase the domestic demand for this lower middle-income country. Sectors that should benefit from this include food and beverages, automobiles, energy, electrical appliances, and technology-related devices. Laos is emerging strongly, albeit quietly.

### TRADE AGREEMENTS

Laos' trade **outlook seems brighter than ever** with its recent accession to the WTO in early 2013. This trade development is on top of **Laos' already most favorable trade scheme with the European Union**, whereby it can export to Europe duty- and quota-free. The Lao economy remains dominated by Thailand, Vietnam, and China, with heavy participation in certain sectors by Korea, France, Japan, India, Malaysia, Singapore and Australia. **Laos became a member of ASEAN in 1997 and has committed to bringing its tariff rates into line with its AFTA commitments.** Laos is currently in negotiations to join the World Trade Organization. The following countries have granted Generalized System of Preference (GSP) status to Laos: Japan (for all products); Australia (no import tax); European Union; South Korea; Norway and Switzerland. Laos has also signed trade agreements with 18 countries, including: Vietnam; China; Cambodia; Burma; Thailand; North Korea; Philippines; Mongolia; Indonesia; Malaysia; Bulgaria; Russia; India; Belarus; Argentina; the United States; Kuwait and Turkey outsourcing hub of choice is the concept of value and quality.

The event is co-supported by



## Program/Venue

Time	Module
17:00 – 17:15 hrs	<b>Registration</b> Zunfthaus zur Waag, Münsterhof 8, CH-8001 Zurich
17:15 – 17:30 hrs	<b>Introduction and Welcome Address</b> Mr. Frank Russek, Panasia Gallery, Zurich
17:30 – 18:00 hrs	<b>Business and Investment Opportunities in Laos</b> Mr. Daovone Phachanthavong, Honorary Consul of Switzerland to Laos, Consulate of Switzerland, A.C.E. Consultancy Co., Vientiane, Laos PDR
18:00 – 18:15 hrs	<b>Q &amp; A</b>
18:30 – 19:30 hrs	<b>Apéro Riche</b>

## Registration Form

Please register by returning the reply form below to the Swiss-Asian Chamber of Commerce, P.O. Box 1073, 8032 Zurich, faxing 041 620 88 03 or e-mailing to [sacc@sacc.ch](mailto:sacc@sacc.ch), by **Tuesday 16 June, 2015**. The cost of the event is CHF 50.00 for SACC-Members and CHF 80.00 for Non-Members. You will receive a confirmation including the invoice after your registration. Cancellations will be accepted until Wednesday, 17 June, 2015, 10.00 a.m.: - otherwise a full no-show charge applies.

Area of Interest:.....

Last Name: ..... First Name: .....

Position:.....Company:.....

Full Address:.....

Phone:.....Fax:..... E-mail:.....

Date:..... Signature: .....

