

LAO PDR

LAO PDR

1.

Sector	: All Sectors
Sub-Sector	: -
Industry Classification	: -
Level of Government	: Central
Type of Obligation	: National Treatment
Description of Measure	: Foreign investors ¹ are not allowed to own land, but allowed to lease land or to receive grant concession of land for investment purpose. The period of the lease is between 35 – 50 years and can be extended for another 25 years to a maximum of 75 years, for agriculture, mining and energy.
Source of Measure	: - Land Law No: 04/NA, Art: 3, 64, 65, 66 and 67, Dated: 20 October 2003. - Law on the Promotion of Foreign Investment No: 11/NA, Art: 04, Dated: 22 October 2004.

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¹ Foreign investor means a foreign individual or legal entity investing in Lao PDR. Foreign entity means a foreign company registered outside Lao PDR.

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2.

Sector	: All Sectors
Sub-Sector	: -
Industry Classification	: -
Level of Government	: Central
Type of Obligation	: National Treatment
Description of Measure	: Foreign investors needs to obtain investment license as follows: <ul style="list-style-type: none">- For investment of more than USD 5 million in the provinces of Savannakhet, Champasack and Luangpabang, and for investment of more than USD 3 million in other provinces, requirement of investment license from the Ministry of Planning and Investment (MPI).- Investment licenses may be obtained either from the MPI or from the Committee for promotion and Management of Investment (CPMI), for investment of less than USD 5 million in the provinces of Savannakhet, Champasack and Luangpabang.- Investment licenses may be obtained either from the MPI or from the Committee for promotion and Management of Investment (CPMI), for investment of less than USD 3 million in the other provinces. <p>The investment term of a foreign investment enterprise depends on the nature, size and conditions of the business activities or project but shall not exceed fifty years and may be extended with the approval of the government. However, the investment term of a foreign investment enterprise shall be for a maximum of seventy-five years.</p>
Source of Measure	: Decree No: 301/PM, Dated: 12 October 2005 of Prime Minister regarding the implementation of the Law on the Promotion of the Foreign Investment, Article 39-43.

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3.

Sector	: All Sectors
Sub-Sector	: -
Industry Classification	: -
Level of Government	: Central
Type of Obligation	: National Treatment
Description of Measure	: There are 3 types of businesses for foreign investment: Joint Venture ² , wholly-owned foreign and business cooperation by contracts. Foreign investors investing in a Joint Venture must contribute at least thirty percent (30%) of the total investment capital and minimum registered capital USD 100,000.
Source of Measure	: Investment Law Article: 7; No: 73/PO, Dated 22 October 2004.

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² A "joint venture" is an enterprise established and registered under the laws of the Lao's People Democratic Republic, operated and jointly owned by foreign and domestic investors.

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4.

- Sector** : Mining and Quarrying
- Sub-Sector** : - Exploration and extraction mining and agglomeration of hard coal, lignite, peat
- Exploration and extraction of crude petroleum, natural gas
- Mining of chemical and fertilizer minerals
- Industry Classification** : ISIC 1010, 1020, 1030
ISIC 1110
ISIC 1421
- Level of Government** : Central
- Type of Obligation** : National Treatment
- Description of Measure** : Investment in mining operations in Lao PDR shall take following forms:
- sole investment by the state;
- joint investment between the state and domestic or foreign investors;
- collective or private investment from domestic investors.
- Source of Measure** : - Mining Law Article 21, No: 04-97/NA, Dated 12 April 1997.
- Decree of Prime Minister regarding the implementation of the Law on the Promotion of Foreign Investment No. 301/PM, Dated 12/10/2005, Article 25 and 25.2.
- Justification** : Exploitation of natural resources with high technology to preserve the environment and natural resource.

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5.

- Sector** : **Manufacturing**
- Sub-Sector** :
 - Production, processing and preserving of meat and meat products (cattle, pigs, sheep, horse)
 - Fish processing and storing
 - Fruit and vegetable process
 - Manufacture of animal and vegetable oil
 - Manufacture of dolls and manufacturing of game and toys
 - Authentic Lao musical instruments
 - Lao traditional textiles
 - Manufacture of veneer sheets, plywood, lamina board, particle board and other panel boards
 - Manufacturing of pesticides
 - Manufacture of ice cream and ice manufacturing
 - Mill
 - Flour and flour product
 - Feedstuff
 - Bakery products
 - Lao local noodles products
 - Non-alcoholic beverage, soft drink, pure water drinking
- Industry Classification** : ISIC 1511, 1512, 1513, 1514
ISIC 3694, 3692, 1729
ISIC 2021, 2421
ISIC 1520, 1531, 1532, 1533, 1541, 1544, 1554
- Level of Government** : Central
- Type of Obligation** : National Treatment
- Description of Measure** : Reserved exclusively for Lao citizens, to promote the domestic production and exportation. Subject to joint venture with domestic investors and/or export 100%.
- The establishment of the new wood processing factory is not permitted, except the case of utilizing raw material (wooden) from the reforestation or forest plantation. No new wood processing factory is to be licenced, but investment is promoted if planted wood is used.
- Source of Measure** :
 - Policy of the Ministry of Agriculture and Forestry, order of the Ministry of Agriculture and Forestry, No.2050/MAF99, dated 20/12/1999.
 - The measures stipulated in the article 24, 31 and 32 of the Law on wildlife No. 07/NA, 24/12/2007 are applied only Lao national.
 - Industrial Processing Law 2001.
 - Ministry of Agriculture and Forestry.
 - Handicraft Law.

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- Decree of Prime Minister regarding the implementation of the Law on the Promotion of Foreign Investment (No. 301/PM, Dated 12/10/2005) article 24 and annex 4.
- The provision of the Law on forest No. 06/NA, Dated: 24 December 2007; Article: 41, 42, 68, 86, 87 and 88.
- Drugs and food Department, Ministry of Health.
- Food Law No. 04/NA, Article: 38, Dated: 15 May 2004.

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6.

Sector	: Mining and Quarrying
Sub-Sector	: Mining of chemical and fertilizer minerals: Guano (Bat Dung) mining
Industry Classification	: 1421
Level of Government	: Central
Type of Obligation	: National Treatment
Description of Measure	: Collection of Guano is reserved for citizens and companies wholly-owned by citizens.
Source of Measure	: <ul style="list-style-type: none">- Order of the Ministry of Agriculture and Forestry, order of the Ministry of Agriculture and Forestry, No.2050/MAF99, dated 20/12/1999.Regarding to prohibition of Guano excavation for export.- Order of Ministry of Agriculture and Forestry, No. 613/MAF99, Dated 8/7/2005, regarding utilization and management of Guano in Lao PDR.
Justification	: May not need to reserve for use of domestic citizens as it may not allow the export in the future.

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7.

- Sector** : Agriculture and Services Incidental to Agriculture
- Sub-Sector** : Hunting, trapping and game propagation and services related to hunting
- Industry Classification** : ISIC 0150
CPC 88130
- Level of Government** : Central
- Type of Obligation** : National Treatment
- Description of Measure** : Subject to agreement and specific approval from the Lao government.
- Source of Measure** : - Decree of Prime Minister regarding the implementation of the Law on the Promotion of Foreign Investment No. 301/PM, Dated 12/10/2005, Article: 24 annex 4.
- The measures stipulated in the article 24, 31 and 32 of the Law on wildlife No. 07/NA, 24/12/2007 are applied only Lao national.

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8.

Sector	: Fishery
Sub-Sector	: Operation of fish hatcheries
Industry Classification	: ISIC 0500
Level of Government	: Central
Type of Obligation	: National Treatment
Description of Measure	: Operation of fish/aquaculture hatcheries in the Mekong River and its tributaries in Lao PDR is reserved for citizens and companies wholly-owned by Lao citizens. No foreigner is authorize to undertake fishing activity for commercial purposes in Lao PDR.
Source of Measure	: <ul style="list-style-type: none">- Decree of Prime Minister regarding the implementation of the Law on the Promotion of Foreign Investment No. 301/PM, Dated 12/10/2005, Article: 24 annex 4.- Policy of the Ministry of Agriculture and Forestry Draft of Fishing and Fishery Law: Article 26 (in endorsement process).- Wildlife Law, No. 07/NA, dated 24/12/2007: Article 24, 31 and 32 on catching/hunting aquatic and wild animals.

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