

Key Sectors for Private Investment

- **Mining:** Laos has substantial mining potential with proven reserves of gold, copper, tin, zinc, precious stone, coal, iron, limestone and gypsum, to name a few.
- **Hydro power:** Laos's potential for small, medium and large - scale generation of hydropower on tributaries to the Mekong River is well-known. The resource supports the export of low cost electricity throughout Southeast Asia. Laos has the ambitious to become the battery of the region. The estimated total capacity is over 23,000 MW of which only about 2% currently exploited.
- **Tourism:** Laos has a rich array of historical, cultural and Eco tourist attractions. Lao PDR is currently honorably hosts a World Heritage City (Luang Prabang) and a world historical heritage site (Wat Phou Champasack).
- **Agribusiness:** Laos is blessed with excellent soil and favorable climatic conditions which provide an environment that is suitable for agricultural plantation some pastoral forming. Organic farming is our specialty. Forest plantation is also another potential alternative.
- **Light Manufacturing:** Low cost labor and energy resources attract prospective investors in manufacturing for both international and domestic markets such as: textiles, garments, handicraft, motor vehicles, consumer goods and etc.
- **Services:** The rapid growth of private investment and commerce is generating increased demand in banking, insurance, accounting, communications, health, education, consultancy and other business support services.

Living conditions in the Lao PDR

Over the past several years, the standard of living has noticeably improved in Laos

- **Safety and Security:** Peace and order is efficiently maintained in the country. Laos has a very low crime rate, relative to other countries.
- **Housing:** A range of furnished and unfurnished residences and apartments are readily available.
- **Restaurants:** The availability of various cuisines (Lao, Thai, Japanese, Western, Chinese, Indian, etc.) makes sure you will feel at home during your stay in Laos.
- **Education:** International schools offer quality education for primary and secondary school students.
- **Public Utility:** Modern power and water systems provide reliable service at reasonable costs. The privatized telecommunication sector provides service at competitive prices to the public.
- **Recreation:** Recreation facilities cater to your choice of sport, whether it is tennis, swimming, badminton, bowling, golf, kayaking, walking, hiking, etc.
- **Nightlife:** Clubs, karaoke lounges, and bars are venues for a relaxing get-together with friends at sunset or for an active night out on the town.
- **Environment:** The unspoiled environment of Laos is a nature enthusiast's paradise.

Liberal investment laws and regulations

- Three forms of investment are allowed: 1). Business Cooperation by contract; 2). A joint venture with one or more domestic Lao investors (Foreign equity should not be less than 30% of total investment capital); 3). A 100% foreign-owned enterprise,
- 0% of import duties on production machinery, equipment and raw materials,
- No export duties on finished products,
- Right to employ foreign expatriates,
- Profit tax is classified into 3 groups: 20%, 15% and 10% and profit tax exemption is offered for a period of up to 7 years depending on activities, investment areas and size of

investment,

- Investment term is up to 75 years.

Comparative advantages of doing business in the Lao PDR.

- Political Stability "Economic and financial stability
- Inexpensive land, labor and energy costs
- GSP privilege with 42 countries such as EU, Japan, Canada, Switzerland, Vietnam and etc." NTR with USA (since December 2004)
- Lao PDR is a land-linked country which has access to ASEAN market with more than 500 million inhabitants including southern part of neighboring China
- Abundant Water Resources
- Rich Mineral Resources
- Plentiful of productive land

Some majors required documents for investment application

1. Investment Application Form
2. Articles of Association of the Company
3. Joint-Business Agreement (in the case of a joint Venture)
4. Feasibility study of the project proposed
5. Statement certifying the legal and financial status of the company/entity.

Faster Investment License Approval

- 15 working days for promoted sectors,
- 25 working days for promoted sectors with some restrictions,
- 45 working days for large scale projects or projects related to natural resources.

The Investment Management Authority at the central level

- The Department for Promotion and Management of Domestic and Foreign investment (DDFI), the former Permanent Office of Foreign Investment Management Cabinet (FMIC), is a central government agency under the supervision of the Committee for Promotion and Management of Investment (CPMI), which is under the umbrella of the Committee for Planning and Investment (CPI). DDFI is empowered to appraise investment applications, in cooperation with lined ministries/concerned authorities, and report to CPMI for approval. DDFI is also responsible for monitoring of investment projects licensed by CPMI, as well as providing incentives to both domestic and foreign investment.
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