

The Potential for Taiwanese Companies in New ASEAN Business Opportunities

TAIWAN-ASEAN Strategic Investment Partnership Forum
14th July 2017
Kaohsiung Exhibition Center, Kaohsiung, Taiwan.



Address by *Mr. Oudet Souvannavong*,
President Lao National Chamber of Commerce
and Industry,
Co-Chairman ASEAN Business Advisory Council
(ASEAN-BAC)



Country Economic Profile

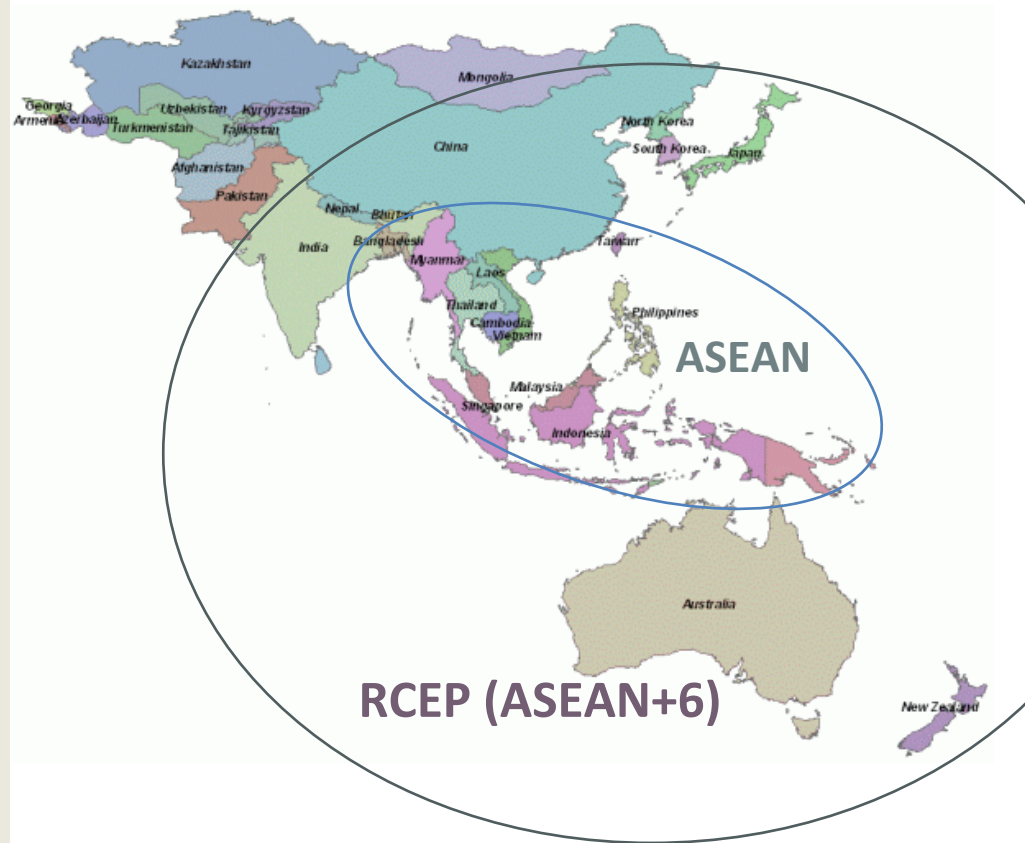
Opportunity – Favorable Conditions

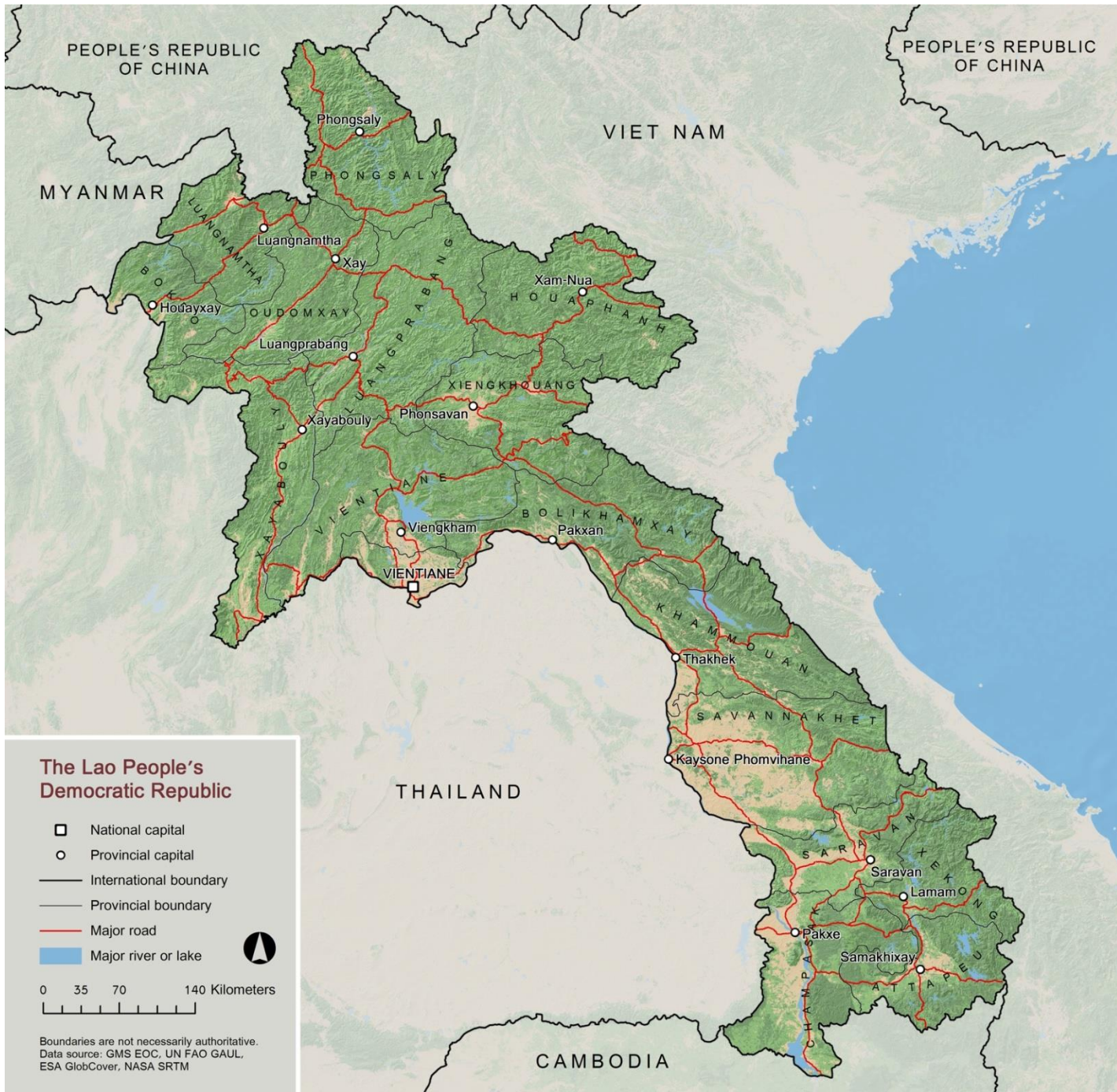
- Laos is gifted by abundant natural resources comprising of forest and water forming the catchment area of the Lower Mekong Basin and enormous untapped mineral resources.
- The large land area and cultural diversity and heritage make Laos as one new tourism destination in South East Asia.
- The political stability, security and few of natural calamities in Laos are the main factors that encourage foreign investors to settle in the country.



Opportunity – Regional Value Chains

- Geographic location is at the heart of fast growing economies comprising of the ASEAN (619.3 Million hab.). High degree and rising intra-regional trade and intra-regional investment due to extensive expansion of Global Value Chains linking the whole Asian Region.
- The establishment of AEC, the Regional Comprehensive Economic Partnership (RCEP), (3.4 Billion hab.).

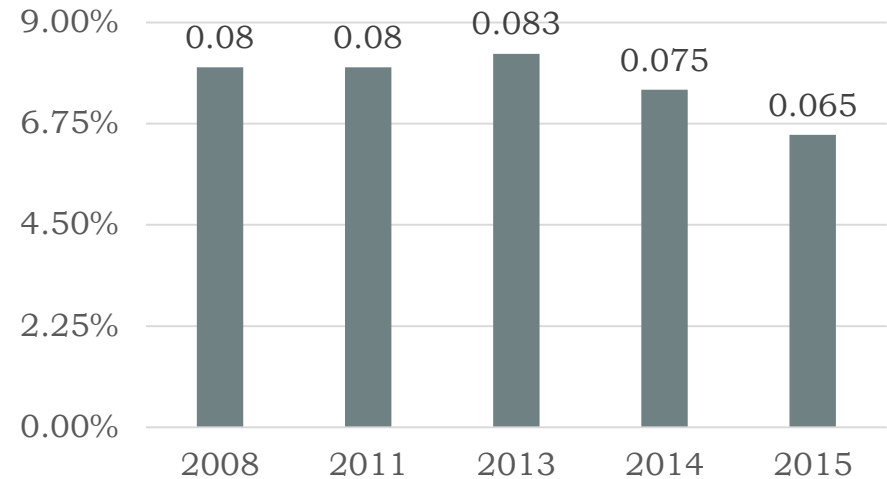




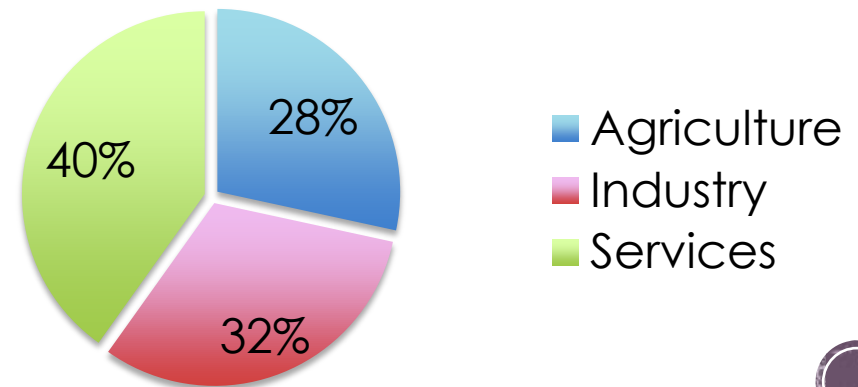
Lao PDR's Profile and Economic Situation (2016)

- Land area: 236,800 square/km
- Population: 7,163 Million
- GDP per capita: 1,730 US\$; GDP Growth of 8% from 2011 to 2013 and of 6.8 % in 2016.
- Inflation has been under one digit since 2005 and is at 4.5% in 2016.
- Total Trade: 5,389 US\$ Million
- Share of Intra-ASEAN Trade: 65%

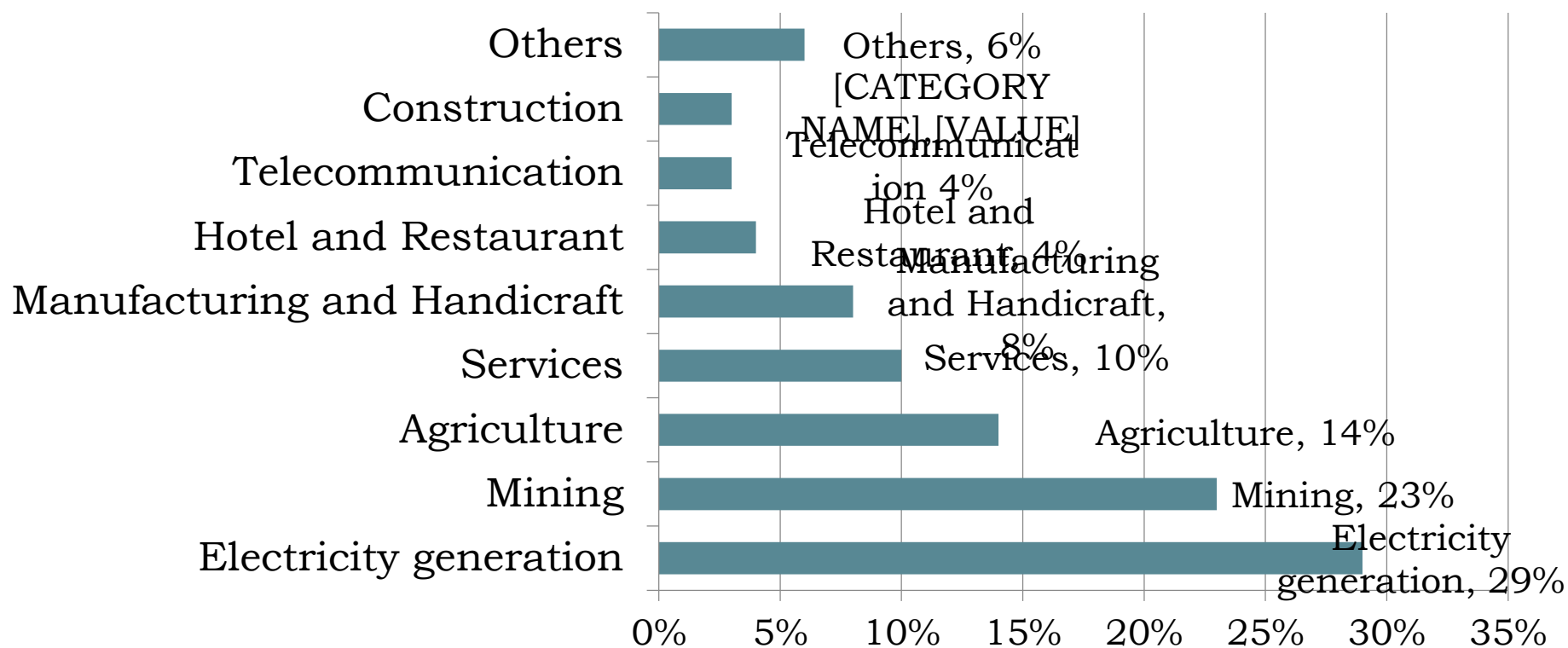
GDP Growth %



Sectors' Contribution to GDP

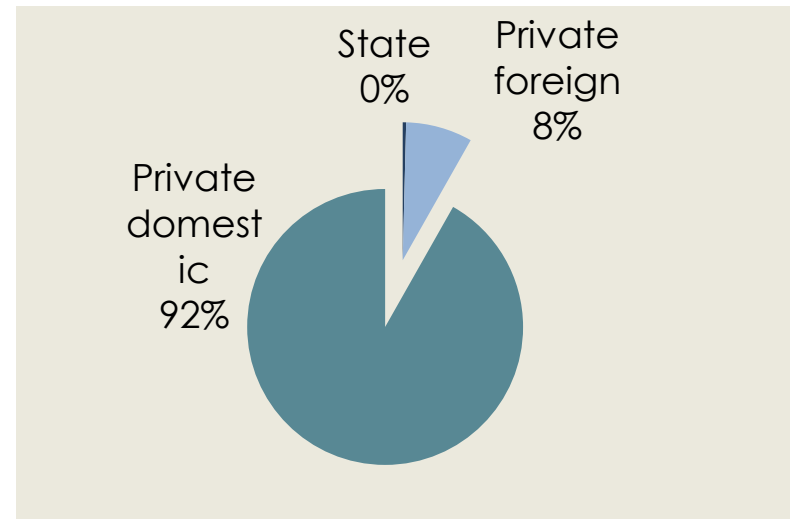
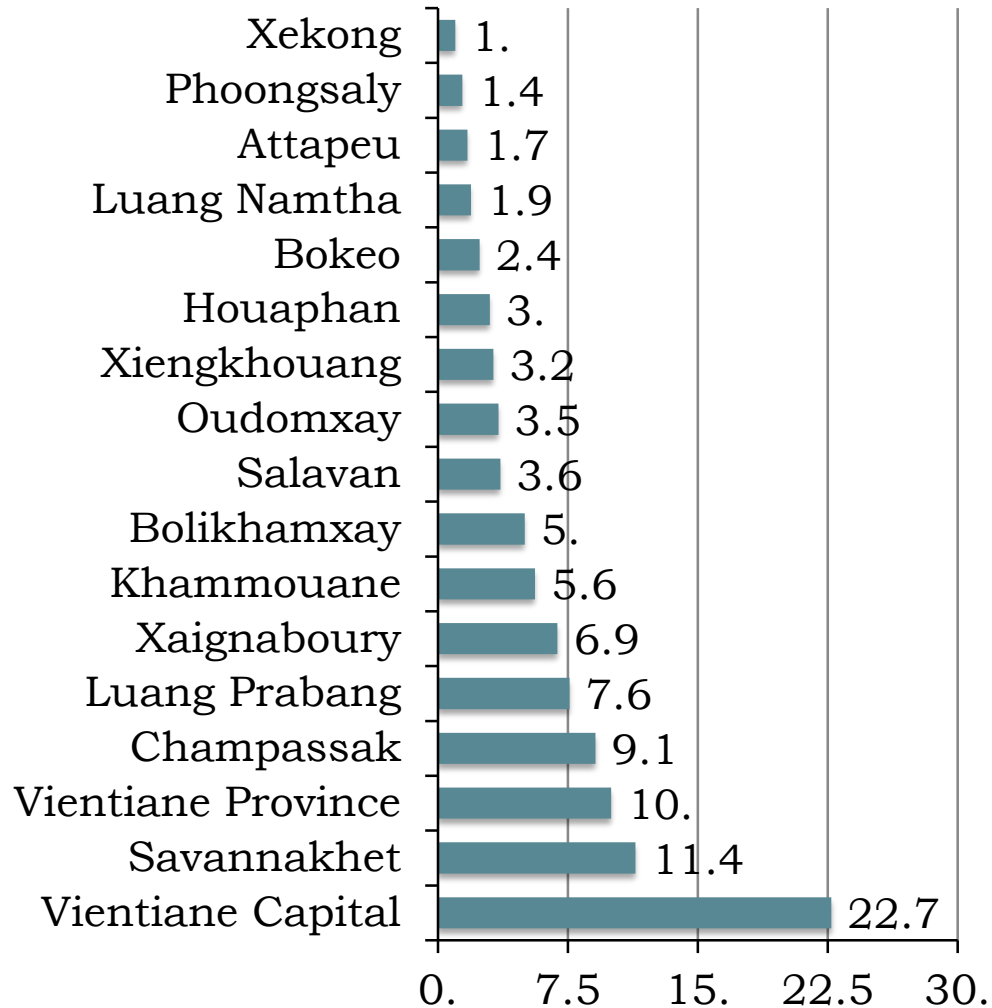


Lao FDI – Approved FDI 2015



- FDI reached more than 16 Billion US\$ in 2015
- FDI 52% in resource sectors: 29% in electricity generation, 23% in Mining.
- Investment in non- resource sector is increasing with: 14% in Agriculture; 10.5% in manufacturing and handicraft; 8% in Services.
- On top of the FDI list are: P.R. China, Thailand, Vietnam and R.o. Korea.

Structure of the Private Sector

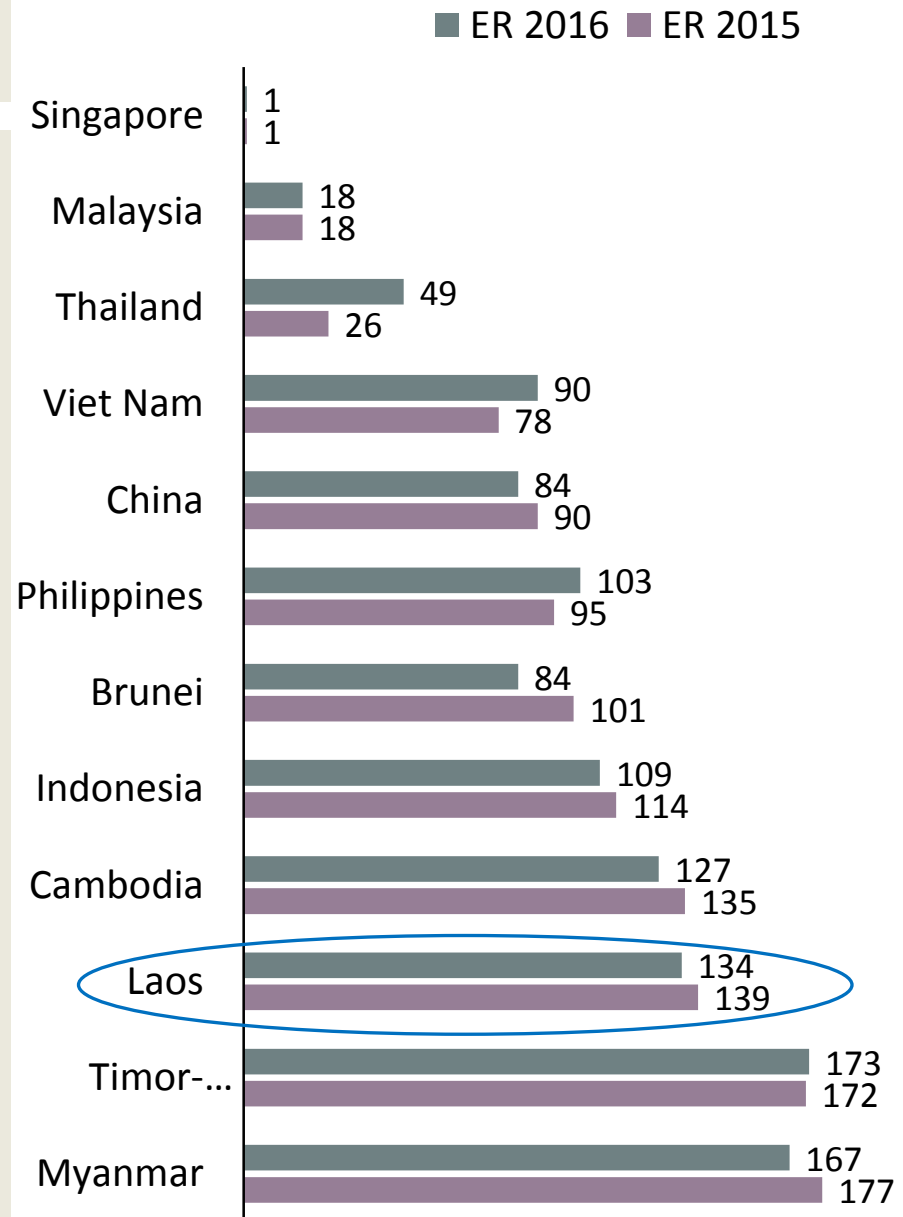


- There are about 100,000 registered enterprises
- 95% of enterprises are SMEs, with 91.8% private owner enterprises.
- ~ 80% are MSMEs operating in non-formal sector



Lao PDR Ease of Doing Business Rank 2016

- Lao PDR Doing Business Rank increased by 5 points from 139 in 2015 to 134 in 2016.
- However, it takes on average 73 days to start a business compare with the average of 26 days in Asia Pacific.
- Large improvement made getting credit with an increase of 58 points.
- Major problems are:
 - Getting skill and un-skill labor
 - Paying taxes
 - High trade cost and cost of doing business



Doing Business– Global Competitive Index 2016-17





Potential Sector for Investment and Business Partnership

Opportunities – Agriculture Industry

- Plantation of sugar cane and sugar
- Plantation of coffee and tea
- Crops (rice, vegetable, fruits,..) Livestock farming and animal feeds
- Agro-Industry (sugar, tapioca)



Opportunities - Manufacturing

- Textiles, garments, shoes
- Electronic, mechanical parts for automotive, electronic and electro-mechanic industries
- Wood and furniture



Special Economic Zones



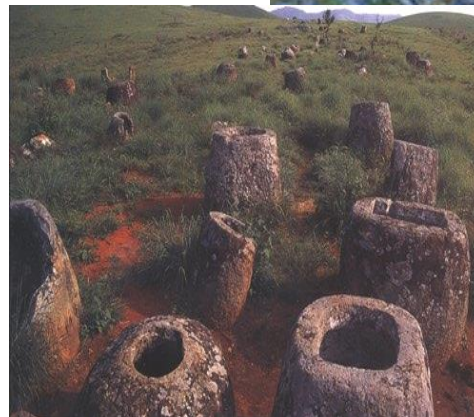
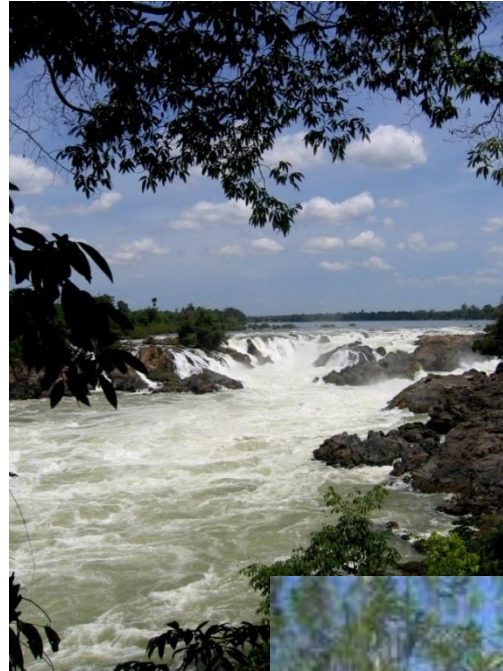
Opportunities: Tourism & Services

Development of tourism site (éco-tourism, world heritage, attraction and MICE, ..)

- Hotel, Commercial Centers
- Transport and Logistic
- Health, hospital, specialized clinic
- Education

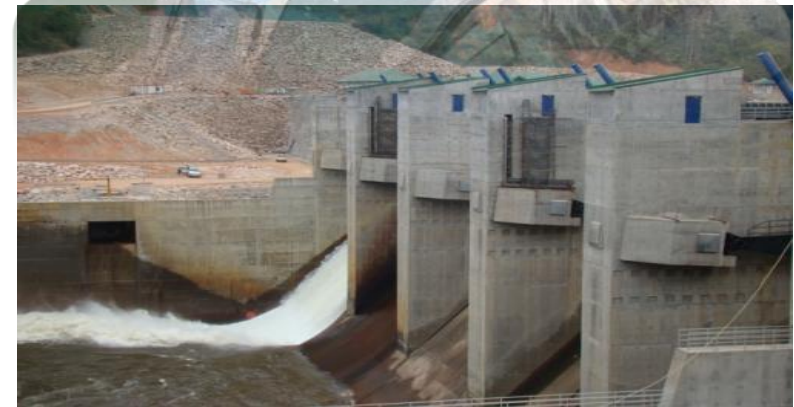
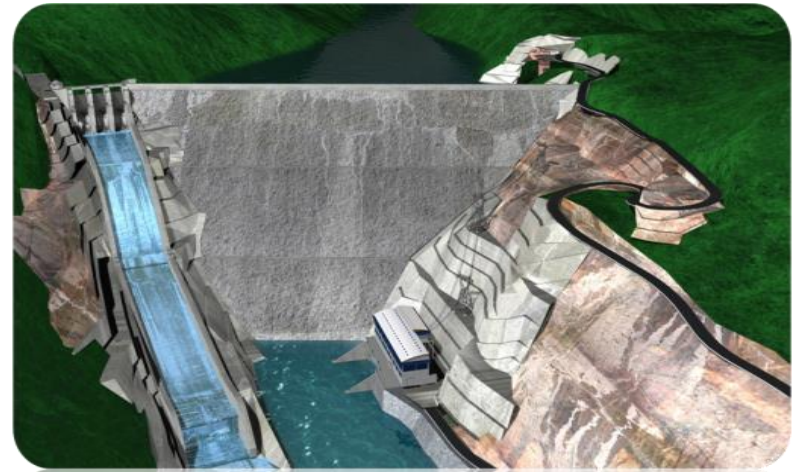
Tourism Business is now opened to FDI with Foreign Equity of up to 70%

- For Hotel and Restaurant Foreign Equity can be 100%
- Several natural tourist sites are welcoming FDI



Opportunities: Electricity Generation

- Abundant water resources produced by tributaries of Mekong river
- Estimated electricity generation potential: over 23,000 MW
- Investment in hydro-electric facilities will be substantial





**LNCCI- Lao National Chamber of Commerce
and Industry**

**Km 5, Kaysone Phomvihane Str. Ban
Phonpanao, Chanthabury District**

Vientiane Capital, Lao PDR.

Tel: +856 21 452 579; Fax: +856 21 452 580

www.lncci.laotel.com

Thank You