



# — Charting — **LAOS**<sup>TM</sup>

Country-Report  
Presentation

**1H16**

# Charting Laos Economy, 1H 2016

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## **About This Report**

This report is designed to chart out the economic outlook of Laos on a semiannual basis. It is ideal for strategic management and corporate planning functions in companies operating or looking to get into this emerging economy.

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Report Release Schedule	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Charting China's Economy			1Q16		2Q16			3Q16			4Q16			1Q17
Charting India's Economy			1Q16		2Q16			3Q16			4Q16			1Q17
Charting Indonesia's Economy		1Q16			2Q16			3Q16			4Q16			1Q17
Charting Thailand's Economy		1Q16			2Q16			3Q16			4Q16			1Q17
Charting Malaysia's Economy		1Q16			2Q16			3Q16			4Q16			1Q17
Charting Singapore's Economy		1Q16			2Q16			3Q16			4Q16			1Q17
Charting Philippines Economy		1Q16			2Q16			3Q16			4Q16			1Q17
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Charting Laos Economy	1H16						2H16						1H17	

# Laos

**Official name:** Lao People's Democratic Republic

**Brief History**

- Modern-day Laos has its roots in the ancient Lao kingdom of Lan Xang, established in the 14th century under King FA NGUM
- After centuries of gradual decline, Laos came under the domination of Siam (Thailand) from the late 18th century until the late 19th century when it became part of French Indochina
- In 1975, the Communist Pathet Lao took control of the government ending a six-century-old monarchy and instituting a strict socialist regime closely aligned to Vietnam
- A gradual, limited return to private enterprise and the liberalization of foreign investment laws began in 1988. Laos became a member of ASEAN in 1997 and the WTO in 2013.



Geography

Area: 236,800 sq km (#84 in the world)

Land boundaries:

- Burma 235 km
- Cambodia 541 km
- China 423 km
- Thailand 1,754 km
- Vietnam 2,130 km

Land use:

- arable land: 5.91%
- permanent crops: 0.42%
- other: 93.67%

Irrigated land: 3,100 sq km

Freshwater withdrawal per capita: 588.9 cu m/yr

Natural resources:  
timber, hydropower, gypsum, tin, gold, gemstones

Population and society

Population:  
6,911,544 (July 2015 est., #104 in the world)

Ethnic group (2005):  
Lao 55%, Khmou 11%, Hmong 8%, other (over 100 minor ethnic groups) 26%

Language:  
Lao (official), French, English, various ethnic languages

Religions (2005):  
Buddhist 67%, Christian 1.5%, other and unspecified 31.5%

Working age population (15-64 yr): 62.08%

Population growth rate: 1.55% (2015 est.)

Government

Government type: Communist state

Capital: Vientiane

Currency: Kip (LAK)

Chief of state: President Lt. Gen. CHOUMMALI Saignason

Head of government: Prime Minister THONGSING Thammavong

Cabinet: Ministers appointed by president, approved by National Assembly

Election:

- president and vice president elected by National Assembly for five-year terms; election last held on 30 April 2011 (next to be held in 2016)

**General Information**

This section provides a snap shot and acts as a country fact sheet. Readers will find brief history as well as information on geography, population, society and government.

# CONTENT SUMMARY

## ECONOMIC PROFILE

Structure

Competitiveness

Development

## ECONOMIC OUTLOOK

Growth

Stability

- Laos is the smallest economy in ASEAN
- Laos population of 6.9 million people is slightly higher than Singapore's
- Favorable demographic structure for Laos with relatively young population and increasing working age group
- Laos economy is getting industrialized as it became more 'open' to the world economy
- Laos economy relies more on international trade than Indonesia and Philippines does but trade is still concentrated with neighbor countries
- Service sector especially trading is the most important production sector for Laos economy

### Economic Structure

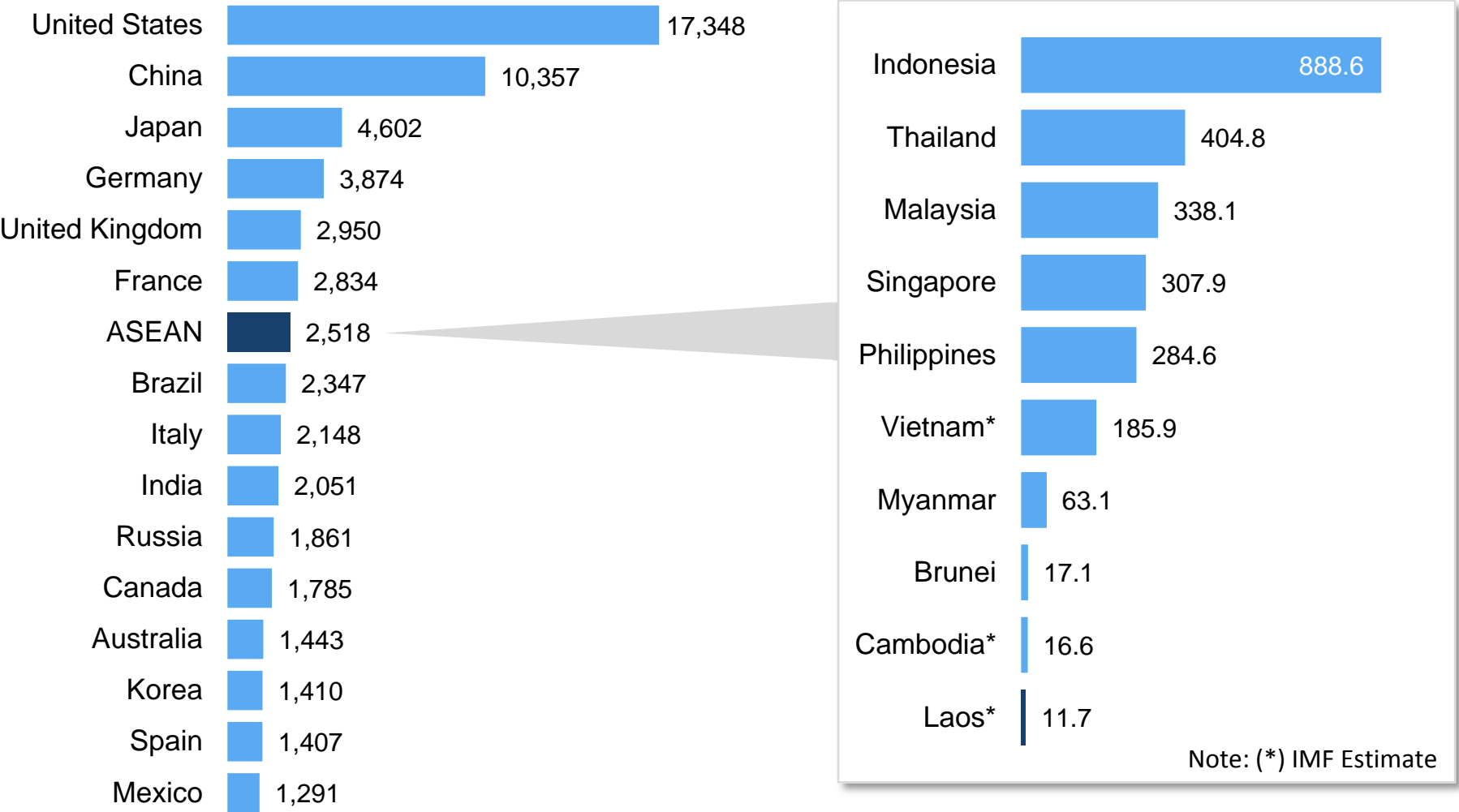
Part of the country's economic profile, economic structure section gives readers useful views to understand economic fundamental and determine what matters for the country's economy.



# Laos is the smallest economy in ASEAN

## 2014 GDP

USD billion, Market Exchange Rate



### Measuring the size of an economy

Size of any economy is usually measured by calculating its Gross Domestic Product (GDP) which is the market value of all officially recognized final goods and services produced within a country in a given period of time. To compare GDP internationally, there is a need to convert value in local currencies to one main currency, normally USD. There are two popular exchange rate to be used. The first one is the official exchange rate for that particular period. The second one is the so called “Purchasing Power Parity” exchange rate, which takes into account the difference in living expenses between countries. The first method is more popular in comparing the size of each economy.

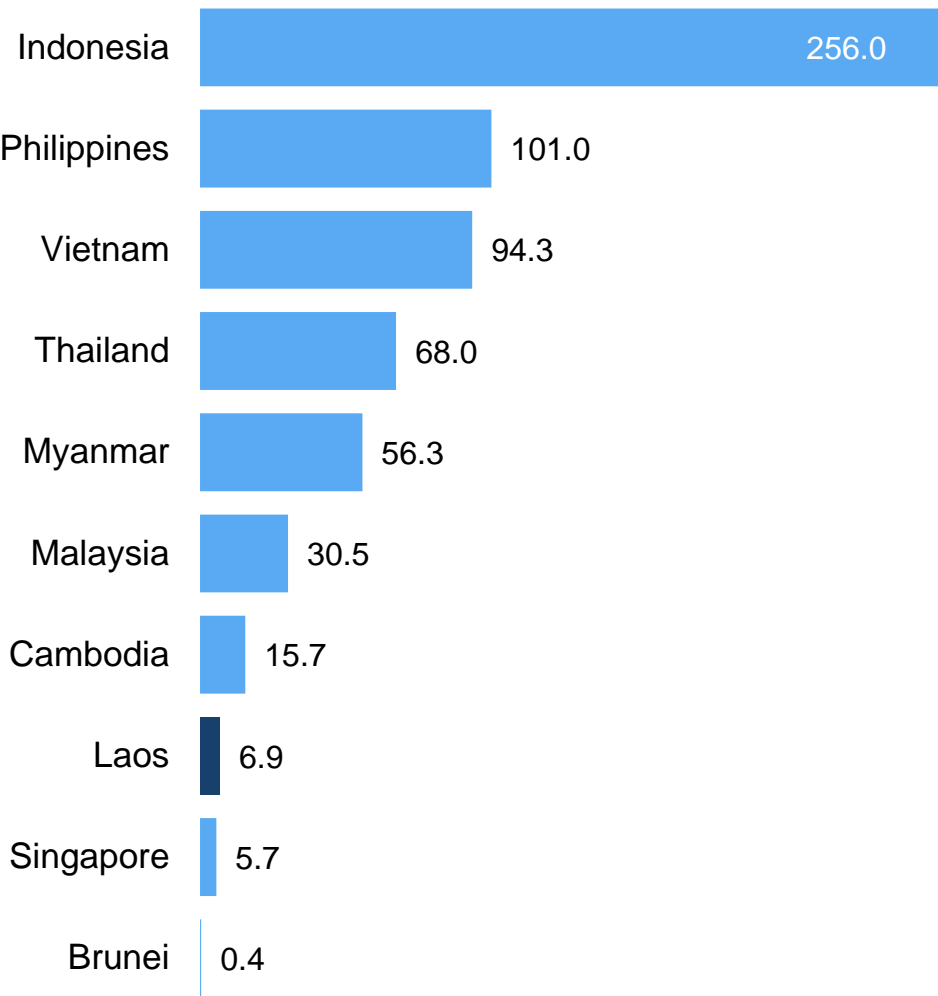
### Size of Laos economy

Using the market exchange rate method, Laos GDP is around USD 11.7 billion in 2014, smallest in ASEAN.

# Laos population of 6.9 million people is slightly higher than Singapore's

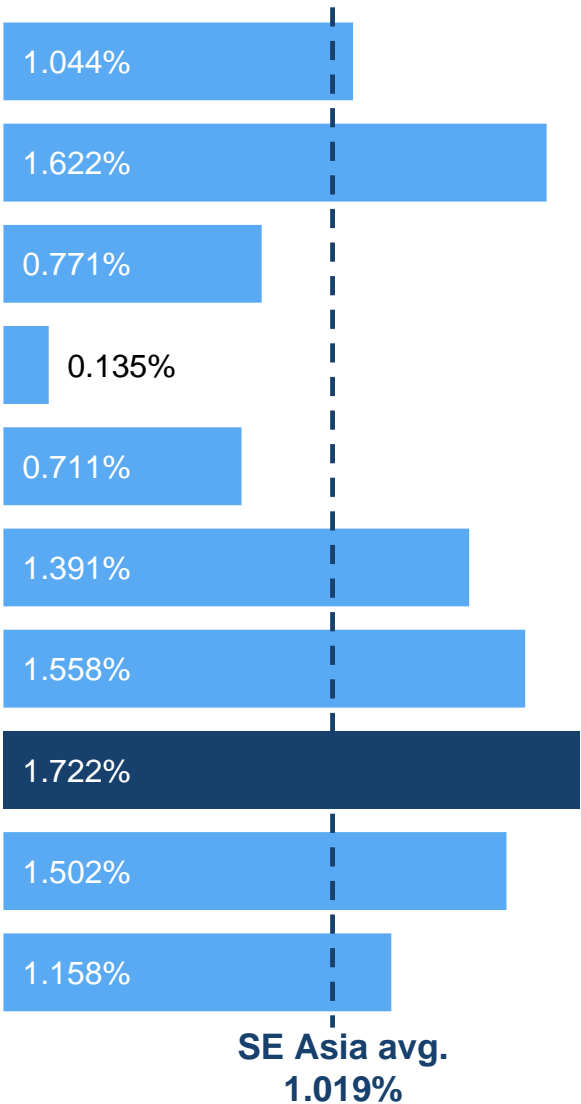
## Population

Million, July 2015 est.



## Population Growth

Avg. Annual Rate of Change, Medium fertility, 2015-2020



## Population

Population compares estimates from the US Bureau of the Census based on statistics from population censuses, vital statistics registration systems, or sample surveys pertaining to the recent past and on assumptions about future trends.

## Population growth projection

Projected by UN's Population Division in World Population Prospects: 2012 Revision. There are many sets of assumptions in the projections and we show here the medium fertility scenario as a base case.

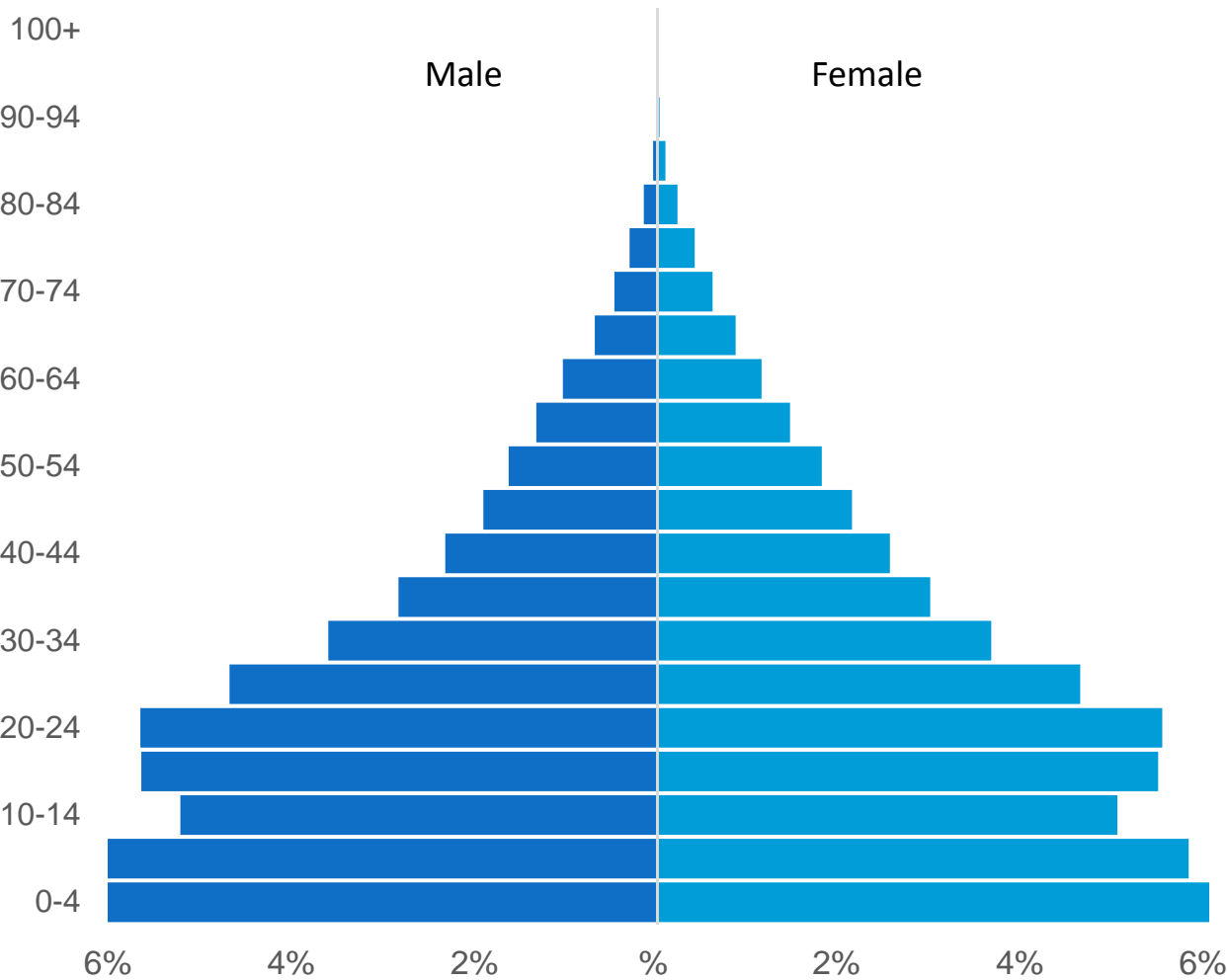
## Laos population

Laos population of 6.9 million people is slightly higher than Singapore's. However, it has the highest population growth in ASEAN, with the projected 1.558% growth rate per year over the next five years.

# Favorable demographic structure for Laos with relatively young population and increasing working age group

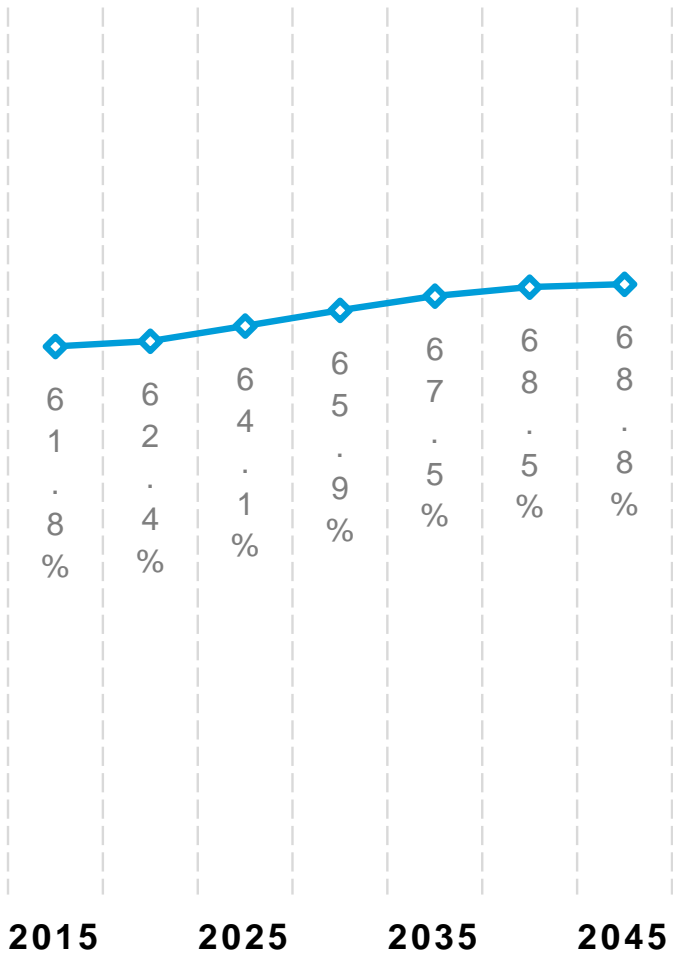
## Demographic Structure

2015, % of total population, Medium Fertility



## Working age

15-64 Years, % of total population, Medium Fertility



### Demographic structure

Total population (both sexes combined) by five-year age group.

### Demographic projection

Projected by UN's Population Division in World Population Prospects: 2012 Revision. There are many sets of assumptions in the projections and we show here the medium fertility scenario as a base case.

### Laos demographic structure

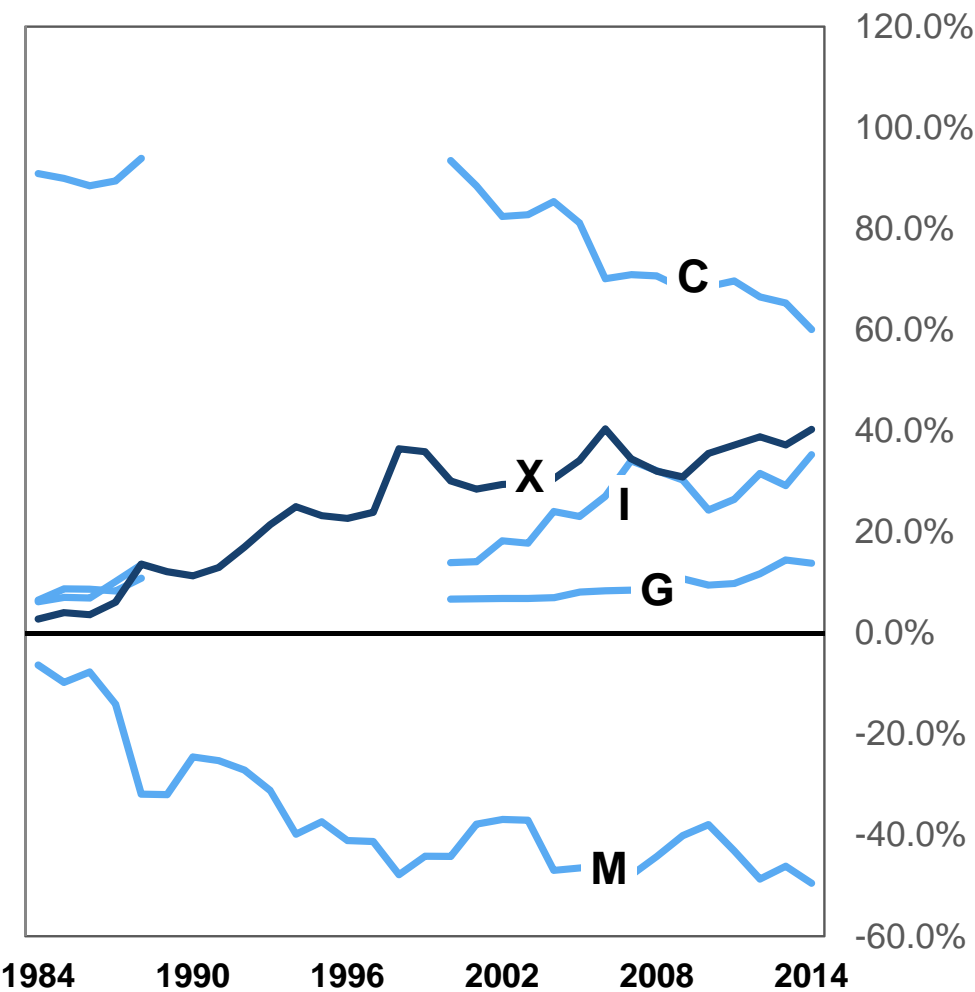
The current demographic of is quite favorable for growth with relatively young population. The working age group (15-64) is expected to increase from 61.8% to 68.8% of the total population over the next 30 years.



# Laos economy is getting industrialized as it became more ‘open’ to the world economy

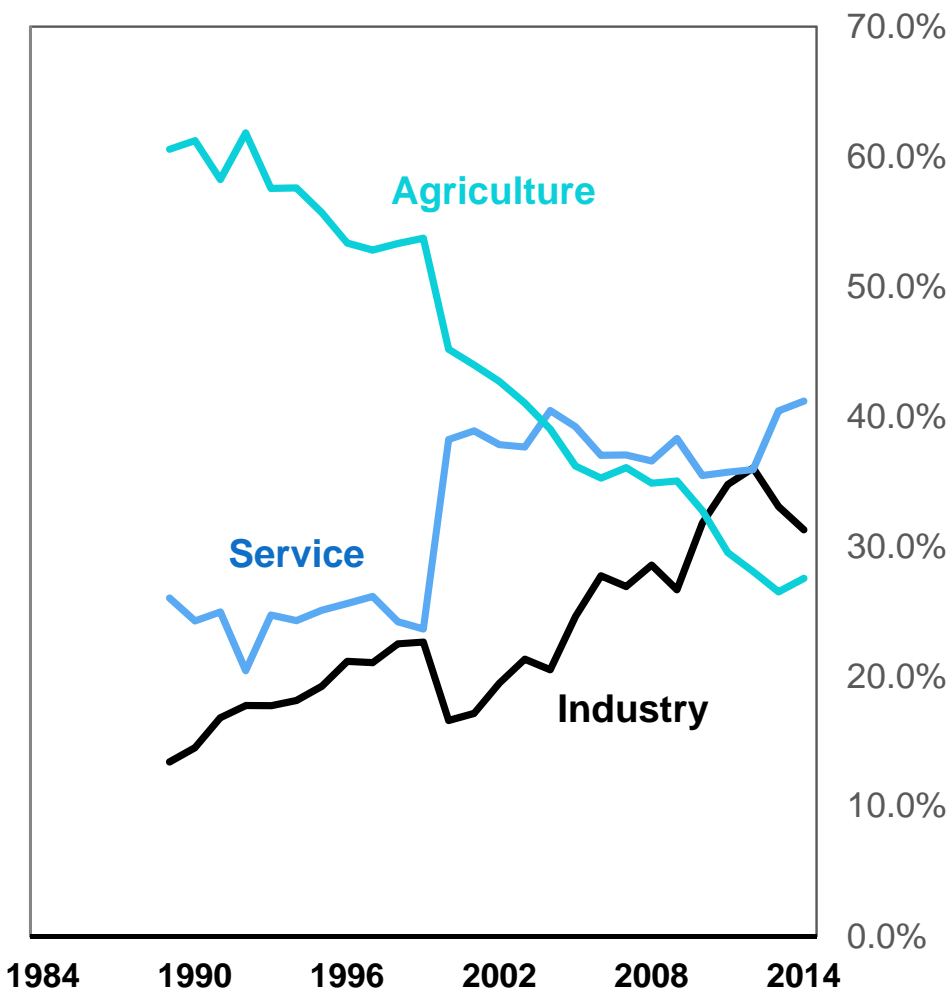
## GDP COMPOSITION – EXPENDITURE\*

1984-2014, % of total



## GDP COMPOSITION – PRODUCTION

1984-2014, % of total



Note: (\*) C = Private Consumption, I = Investment including: I (capital) = Capital formation and I (inventory) = change in inventory  
G = Public consumption, X = Export of goods and services, M = Import of goods and services

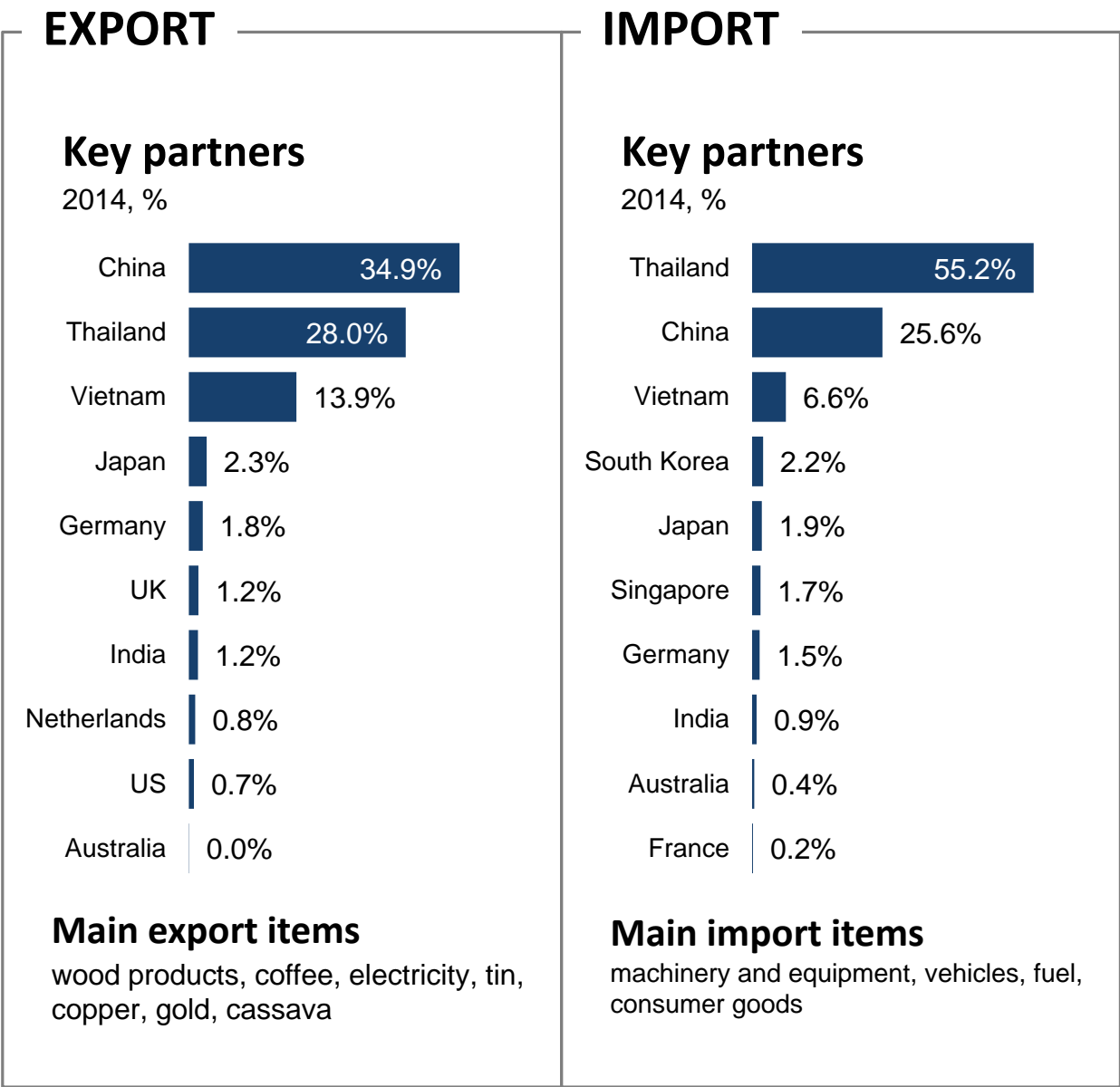
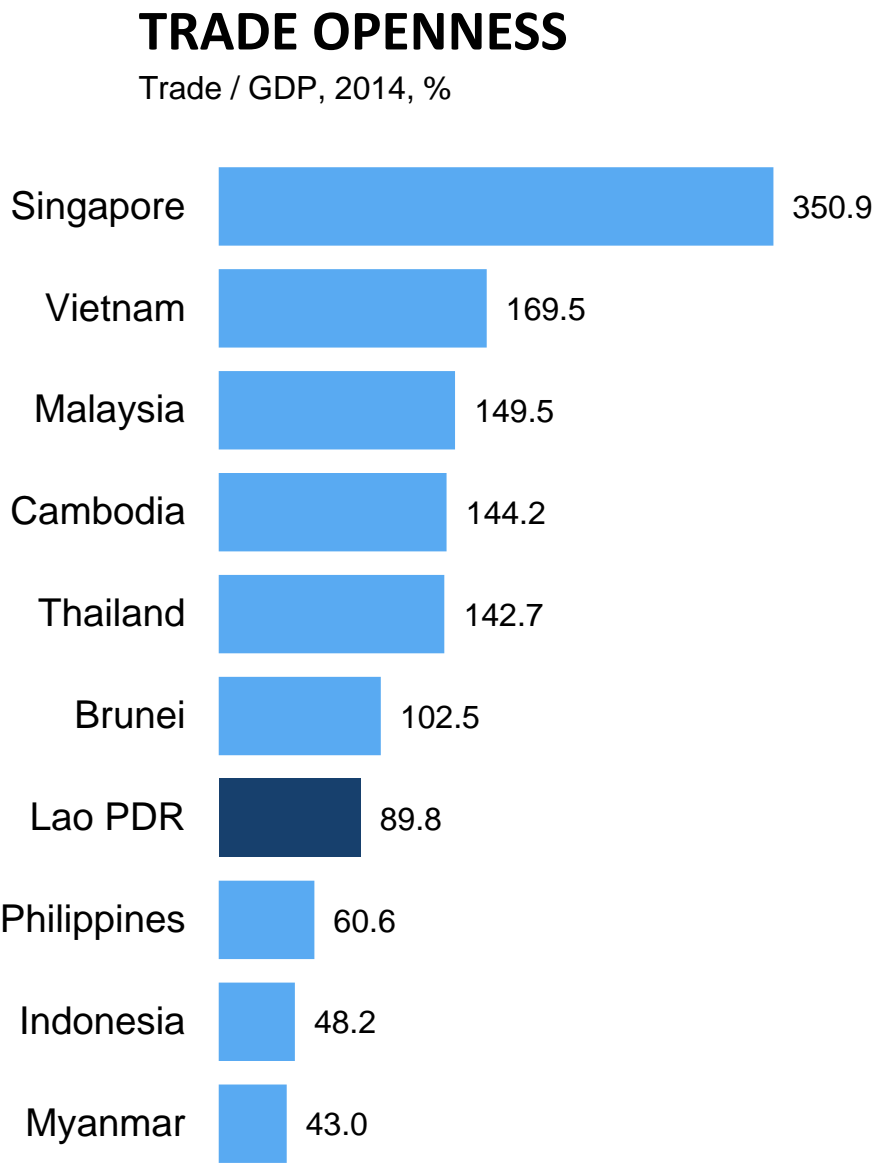
## GDP composition

GDP can be determined in three ways, all of which should, in principle, give the same result. They are the product (or output) approach, the income approach, and the expenditure approach. The expenditure approach is summarized in the formula:  $GDP = C$  (private consumption) +  $I$  (Investment) +  $G$  (public consumption) +  $X$  (export of goods and services) –  $M$  (import of goods and services). The production approach measures market value of all final goods and services calculated during the period. It sums up value add of each production process to avoid double counting. The income approach sums total of incomes of individuals living in a country during the period. For analyzing GDP composition, the first two approaches are more popular.

## Laos GDP composition

Laos economy is getting industrialized as it became more ‘open’ to the world economy. Industry share of Laos GDP increased from around 15% in 1990 to 31% in 2014. At the same time, Agriculture share decreased from almost 60% to 27%. The industrialization of Laos economy relies a lot on external demand as export share of GDP rose almost 4 times from around 10% in 1990 to 40% in 2014.

# Laos economy relies more on international trade than Indonesia and Philippines does but trade is still concentrated with neighbor countries



### Trade openness

The trade-to-GDP ratio is frequently used to measure the importance of international transactions relative to domestic transactions. This indicator is calculated for each country as the simple average (i.e. the mean) of total trade (i.e. the sum of exports and imports of goods and services) relative to GDP. This ratio is often called the trade openness ratio.

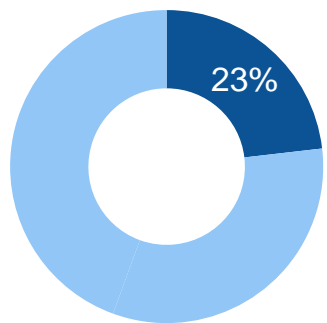
### Trade openness level for Laos

Laos economy relies more on international trade than Indonesia and Philippines does. It's latest trade openness level is 89.8% of GDP, higher than in Indonesia and Philippines. Since Laos is land locked, its international trade is mostly done through its neighboring countries, such as Thailand, China and Vietnam.

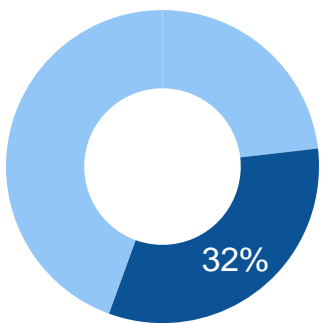
# Service sector especially trading is the most important production sector for Laos economy

## KEY PRODUCTION SECTORS

% of 2014 GDP (current price)  
100% = 94,568 Billion Kips

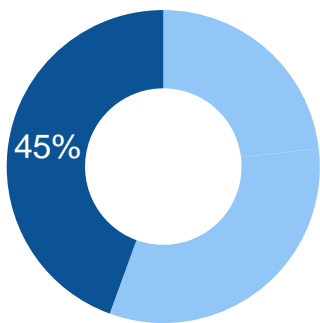


AGRICULTURE



INDUSTRY

Mining	14.2%
Manufacturing	7.9%
Construction	7.0%
Utilities	3.3%



SERVICE

Trade	17.9%
Public admin	8.3%
Taxes on imports	6.6%
Others	4.1%
Finance	3.9%
Transport and commu.	3.7%

### GDP composition, production side

The production approach measures market value of all final goods and services calculated during the period. It sums up value add of each production process to avoid double counting. Main production sectors are Agriculture, Industry and Service. Within Industry, there are manufacturing, mining, utilities and construction. Within Service, there are trading, transport, hotel and restaurant, financial, public administration, education, real estate, health and social, other social and private household.

### Key production sectors for Laos

Service sector especially trading is the most important production sector for Laos economy, accounting for 45% and 17.9% of 2014 GDP respectively. Agriculture accounts for 23% of GDP while Industry accounts for 32%. Within Industry sector, Mining is the largest with 14.2% of GDP.

# CONTENT SUMMARY

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## ECONOMIC OUTLOOK

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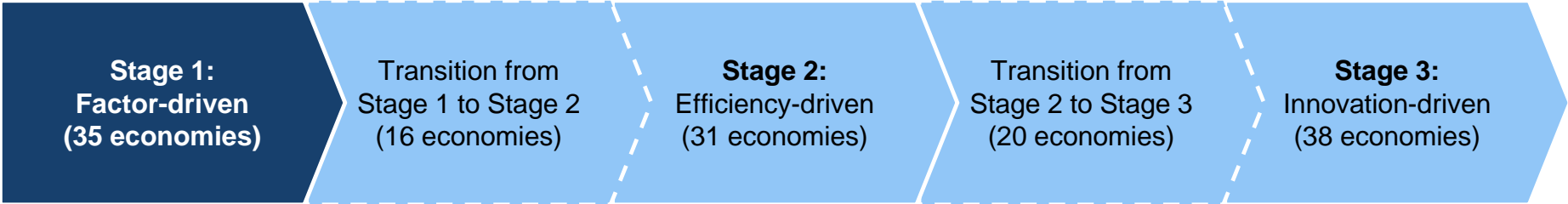
- Laos, along with Cambodia and Myanmar, is at the first stage of development, relying on natural resources and cheap labor
- Laos economy is ranked 83rd in the world in the latest global competitiveness rankings, up 10 places
- Laos competitive factors are largely behind ASEAN neighbors but did quite well in labor market efficiency
- Laos is one of the hardest places to do business but it's getting better on many fronts
- Educated workforce, Access to financing and Poor infrastructure are the most problematic factors for doing business in Laos
- FDI into Laos picked up slightly after it joined WTO in 2013 but still no where near the peak level in 2007

### Nation Competitiveness

Part of the country's economic profile, this section explores the country's competitiveness in the global level. It also covers the country's attractiveness to foreign direct investment.

# Laos, along with Cambodia and Myanmar, is at the first stage of development, relying on natural resources and cheap labor

## STAGES OF DEVELOPMENT



Characteristics	<ul style="list-style-type: none"><li>• Mainly factor-driven</li><li>• Compete based on primarily low-skilled labor and natural resources</li><li>• Low productivity reflected in low wages</li></ul>	<ul style="list-style-type: none"><li>• Becomes more competitive</li><li>• Productivity will increase and wages will rise</li><li>• Compete by increasing efficiency in production process</li></ul>	<ul style="list-style-type: none"><li>• Wages will have risen by so much</li><li>• Must compete by producing new and different goods through new technologies or business models</li></ul>		
Key Factors	<ol style="list-style-type: none"><li>1. Public and Private institutions</li><li>2. Infrastructure</li><li>3. Macroeconomic environment</li><li>4. Health and primary education</li></ol>	<ol style="list-style-type: none"><li>5. Higher education and training</li><li>6. Goods market efficiency</li><li>7. Labor market efficiency</li><li>8. Financial market development</li><li>9. Technological readiness</li><li>10. Market size</li></ol>	<ol style="list-style-type: none"><li>11. Business sophistication</li><li>12. Innovation</li></ol>		
Examples	<ul style="list-style-type: none"><li>• Cambodia</li><li>• India</li><li>• <b>Laos</b></li><li>• Myanmar</li><li>• Pakistan</li></ul>	<ul style="list-style-type: none"><li>• Bhutan</li><li>• Philippines</li><li>• Saudi Arabia</li><li>• Vietnam</li></ul>	<ul style="list-style-type: none"><li>• China</li><li>• Indonesia</li><li>• South Africa</li><li>• Thailand</li><li>• Ukraine</li></ul>	<ul style="list-style-type: none"><li>• Brazil</li><li>• Malaysia</li><li>• Mexico</li><li>• Turkey</li></ul>	<ul style="list-style-type: none"><li>• Japan</li><li>• South Korea</li><li>• Singapore</li><li>• Taiwan</li><li>• UK</li><li>• US</li></ul>

### Stages of development

According to an economic theory, there are three stages of development for any economy to compete in the global market. In the first stage, an economy mainly compete based on low-skilled labor and natural resources. This stage is called “Factor-driven”. In the second stage, the economy becomes more competitive, productivity will increase and wages will rise. It can compete by increasing efficiency in production process. This stage is called “Efficiency-driven”. In the last stage, wages will have risen by so much that the economy must compete by producing new and different goods through new technologies or business models. This stage is called “Innovation-driven”. Countries/economies are grouped into these stages of development in the Global Competitiveness report by the World Economic Forum.

### Stage of development for Laos economy

Laos, along with Cambodia and Myanmar, is at the first stage of development, relying on natural resources and cheap labor.

# Laos economy is ranked 83<sup>rd</sup> in the world in the latest global competitiveness rankings, up 10 places

## The Global Competitiveness rankings 2015-2016

### #7 among 9 ASEAN economies

Country/Economy	GCI 2015-2016		GCI 2014-2015
	Rank (out of 140)	Score	Rank (out of 144)
Singapore	2	5.68	2
Malaysia	18	5.23	20
Thailand	32	4.64	31
Indonesia	37	4.52	34
Philippines	47	4.39	52
Vietnam	56	4.30	68
Lao PDR	83	4.00	93
Cambodia	90	3.94	95
Myanmar	131	3.32	134

Country/Economy	GCI 2015-2016	
	Rank (out of 140)	Score
Singapore	2	5.68
Japan	6	5.47
Hong Kong SAR	7	5.46
Qatar	14	5.30
Taiwan, China	15	5.28
Malaysia	18	5.23
Saudi Arabia	25	5.07
Korea, Rep.	26	4.99
China	28	4.89
Thailand	32	4.64
Kuwait	34	4.59
Indonesia	37	4.52
Bahrain	39	4.52
Kazakhstan	42	4.48
Philippines	47	4.39
India	55	4.31
Vietnam	56	4.30
Oman	62	4.25
Jordan	64	4.23
Sri Lanka	68	4.21
Iran, Islamic Rep.	74	4.09
Lao PDR	83	4.00
Cambodia	90	3.94
Nepal	100	3.85
Mongolia	104	3.81
Bhutan	105	3.80
Bangladesh	107	3.76
Pakistan	126	3.45
Myanmar	131	3.32

### #22 among 29 Asian economies

GCI 2015-2016		
Country/Economy	Rank (out of 140)	Score
Finland	1	5.78
Singapore	2	5.68
United States	3	5.61
Germany	4	5.53
Netherlands	5	5.50
Japan	6	5.47
Hong Kong SAR	7	5.46
France	8	5.45
Sweden	9	5.43
United Kingdom	10	5.43
Norway	11	5.41
Denmark	12	5.33
Canada	13	5.31
Qatar	14	5.30
Taiwan, China	15	5.28
New Zealand	16	5.25
United Arab Emirates	17	5.24
Malaysia	18	5.23
Belgium	19	5.20
Switzerland	20	5.20
Australia	21	5.15
France	22	5.13
Austria	23	5.12
Ireland	24	5.11
Saudi Arabia	25	5.07
Korea, Rep.	26	4.99
Israel	27	4.98
China	28	4.89
Iceland	29	4.88
Estonia	30	4.74
Czech Republic	31	4.69
Thailand	32	4.64
Spain	33	4.59
United Arab Emirates	34	4.58
Chile	35	4.58
Lithuania	36	4.55
Indonesia	37	4.52
Portugal	38	4.52
Belgium	39	4.52
Azerbaijan	40	4.50
Poland	41	4.49
Ecuador	42	4.48
Italy	43	4.46
Latvia	44	4.45
Russian Federation	45	4.44
Hungary	46	4.43
Philippines	47	4.39
Armenia	48	4.39
South Africa	49	4.38
Peru	50	4.38
Turkey	51	4.37
Costa Rica	52	4.33
Belarus	53	4.32
Bulgaria	54	4.32
Uruguay	55	4.31
Lebanon	56	4.30
Mexico	57	4.29
Paraguay	58	4.29
Slovenia	59	4.28
Moldova, Rep.	60	4.28
Colombia	61	4.28
Oman	62	4.25
Hungary	63	4.25
Armenia	64	4.23
Georgia	65	4.22
North Macedonia	66	4.22
Sri Lanka	68	4.21
Peru	69	4.21
Maldives	70	4.20
Botswana	71	4.19
Malawi	72	4.18
Uganda	73	4.09
Vanuatu Rep.	74	4.09
Brunei	75	4.08
Brazil	76	4.07
Croatia	77	4.07
Guatemala	78	4.05
Maldives	79	4.05
Tajikistan	80	4.03
Japan	81	4.02
Azerbaijan	82	4.01
Kenya	83	4.00
Kenya	84	4.00
Namibia	85	3.99
Armenia	86	3.97
Algeria	87	3.97
Kenya	88	3.95
Trinidad and Tobago	89	3.94
Cameroon	90	3.94
Ghana	91	3.93
Tunisia	92	3.93
Algeria	93	3.93
Costa Rica	94	3.93
El Salvador	95	3.87
Zambia	96	3.87
Georgia	97	3.86
Commonwealth of the Philippines	98	3.86
Kenya	99	3.85
Uganda	100	3.85
Colombia	101	3.84
Kenya	102	3.83
Kenya	103	3.83
Mongolia	104	3.81
Kenya	105	3.80
Argentina	106	3.79
Bangladesh	107	3.76
Kenya	108	3.75
Kenya	109	3.74
Kenya	110	3.73
Kenya and Tanzania	111	3.71
Kenya	112	3.70
Kenya	113	3.70
Kenya	114	3.69
Kenya	115	3.68
Kenya	116	3.68
Kenya	117	3.68
Kenya	118	3.68
Kenya	119	3.68
Kenya	120	3.67
Kenya	121	3.66
Kenya	122	3.65
Kenya	123	3.64
Kenya	124	3.64
Kenya	125	3.64
Kenya	126	3.64
Kenya	127	3.64
Kenya	128	3.64
Kenya	129	3.63
Kenya	130	3.62
Kenya	131	3.62
Kenya	132	3.61
Kenya	133	3.60
Kenya	134	3.59
Kenya	135	3.58
Kenya	136	3.57
Kenya	137	3.56
Kenya	138	3.55
Kenya	139	3.54
Kenya	140	3.54

### #83 among all 140 Economies



Interactive chart for this page  
is available online to provide you  
with more perspectives

## Global Competitiveness

World Economic Forum, who publishes annual Global Competitiveness Report, defines competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. Since 2005, the World Economic Forum has based its competitiveness analysis on the Global Competitiveness Index (GCI), a comprehensive tool that measures the microeconomic and macroeconomic foundations of national competitiveness. More information on the report can be found on its website <http://www.weforum.org/issues/global-competitiveness>

## Laos in the Global Competitiveness Rankings

Laos economy is ranked 83rd in the world in the latest global competitiveness rankings, up 10 places from last year.



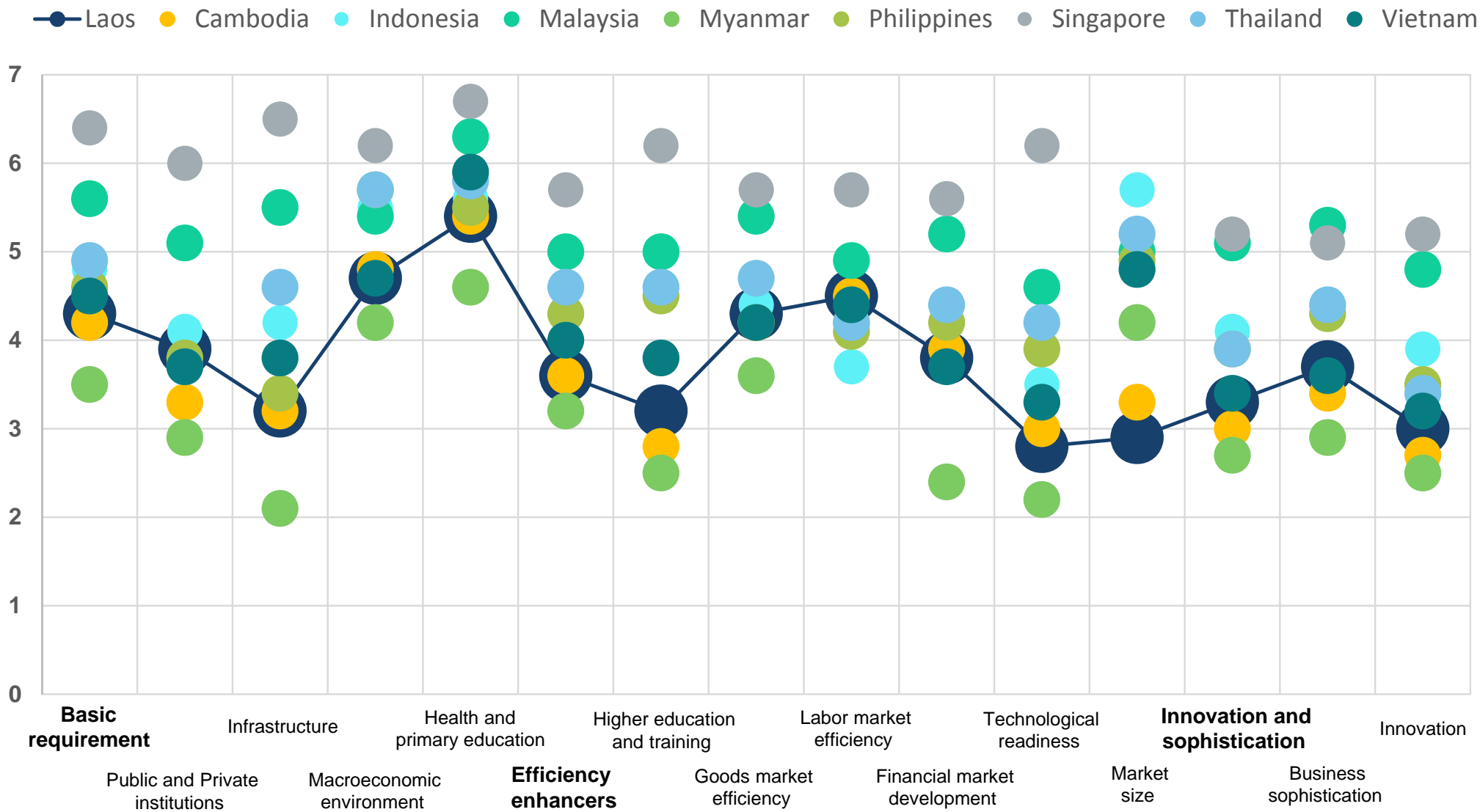
# Laos competitive factors are largely behind ASEAN neighbors but did quite well in labor market efficiency



Interactive chart for this page is available online to provide you with more perspectives

## The Global Competitiveness Index

2015-2016, ASEAN, score = 0-7



### The Global Competitiveness Index

The Global Competitiveness Index framework divides competitiveness factors into three groups. The first group is Basic requirements, which includes Public and Private institutions, Infrastructure, Macroeconomic environment and Health and primary education. The second group is Efficiency enhancers, including Higher education and training, goods market efficiency, labor market efficiency, financial market development, technology readiness and market size. The last group is Innovation and sophistication, including business sophistication and innovation.

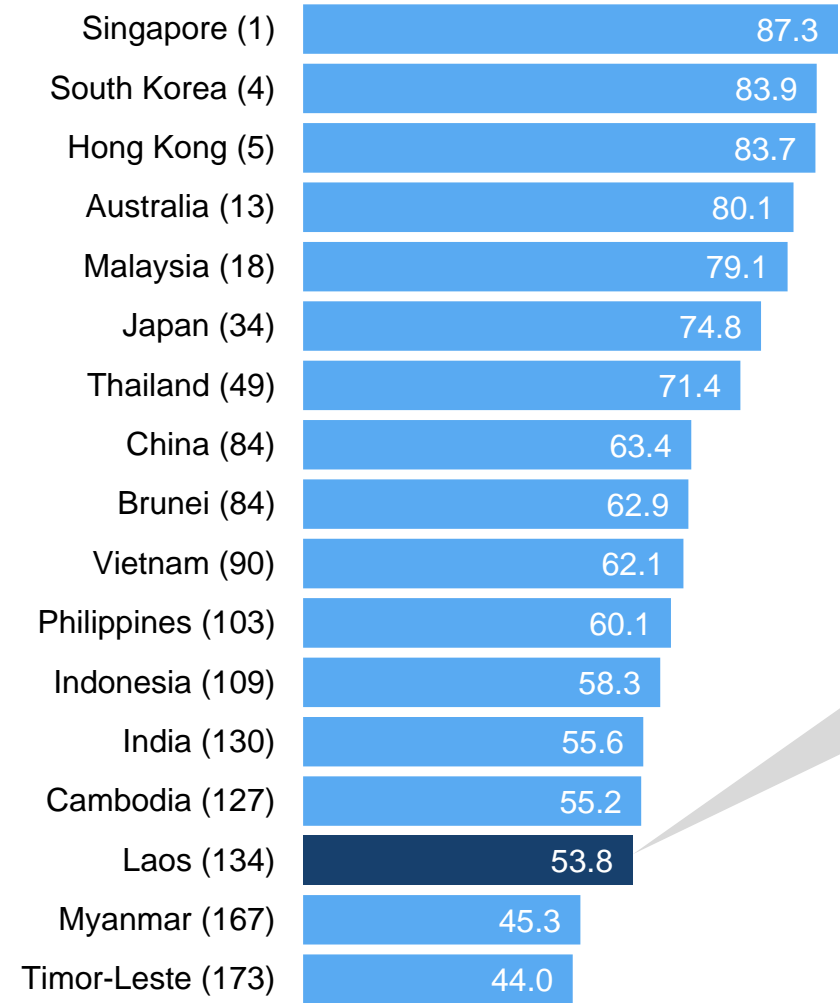
### Global Competitiveness Index: Laos vs ASEAN

Laos competitive factors are largely behind ASEAN neighbors but did quite well in labor market efficiency.

# Laos is one of the hardest places to do business but it's getting better on many fronts

## Ease of Doing Business Ranking

Selected economies, ( ) = 2016 rank, DTF\* score



## Laos DTF\* score

2016 vs 2015

TOPICS	DB 2016	DB 2015	Change
Starting a Business	73.8	73.8	↑
Dealing with Construction Permits	75.1	75.0	↑
Getting Electricity	45.2	44.8	↑
Registering Property	68.7	68.7	↑
Getting Credit	55.0	30.0	↑
Protecting Minority Investors	31.7	31.7	→
Paying Taxes	66.1	66.1	→
Trading Across Borders	64.1	64.1	→
Enforcing Contracts	58.1	58.1	→
Resolving Insolvency	0.0	0.0	→

## Ease of Doing Business

Doing Business sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labor market regulation.

## Doing Business in Laos

Laos economy is ranked 134<sup>th</sup> in the world on the World Bank's Ease of Doing Business 2016 ranking. It's rank is second lowest among ASEAN countries, just above Myanmar. However, it has improved on 5 of the 10 key factors in the latest round of survey.

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

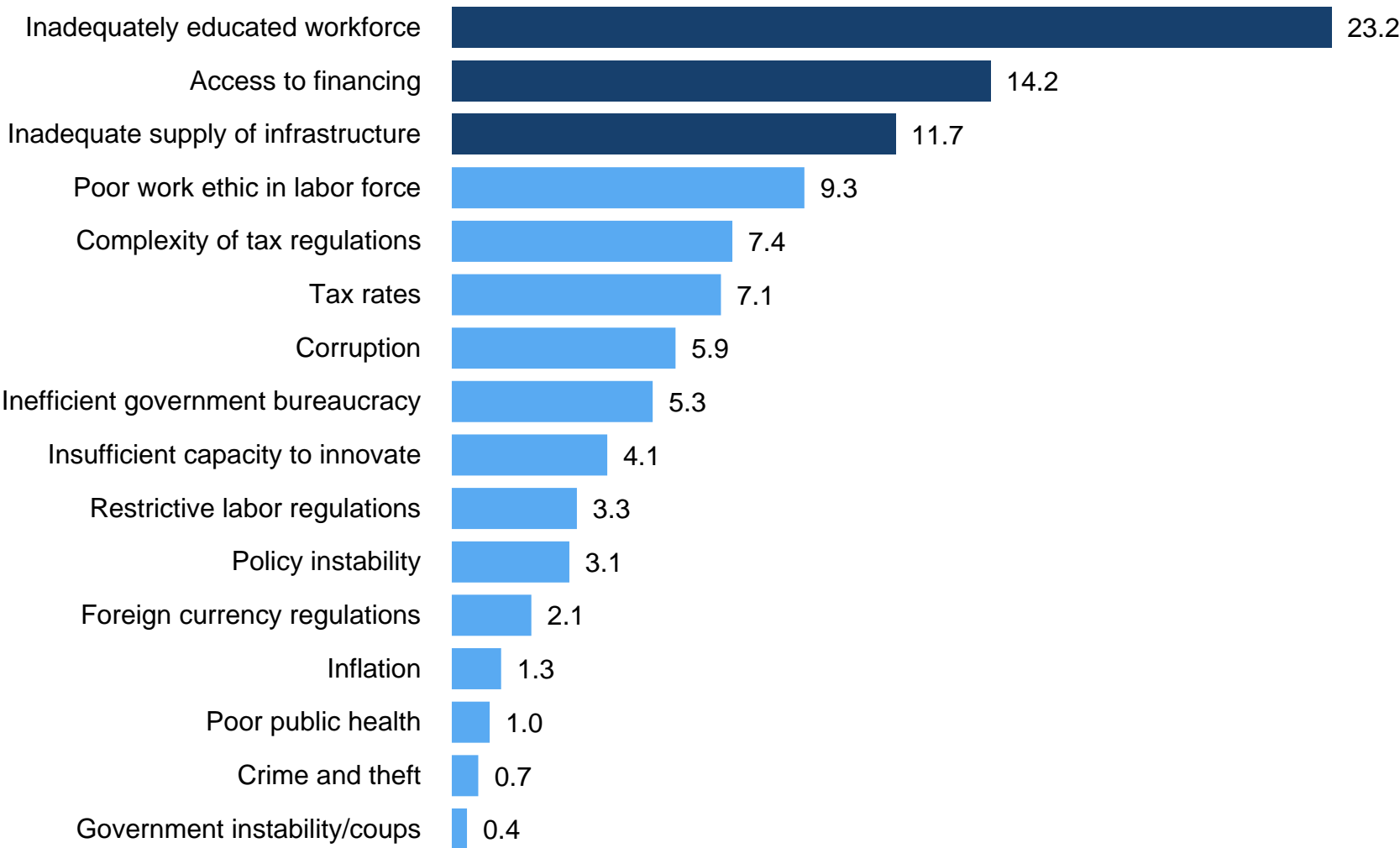
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# Educated workforce, Access to financing and Poor infrastructure are the most problematic factors for doing business in Laos

## The most problematic factors for doing business in Laos

% of responses\*



### The most problematic factors for doing business

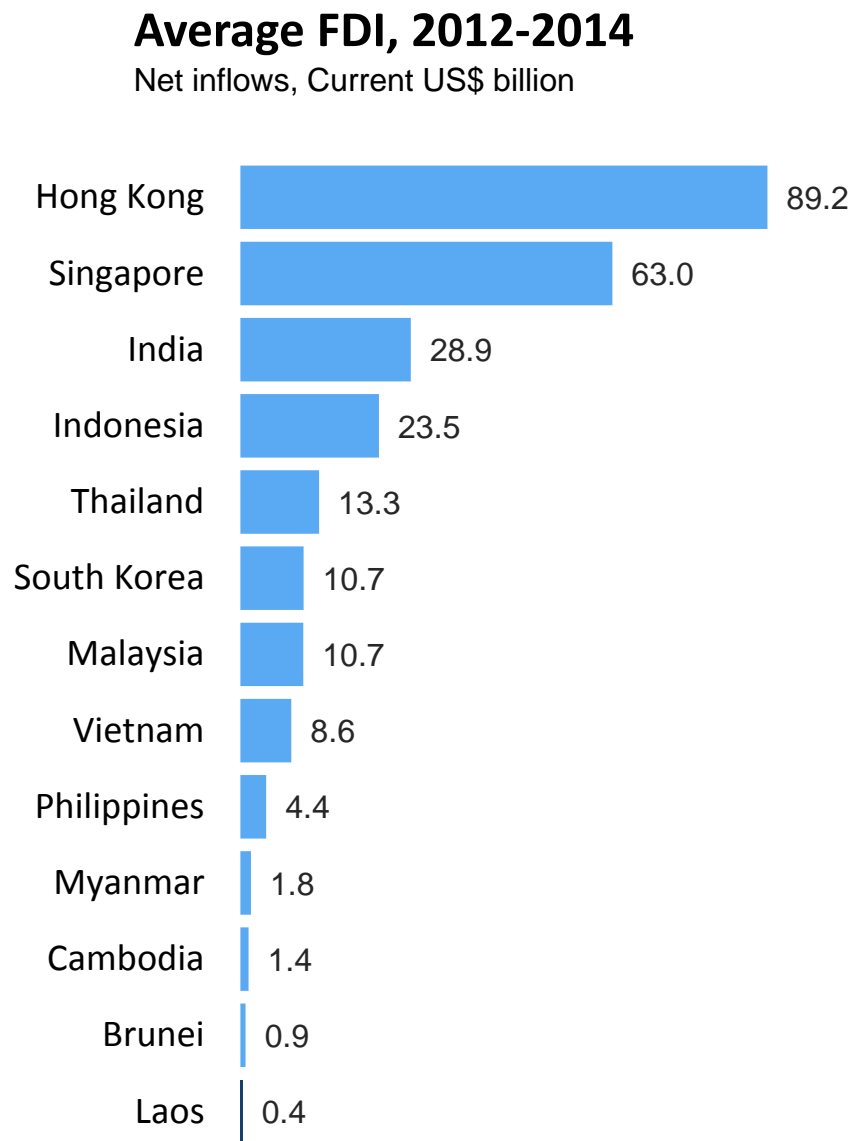
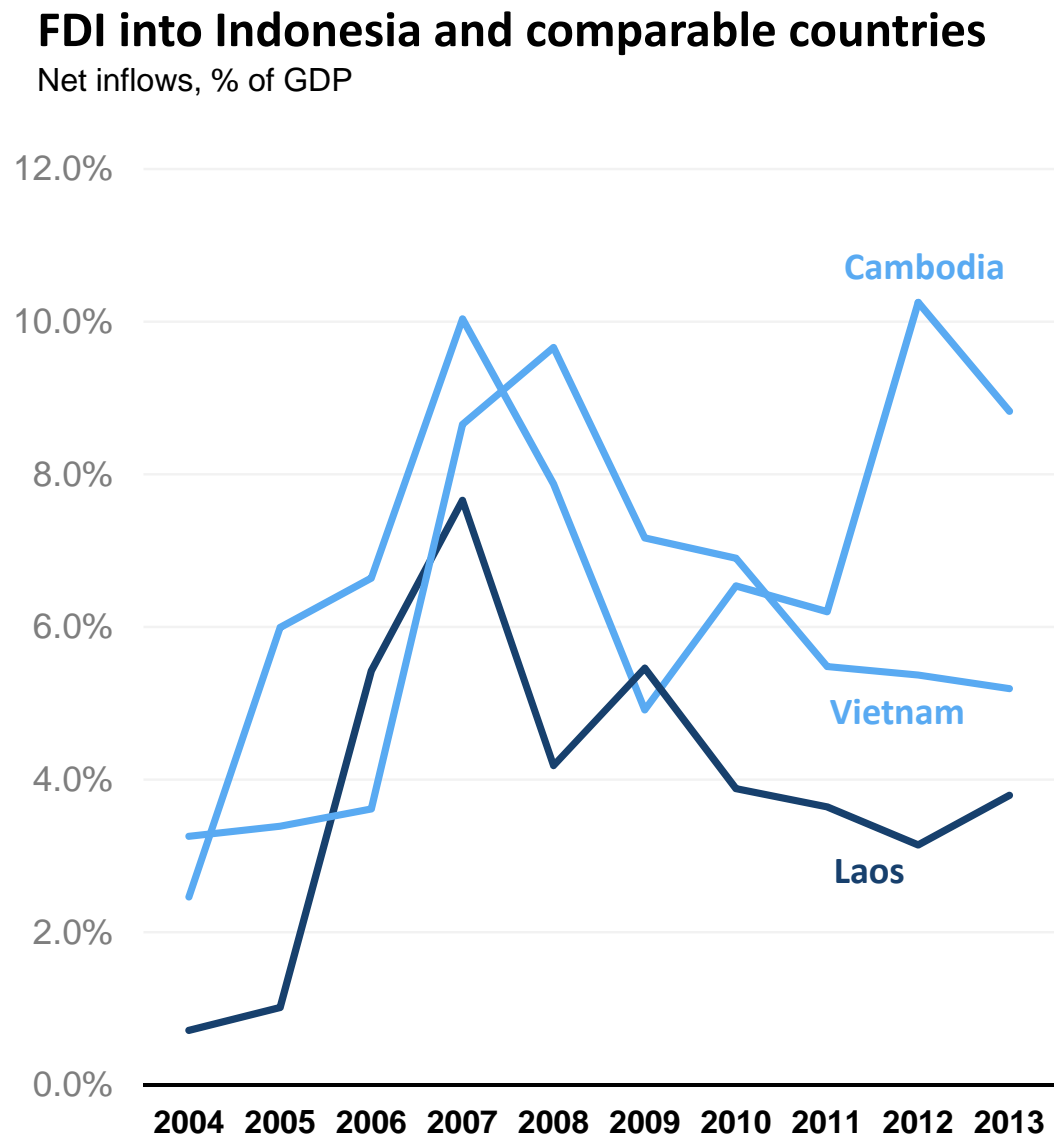
As part of its Global Competitiveness Report, World Economic Forum also conducts its annual executive opinion survey which in 2014 involves over 14,000 respondents from around the world. Part of the survey is the issue of problematic factors for doing business in a given country. From the given list of factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

### The most problematic factors for doing business in Laos

Educated workforce, Access to financing and Poor infrastructure are the most problematic factors for doing business in Laos.

Note: (\*) From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings

# FDI into Laos picked up slightly after it joined WTO in 2013 but still no where near the peak level in 2007



**Foreign direct investment, net inflows (BoP, current US\$)**

Foreign direct investment are the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors. Data are in current U.S. dollars.

**Foreign direct investment, net inflows (% of GDP)**

This series shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors, and is divided by GDP.

**Foreign direct investment into Laos**

In absolute term, FDI into Laos is lowest in ASEAN, averaging USD 0.4 billion annually over the last 3 years. As percentage of GDP, it has picked up slightly in 2013 when it joined WTO.

# CONTENT SUMMARY

## ECONOMIC PROFILE

Structure

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Development

## ECONOMIC OUTLOOK

Growth

Stability

- Laos real per capita income grew on average 5.4% a year since 1998 and the current level is getting closer to Vietnam's
- Laos managed to reduce poverty almost by half during the past decade and its latest poverty rate is lower than Philippines and Myanmar
- Unemployment rate in Laos has always been quite low
- Income distribution in Laos is better than Thailand and most high-income ASEAN economies
- Laos Human Development Index has improved over the past two decades and is now in the Medium human development group, just like most ASEAN countries.
- Quality of life in Laos has improved especially in education but almost one third of the population is still without life basic facilities

### Economic Development

Part of the country's economic profile, this section explores the country's economic development, average income and its distribution, poverty as well as other development indicators.

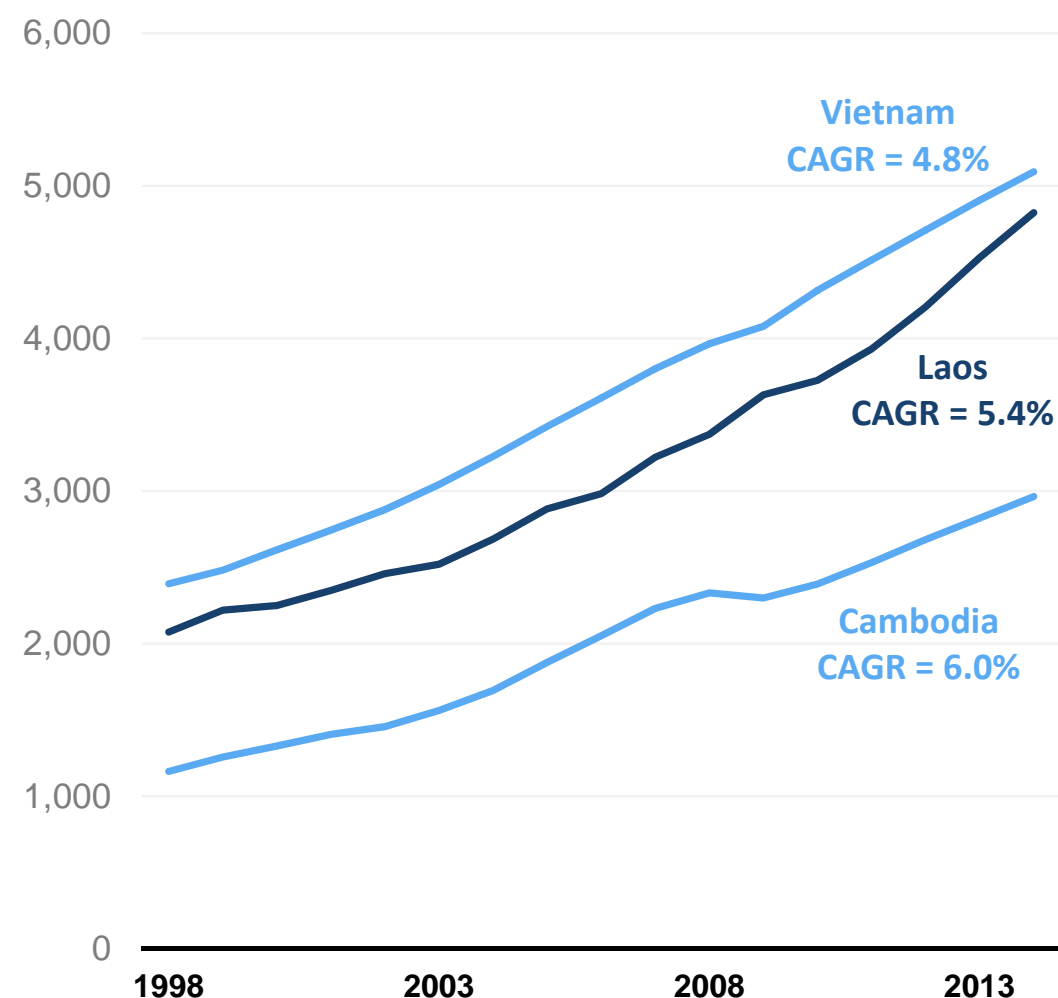
# Laos real per capita income grew on average 5.4% a year since 1998 and the current level is getting closer to Vietnam's



Interactive chart for this page is available online to provide you with more perspectives

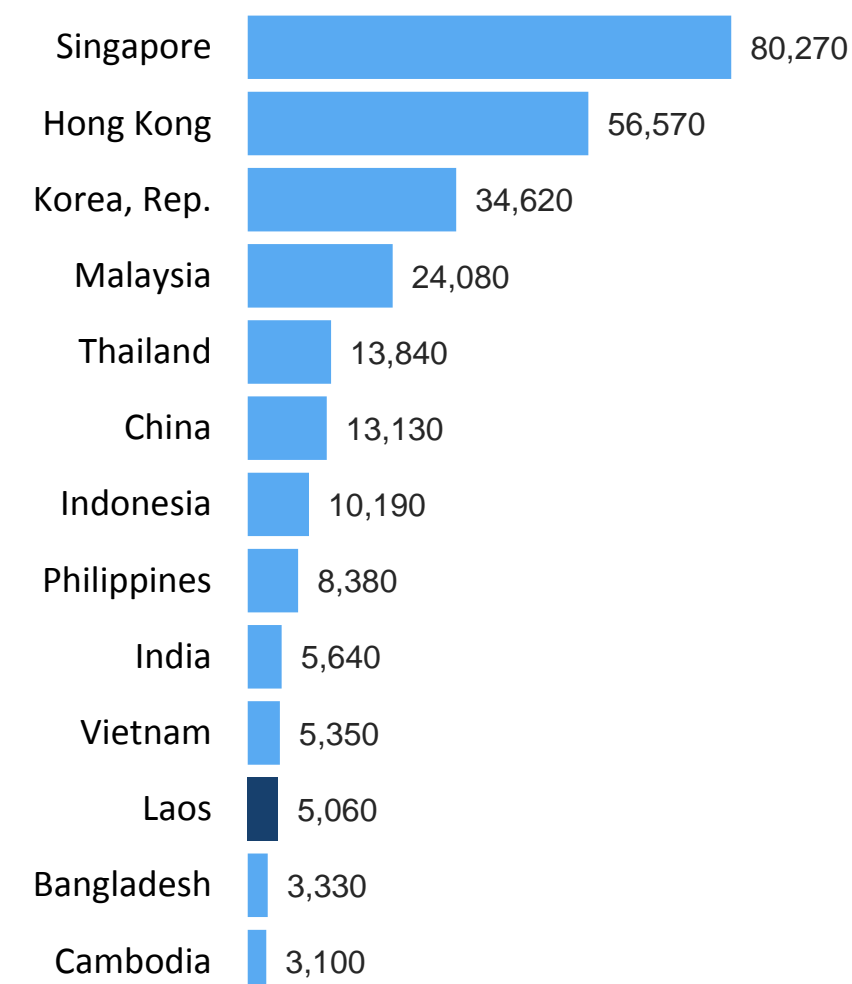
## GNI per capita

1990-2014, Purchasing Power Parity in 2011 international dollars



## GNI per capita comparison

2014, Purchasing Power Parity in current international dollars



## GNI per capita, PPP

GNI per capita based on purchasing power parity (PPP). PPP GNI is gross national income (GNI) converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GNI as a U.S. dollar has in the United States. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. The constant 2011 international dollars version is useful to calculate real growth while the current international dollars version is useful to compare per capita income level across countries.

## Laos per capita income

Laos real per capita income grew on average 5.2% a year since 1998. In 2014, Laos per capita income was at USD 5,060, closer to Vietnam's USD 5,350.



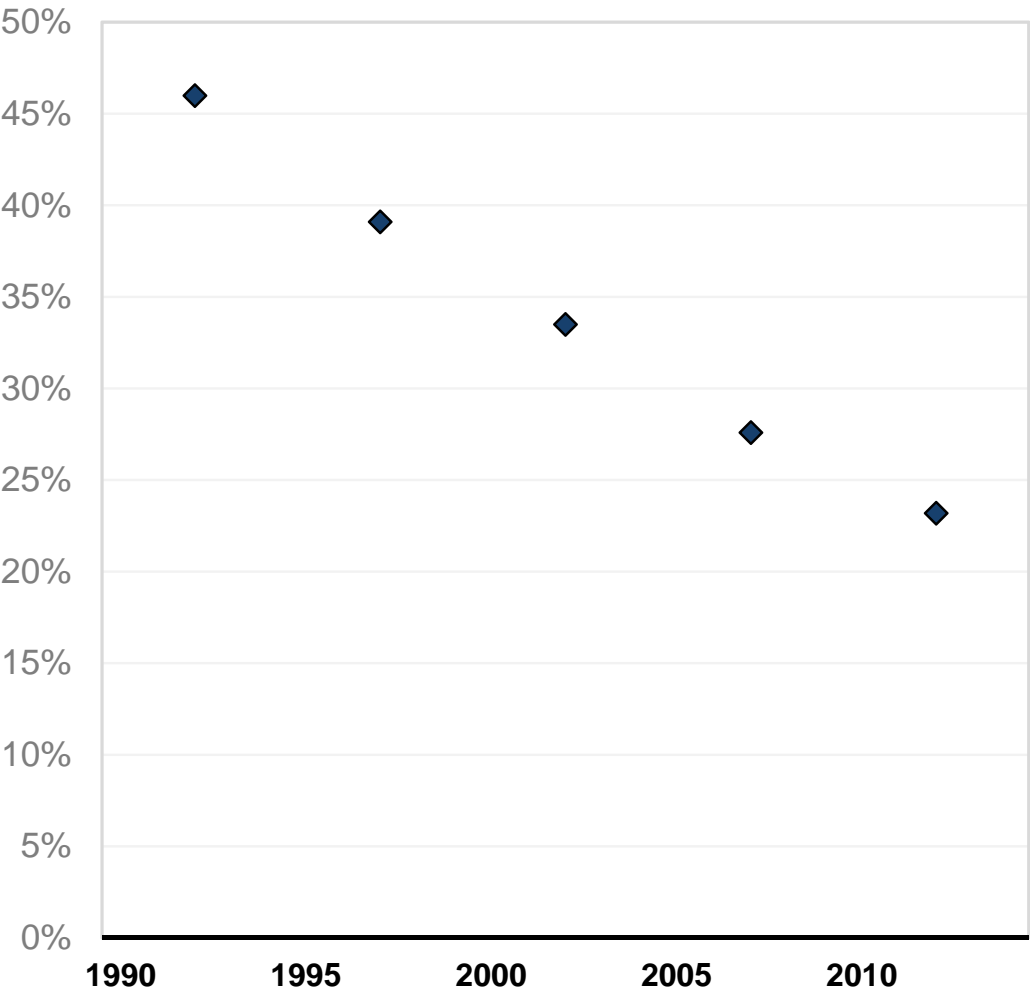
# Laos managed to reduce poverty almost by half during the past decade and its latest poverty rate is lower than Philippines and Myanmar



Interactive chart for this page is available online to provide you with more perspectives

## Laos Poverty Headcount

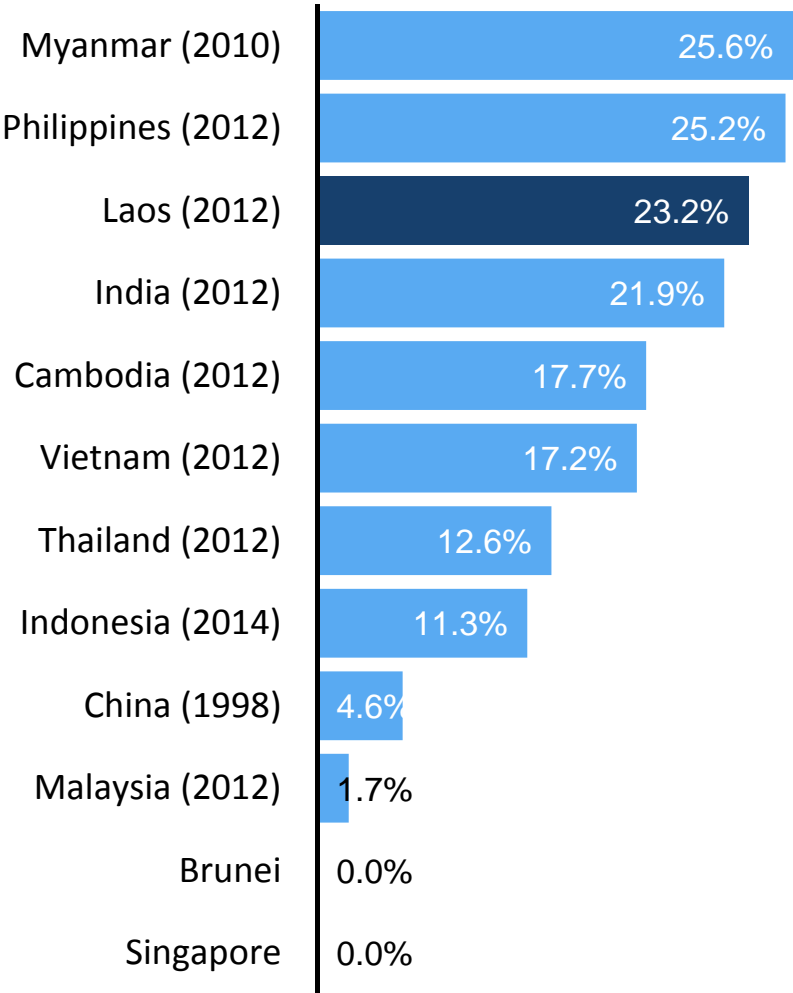
% of population living below the national poverty line



Note: (\*) There can be various definitions of poverty, we use National poverty rate, the percentage of the population living below the national poverty line. National estimates are based on population-weighted subgroup estimates from household surveys.

## ASEAN Poverty Headcount

% of population living below the national poverty line



### Poverty headcount

National poverty rate is the percentage of the population living below the national poverty line. National estimates are based on population-weighted subgroup estimates from household surveys.

### Laos poverty headcount

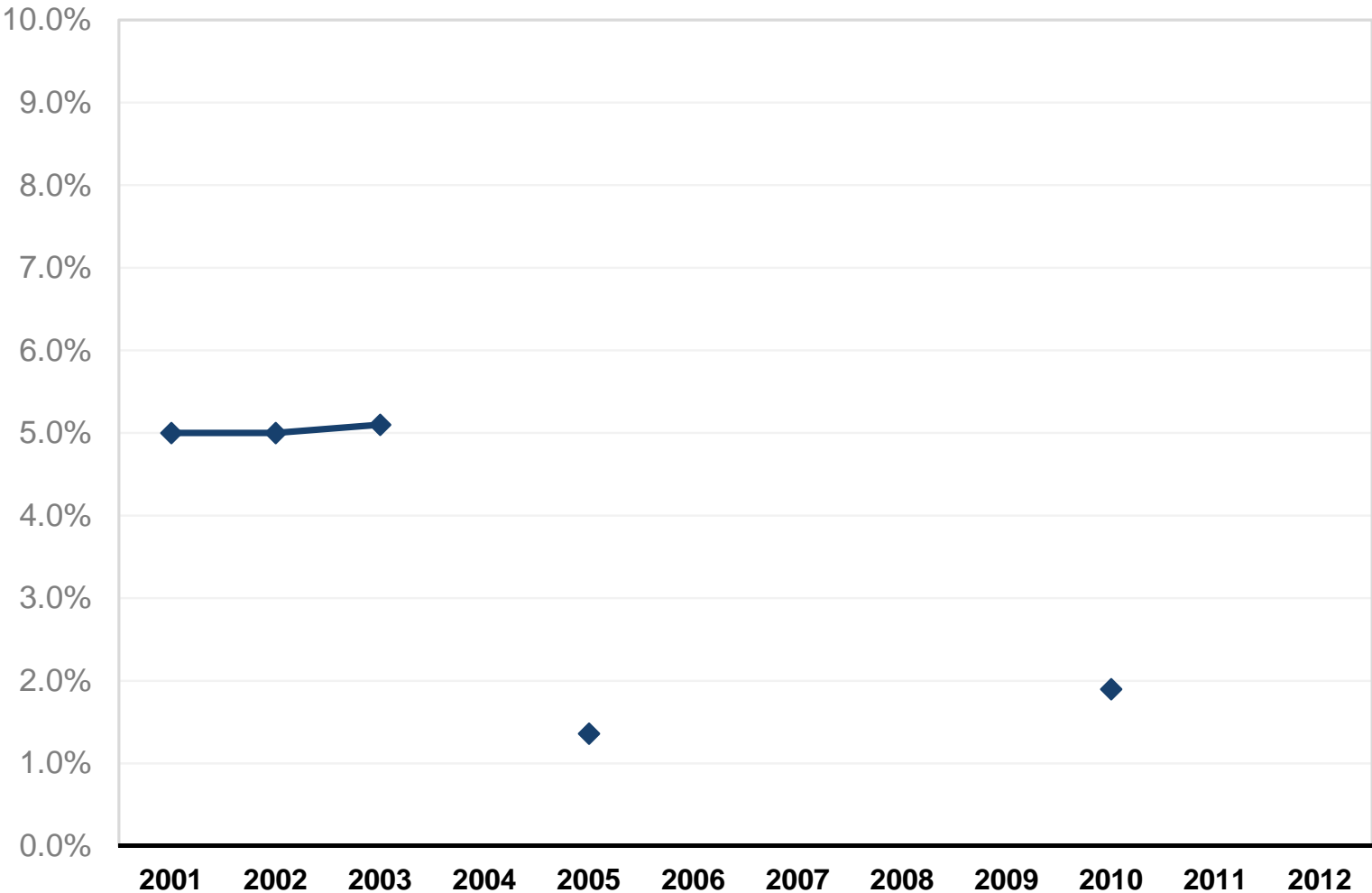
Laos managed to reduce poverty almost by half during the past decade and its latest poverty rate of 23.2% is lower than Philippines and Myanmar.

# Unemployment rate in Laos has always been quite low



Interactive chart for this page is available online to provide you with more perspectives

**Laos Unemployment rate**  
% of total labor force



## Unemployment rate

Unemployment rate equals unemployed persons divided by total labor force.

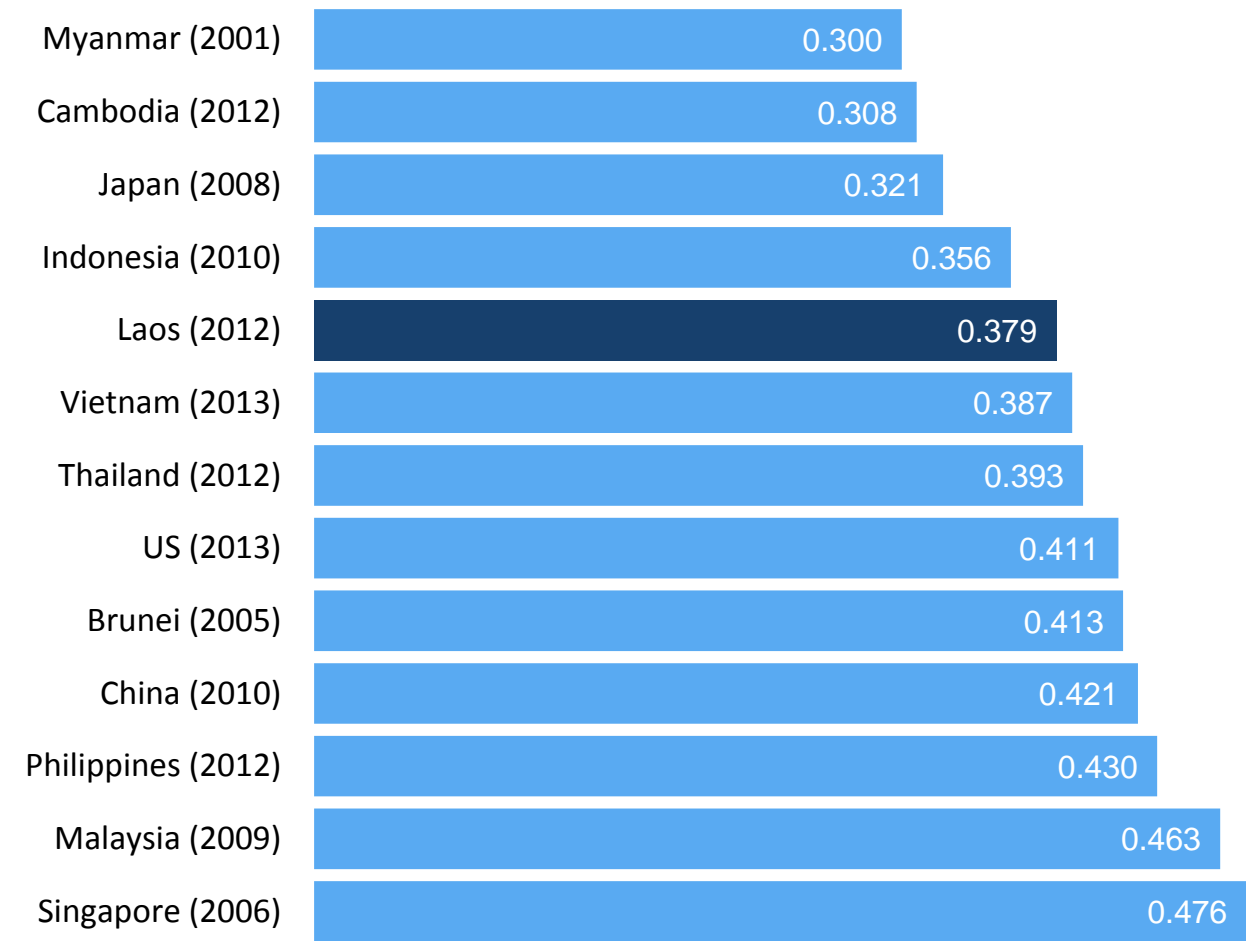
Unemployed persons is defined as persons with the age of 15 years and over who during the week in which the survey is conducted, do not work, have no job, business enterprise or farm of their own. Persons in this category include those who are looking for a job, applying for a job or waiting to be called to work during the past 30 days prior to the interview date and those who are not looking for work during the past 30 days prior to the interview date, but are otherwise available for work during the 7 days prior to the interview date. Total labor force comprises current labor force and seasonally inactive labor force.

## Unemployment rate in Laos

Unemployment rate in Laos has always been quite low. The latest available data on Laos unemployment rate was in 2010, with less than 2% unemployment rate.

# Income distribution in Laos is better than Thailand and most high-income ASEAN economies

## GINI Coefficient



- The Gini coefficient is a measure of inequality of a distribution of income
- It is defined as a ratio with values between 0 and 1
- Here, 0 corresponds to perfect income equality (i.e. everyone has the same income)
- 1 corresponds to perfect income inequality (i.e. one person has all the income, while everyone else has zero income)
- Therefore, the lower the ratio the better the income distribution.

### GINI coefficient

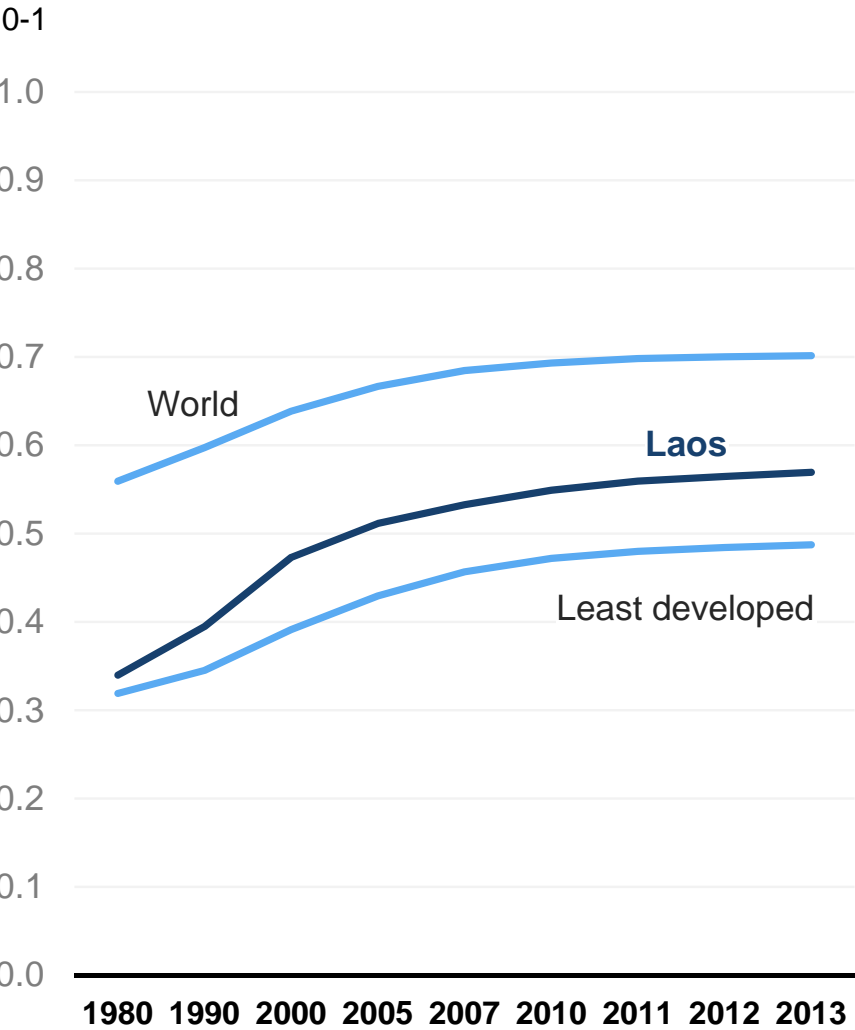
The Gini coefficient measures the inequality among values of a frequency distribution (for example levels of income). A Gini coefficient of zero expresses perfect equality where all values are the same (for example, where everyone has an exactly equal income). A Gini coefficient of one (100 on the percentile scale) expresses maximal inequality among values (for example where only one person has all the income)

### Income distribution in Laos

Income distribution in Laos is better than Thailand and most high-income ASEAN economies.

# Laos Human Development Index has improved over the past two decades and is now in the medium group

## HUMAN DEVELOPMENT INDEX\*



Note: (\*) Human Development Index (HDI): A composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living. HDI is calculated every year by UNDP

## HDI AND HDI RANK

2013, selected countries

Very high human development	
1 Norway	0.9436
3 Switzerland	0.9174
5 United States	0.9137
6 Germany	0.9114
9 Singapore	0.9013
15 Hong Kong	0.8911
15 South Korea	0.8907
17 Japan	0.8901
30 Brunei	0.8518
34 Saudi Arabia	0.8355

High human development	
50 Uruguay	0.7897
57 Russia	0.7783
62 Malaysia	0.7729
71 Mexico	0.7558
73 Sri Lanka	0.7497
79 Brazil	0.7436
89 Thailand	0.7219
91 China	0.7191
96 Jamaica	0.7153
98 Colombia	0.7107

Medium human development	
108 Indonesia	0.6843
117 Philippines	0.6595
118 South Africa	0.6578
121 Viet Nam	0.6380
128 Timor-Leste	0.6202
135 India	0.5857
136 Bhutan	0.5841
136 Cambodia	0.5840
139 Laos	0.5694
142 Bangladesh	0.5579

Low human development	
145 Nepal	0.5396
146 Pakistan	0.5365
150 Myanmar	0.5235
152 Nigeria	0.5036
156 Zimbabwe	0.4920
157 Papua New Guinea	0.4915
169 Afghanistan	0.4679
175 Liberia	0.4118
184 Chad	0.3724
187 Niger	0.3370

## Human Development Index

Human Development Index (HDI): A composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living. HDI is calculated every year by UNDP.

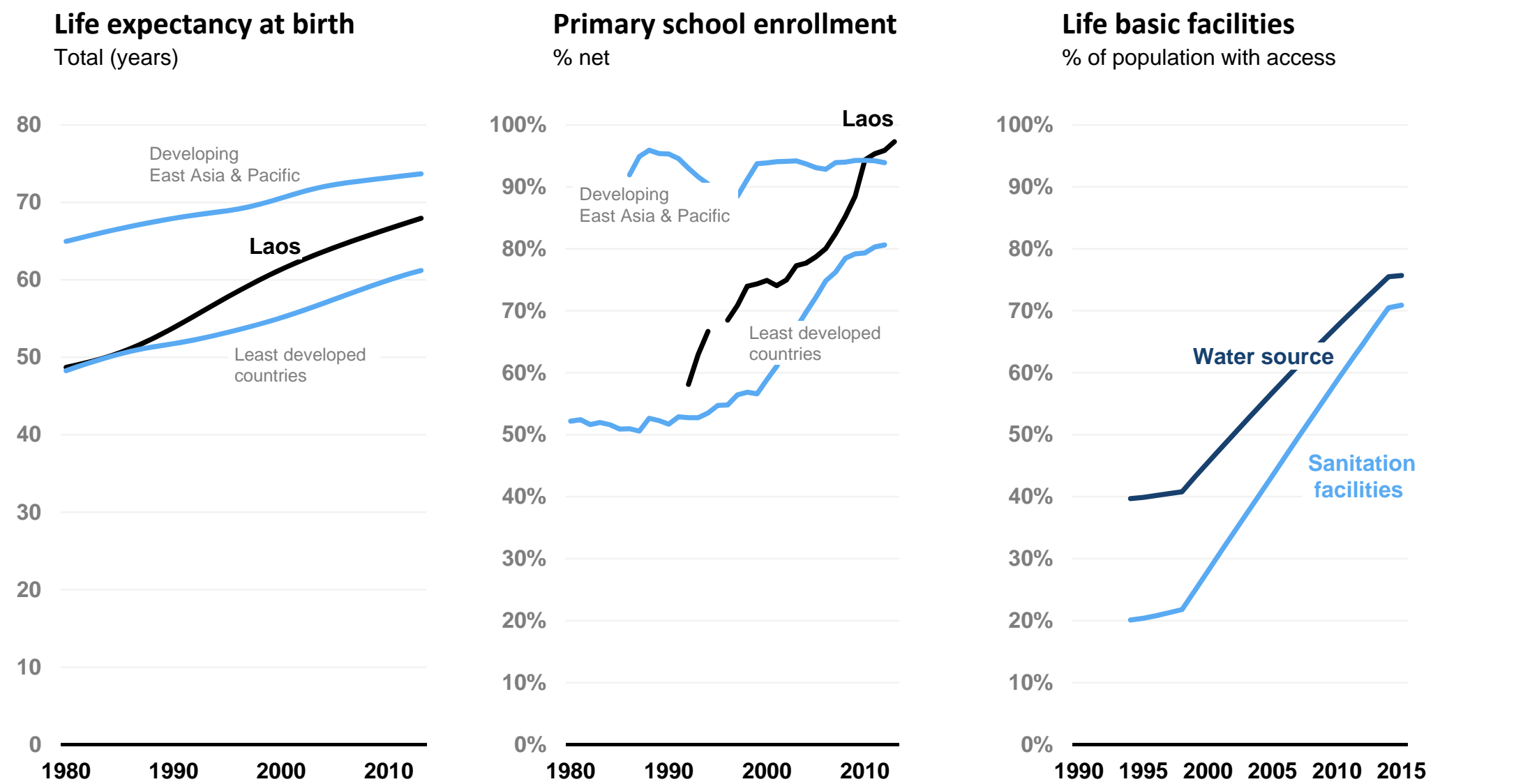
## Laos HDI and ranking

Laos Human Development Index has improved over the past two decades and is now in the Medium human development group, just like most ASEAN countries.

# Quality of life in Laos has improved especially in education but almost one third of the population is still without life basic facilities



Interactive chart for this page is available online to provide you with more perspectives



### Life expectancy at birth

Life expectancy at birth indicates the number of years a newborn infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life.

### Primary school enrollment, net

Net enrolment rate. Primary. Total is the ratio of children of the official primary school age who are enrolled in primary school to the total population of the official primary school age.

### Water source access

Access to an improved water source refers to the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, and rainwater collection. Unimproved sources include vendors, tanker trucks, and unprotected wells and springs. Reasonable access is defined as the availability of at least 20 liters a person a day from a source within one kilometer of the dwelling.

### Sanitation facilities access

Access to improved sanitation facilities refers to the percentage of the population with at least adequate access to excreta disposal facilities that can effectively prevent human, animal, and insect contact with excreta. Improved facilities range from simple but protected pit latrines to flush toilets with a sewerage connection. To be effective, facilities must be correctly constructed and properly maintained.

### Quality of life in Laos

Quality of life in Laos has improved especially in education but almost one third of the population is still without life basic facilities.

# CONTENT SUMMARY

## ECONOMIC PROFILE

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## ECONOMIC OUTLOOK

Growth

Stability

- Over the last 10 years, Laos economy has grown on average 7.8% per year, comparable to China, India and the rest of CLMV, and higher than ASEAN5 and developed economies
- 2014 growth of 7.6% were driven by all sectors with Trade and Agriculture leading the way
- Trade, Manufacturing, Construction and Import taxes have recently been key growth drivers for Laos economy
- Laos economy is projected to maintain its impressive growth rate of 7.5% and above over the next three years

### Economic Growth

Part of the country's economic outlook, this section explores Indonesia's recent economic growth, its key drivers and well as the growth outlook for the coming years.



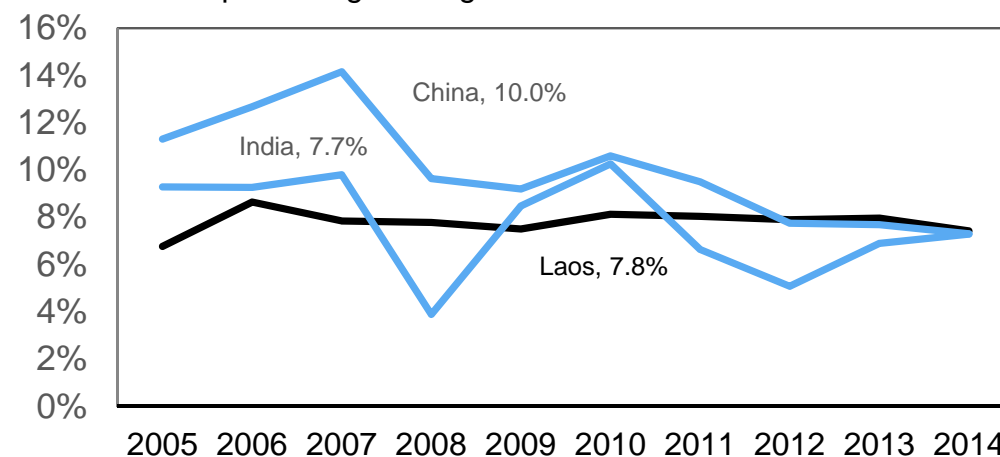
# Over the last 10 years, Laos economy has grown on average 7.8% per year, comparable to China, India and the rest of CLMV, and higher than ASEAN5 and developed economies



Interactive chart for this page is available online to provide you with more perspectives

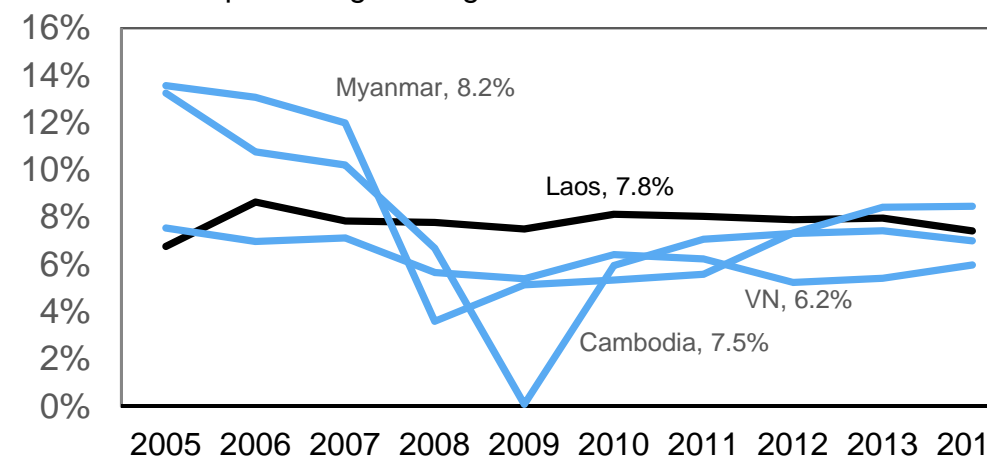
## Real GDP growth vs China and India

Annual percentage change



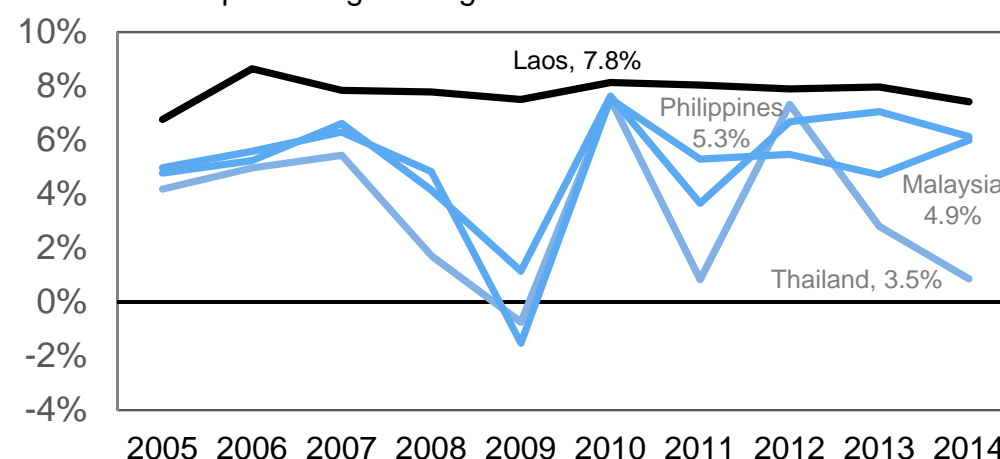
## Real GDP growth vs CLMV

Annual percentage change



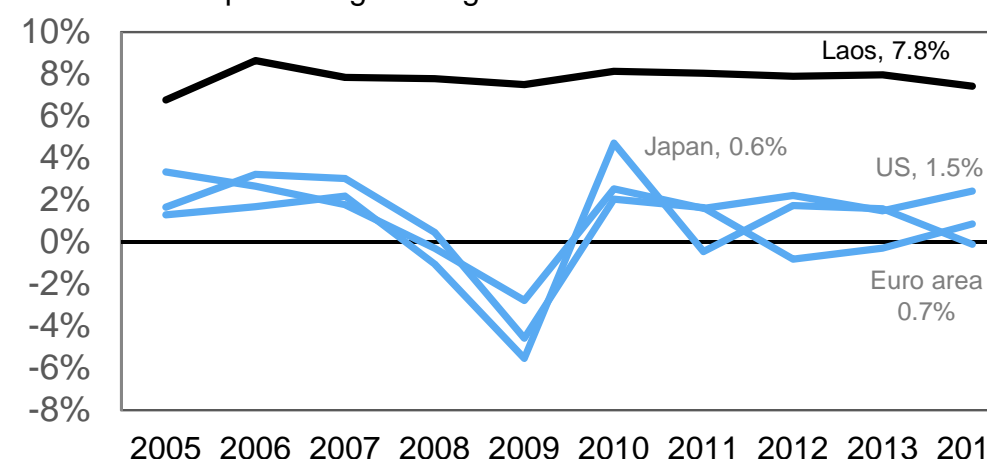
## Real GDP growth vs Comparable ASEAN

Annual percentage change



## Real GDP growth vs Developed economies

Annual percentage change



Note: (\*) Labels denote countries and their cumulative annual growth rate between 2005-2014

Source: IMF

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## Economic growth

Economic growth is the increase in the amount of the goods and services produced by an economy over time. It is conventionally measured as the percent rate of increase in real gross domestic product, or real GDP. Growth is usually calculated in real terms – i.e., inflation-adjusted terms – to eliminate the distorting effect of inflation on the price of goods produced.

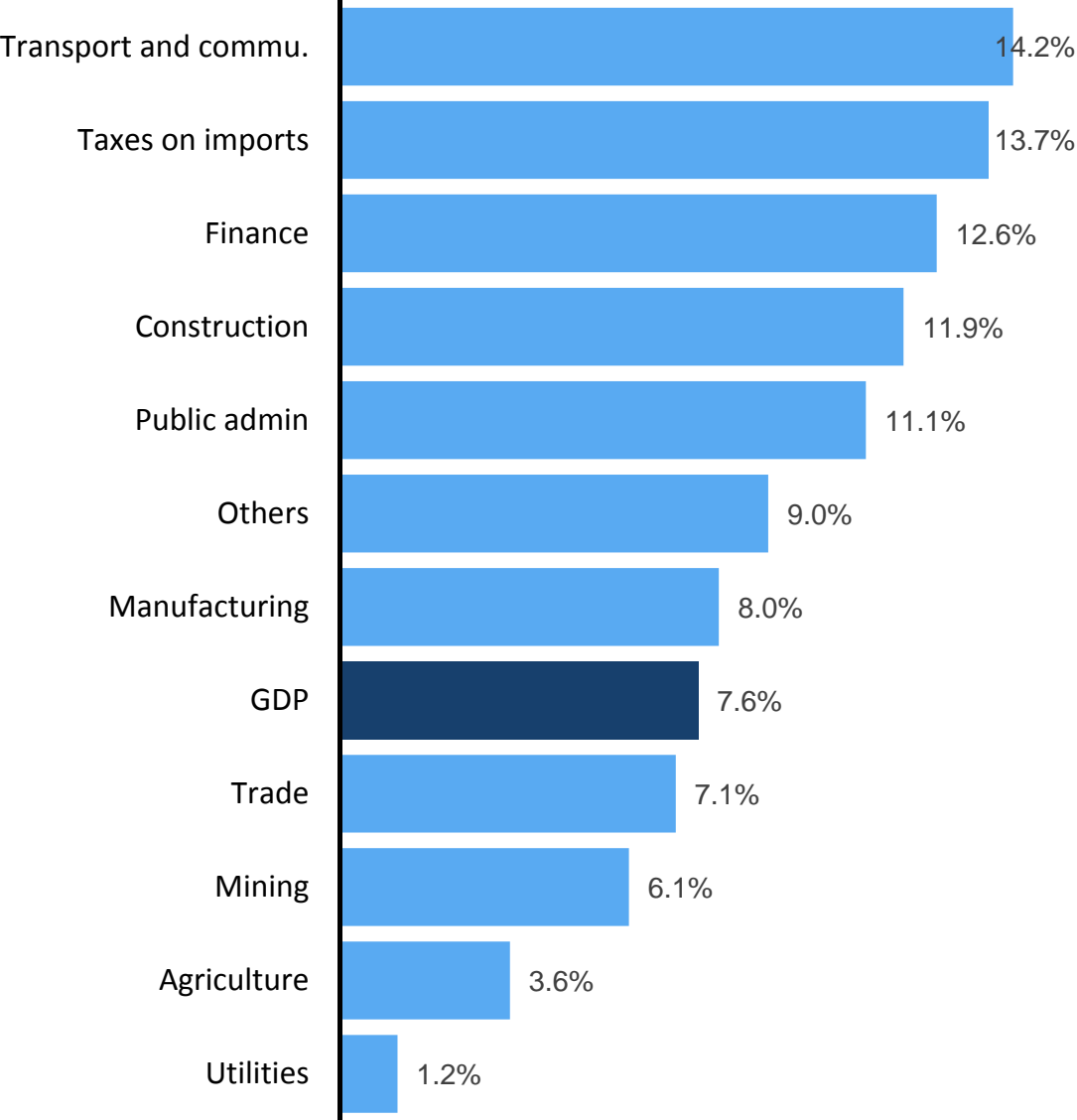
## Historical growth for Laos economy

Over the last 10 years, Laos economy has grown on average 7.8% per year, comparable to China, India and the rest of CLMV, and higher than ASEAN5 and developed economies.

# 2014 growth of 7.6% were driven by all sectors with Trade and Agriculture leading the way

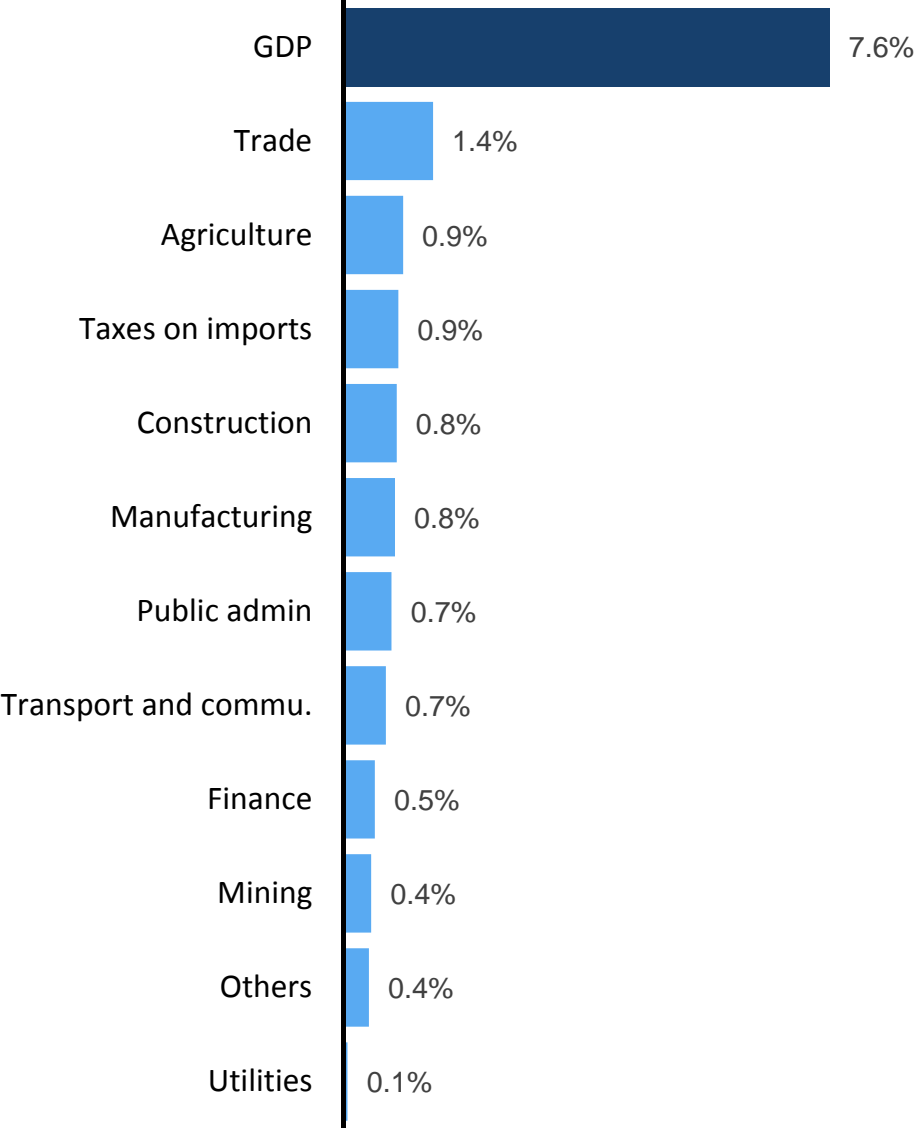
## Real growth by production sectors

2014, % change of value added from last year



## GDP growth contribution

% Contributions to total Real GDP growth



### Real GDP growth by production sectors

It shows the real growth rate of value add from each production sector.

### GDP growth contribution from production sectors

GDP growth contribution from production sectors shows each sector's contribution to the total GDP growth. The contribution from each sector must add up to the total GDP growth

### Most contributing sectors for Laos economy in 2014

2014 growth of 7.6% were driven by all sectors with Trade and Agriculture leading the way.

# Trade, Manufacturing, Construction and Import taxes have recently been key growth drivers for Laos economy

Source of Real GDP growth

Expenditure	2010	2011	2012	2013	2014
Agriculture	1.0%	0.8%	0.9%	0.9%	0.9%
Mining	0.9%	0.4%	0.6%	0.6%	0.4%
Manufacturing	0.7%	0.9%	1.4%	0.6%	0.8%
Electricity, gas, and water	1.7%	1.2%	0.0%	0.8%	0.1%
Construction	0.9%	1.3%	1.2%	0.8%	0.8%
Trade	1.3%	1.7%	2.0%	1.4%	1.4%
Transport and commu	0.3%	0.4%	0.3%	0.3%	0.7%
Finance	0.3%	0.4%	0.4%	0.5%	0.5%
Public administration	0.5%	0.1%	0.4%	2.8%	0.7%
Others	0.3%	0.5%	0.4%	-1.3%	0.4%
Taxes on imports	0.3%	0.4%	0.4%	0.5%	0.9%
GDP	8.1%	8.0%	7.9%	7.9%	7.6%

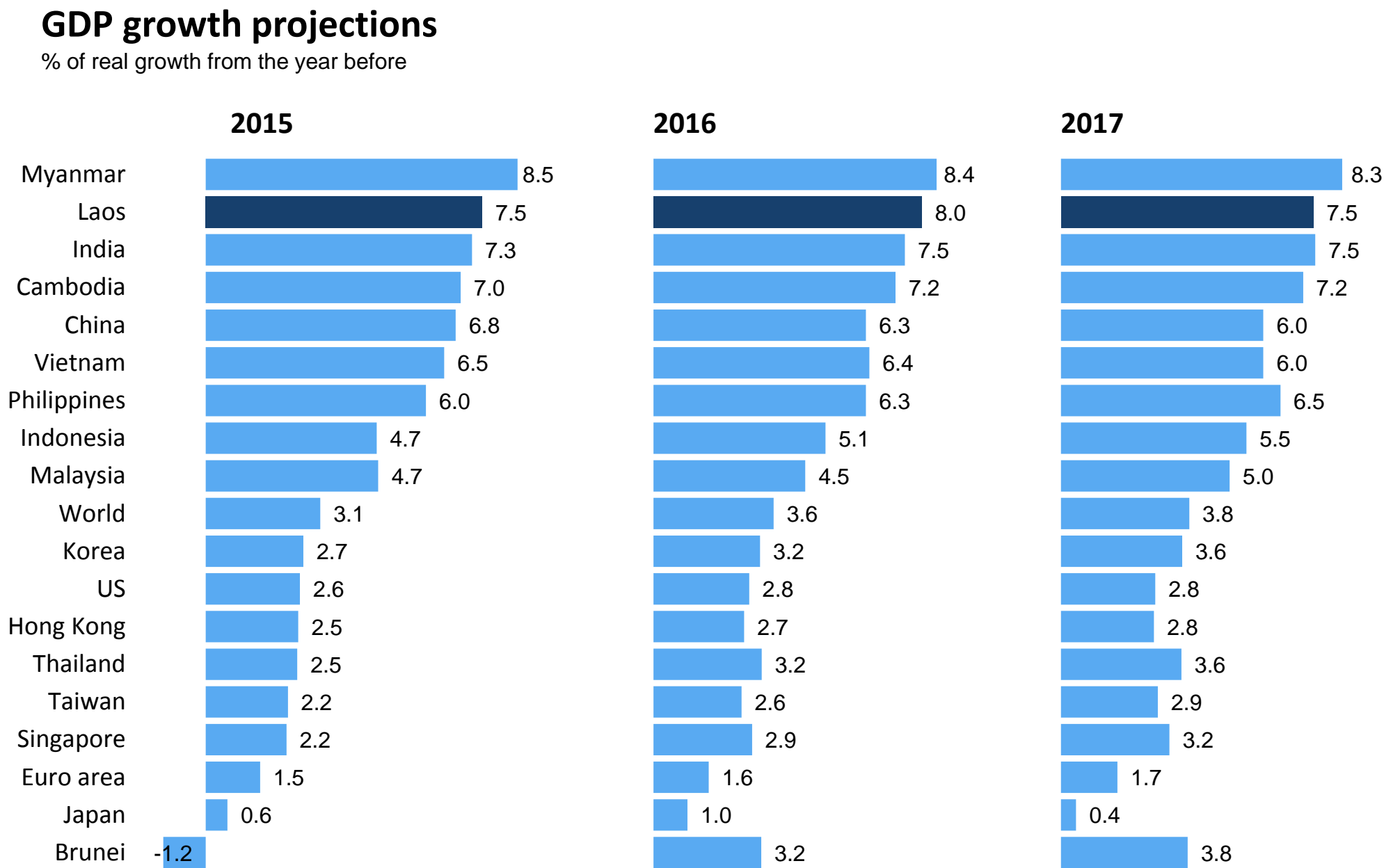
## Source of Growth

GDP growth contribution from production sectors shows each sector’s contribution to the total GDP growth. The contribution from each sector must add up to the total GDP growth.

## Growth drivers for Laos economy

Trade, Manufacturing, Construction and Import taxes have recently been key growth drivers for Laos economy.

# Laos economy is projected to maintain its impressive growth rate of 7.5% and above over the next three years



### GDP growth projections

GDP growth projection is an exercise done by various parties, international and domestic. We use the projections by International Monetary Fund which releases in its World Economic Outlook report in April and October of every year.

### Growth prospect for the Laos economy

Laos economy is projected to maintain its impressive growth rate of 7.5% and above over the next three years.

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## ECONOMIC PROFILE

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## ECONOMIC OUTLOOK

Growth

Stability

- Price stability in Laos has improved lately with mild inflation expected in 2016
- Laos Securities Exchange Composite Index has decreased more than most markets in ASEAN
- Laos fiscal problem is reaching critical level with public debt over 60% of GDP even budget deficit was reduced in 2014
- Laos external risk is a major concern as its current account deficit is not expected to get better while its reserve level is critically low
- Kip has been quite stable vs USD over the past 3 years. For a 5-year period, it has gained 6% against USD.
- Kip value has almost unchanged against USD so far in 2015 due mainly to dollarization

### Economic Stability

Part of the country's economic outlook, this section explores the country's macro economic risks, including inflation, financial sector, budget deficit as well as balance of payment and exchange rate.

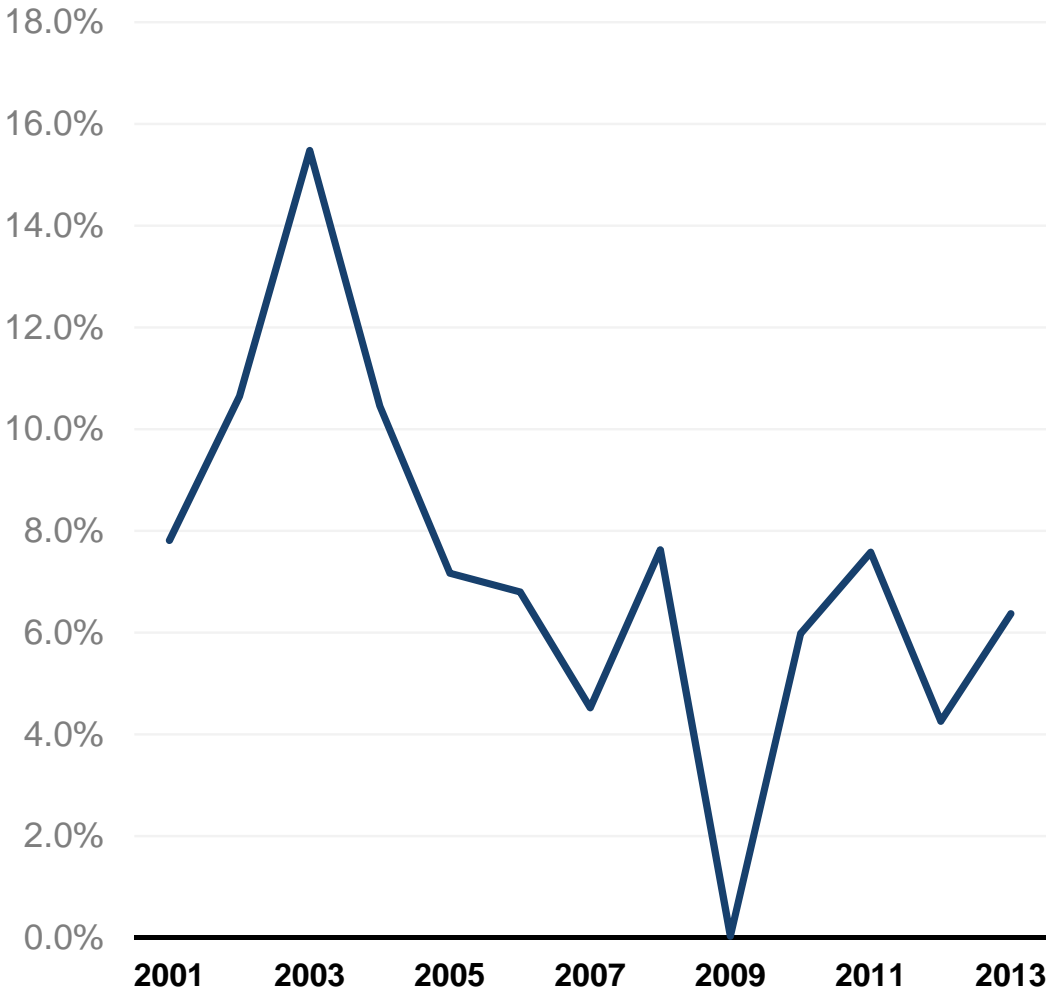
# Price stability in Laos has improved lately with mild inflation expected in 2016



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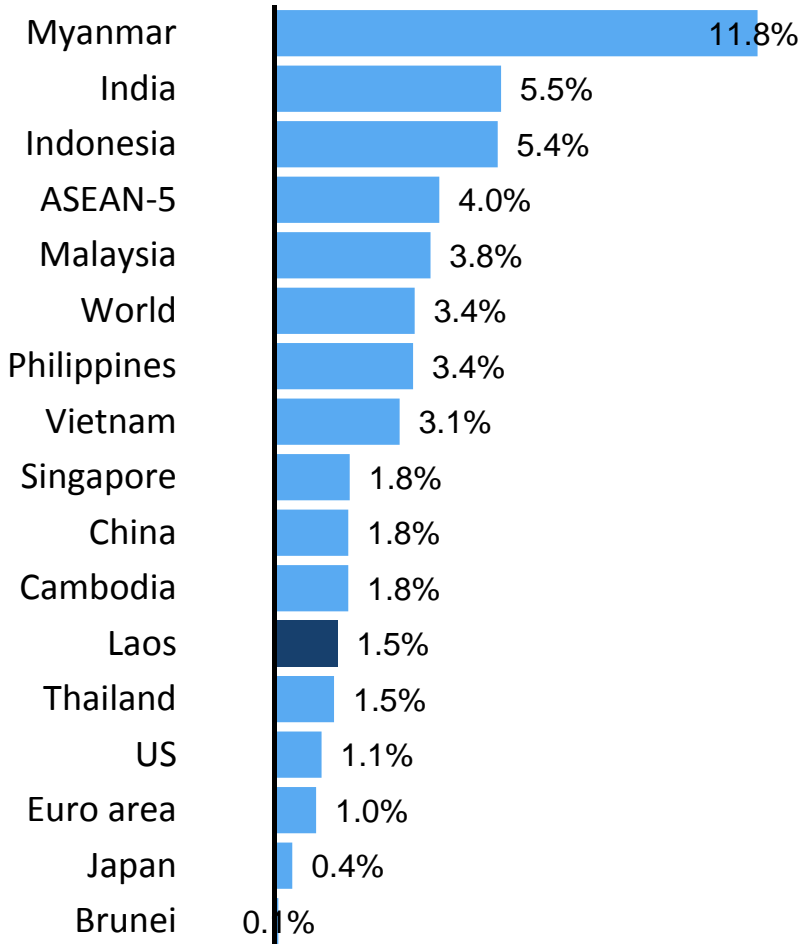
## Laos Inflation

Percentage change in consumer price index



## Projected Inflation\*

2016, annual percentage change in CPI



### Inflation

Inflation is normally calculated from the change in the Consumer Price Index (CPI). CPI is the general price level of goods and services purchased by consumers.

### Inflation in Laos

Price stability in Laos has improved lately with inflation below 8% in the past 5 years. Inflation for 2016 is expected to be around 1.5%, a rather good level for Laos.

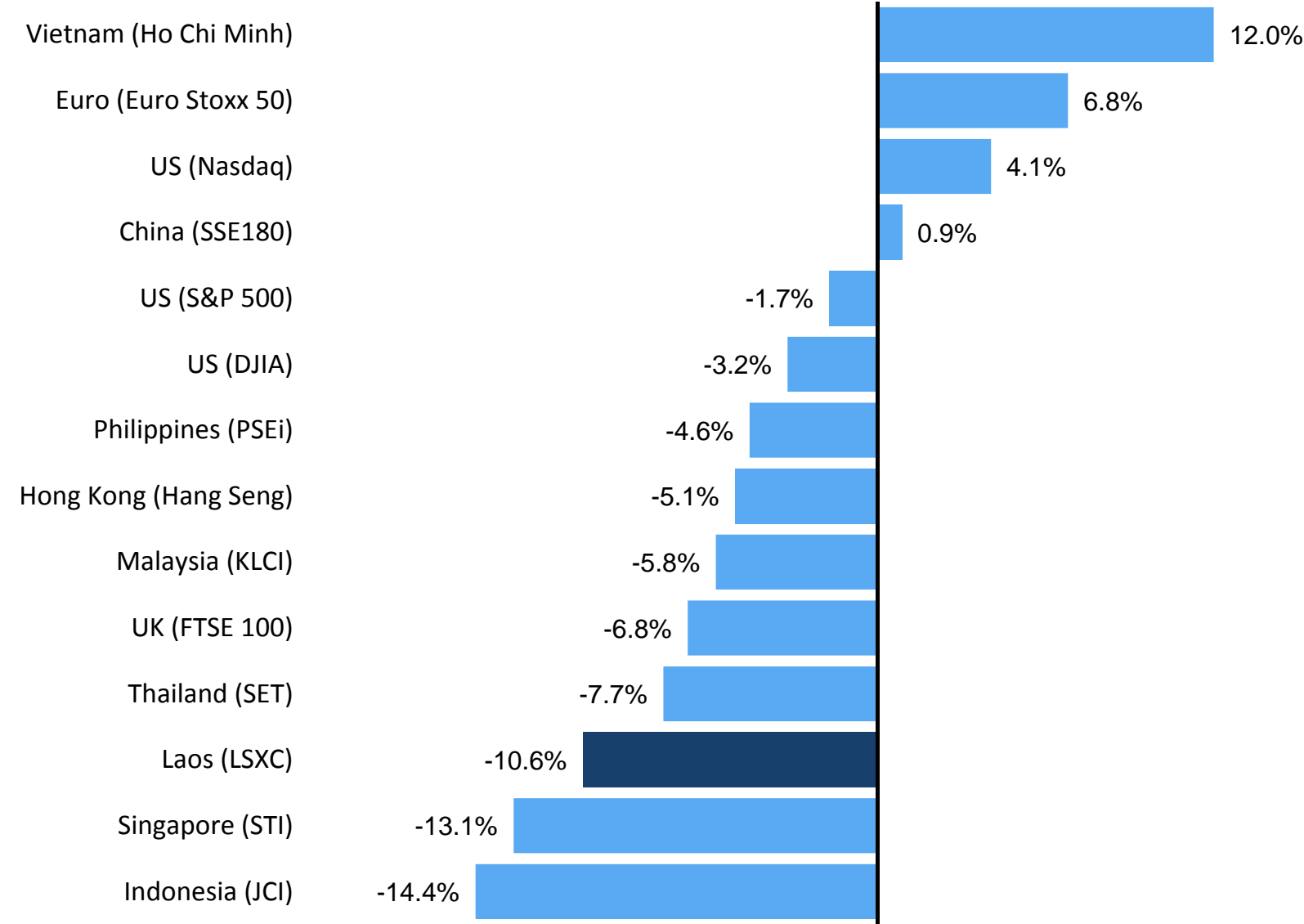
Note: (\*) Forecasted by IMF in World Economic Outlook report, Oct 2015



# Laos Securities Exchange Composite Index has decreased more than most markets in ASEAN

## Stock Market Performance

Year-to-date percentage change, as of Nov 13<sup>th</sup> 2015



### Stock market performance

Year-to-date performance of ASEAN stock markets and global benchmark indices.

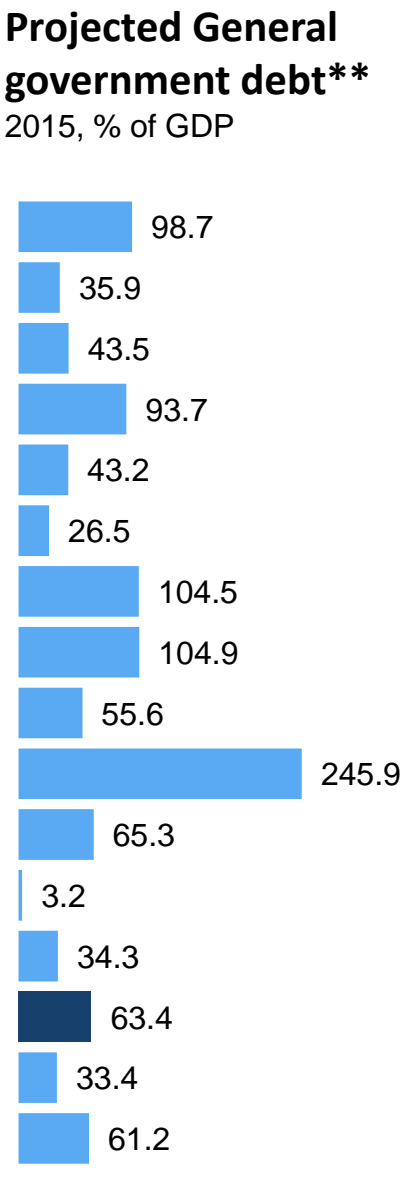
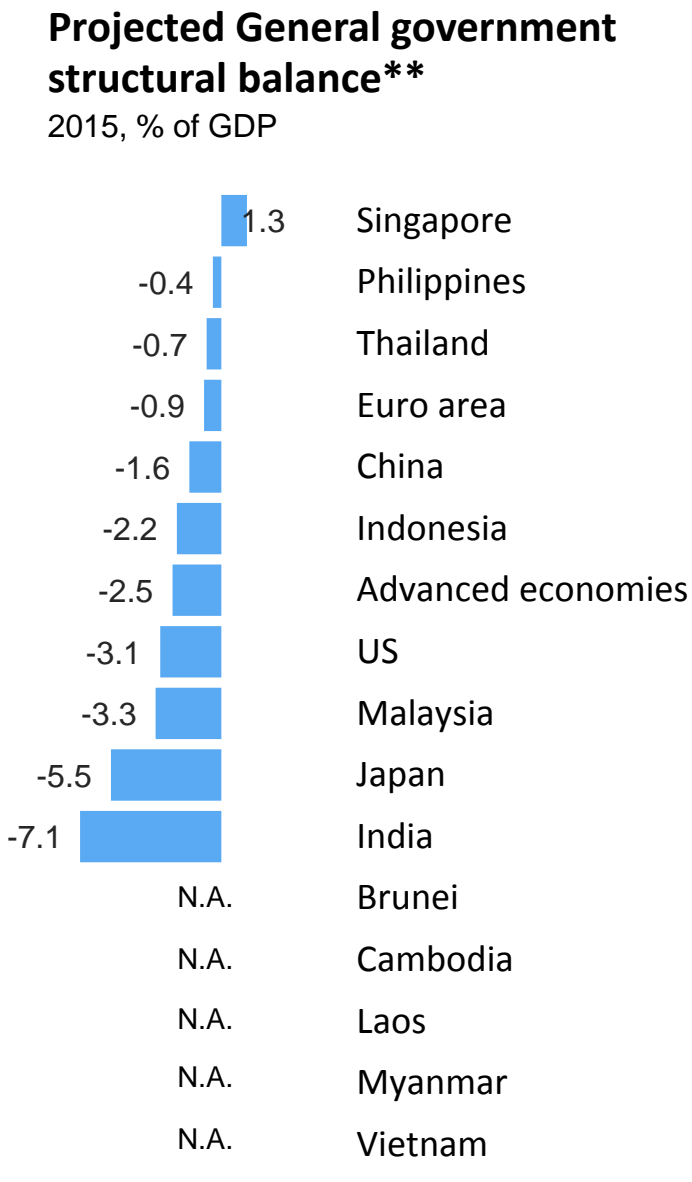
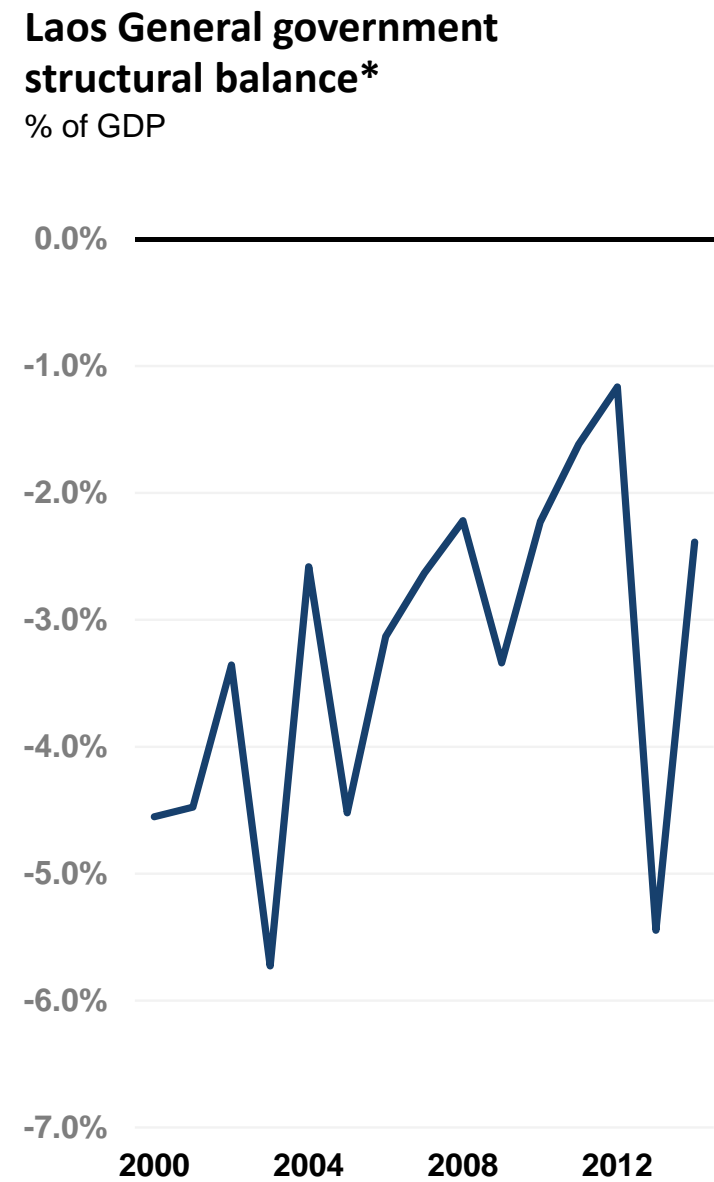
### Latest development

Laos Securities Exchange Composite Index has decreased 10.6% YTD, underperforming most ASEAN markets.

# Laos fiscal problem is reaching critical level with public debt over 60% of GDP even budget deficit was reduced in 2014



Interactive chart for this page is available online to provide you with more perspectives



## Fiscal or Government budget balance

Budget balances are the government revenues net of the government expenditures. When compared across countries, it is commonly standardized in the form of percentage of GDP.

## Public debt

Public debt includes direct government debt, debt of State Enterprises and others. When compared across countries, it is commonly standardized in the form of percentage of GDP.

## Laos fiscal situation

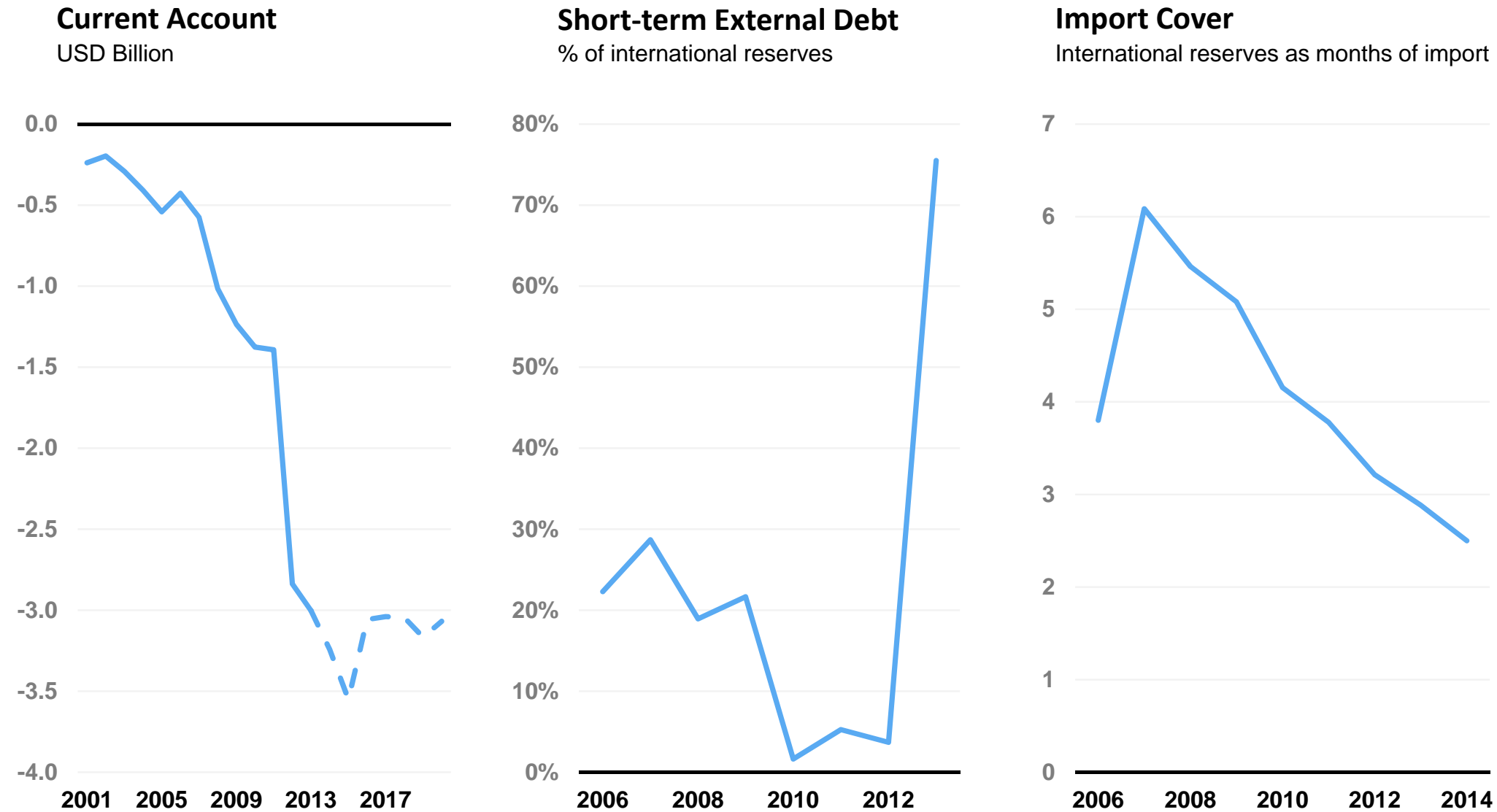
Laos fiscal problem is reaching critical level with public debt over 60% of GDP even budget deficit was reduced in 2014.

Note: (\*) Excluding cyclical and extraordinary income/expenses  
(\*\*) Forecasted by IMF in World Economic Outlook report, Oct 2015

# Laos external risk is a major concern as its current account deficit is not expected to get better while its reserve level is critically low



Interactive chart for this page is available online to provide you with more perspectives



## Current Account balance

Current Account balance equals Trade balance plus Net Services. Trade balance refers to net export (export less import) of goods. Net Services are the net result of foreign trade related to services, defined as the net export (export less import) of services. Income consists of compensation of employees, investment income, and donation and grant. Current Account balance reflects the capability of a country to obtain foreign exchange through commercial means.

## International reserves

International reserve assets refer to external assets that are held or controlled by central bank and are readily available for immediate uses, for instance, in financing payment imbalances or in implementing exchange rate policy.

## External debt

External debt refers to the remaining outstanding portion of liabilities (excluding equity) which residents have over nonresidents of an economy.

## Laos external sector

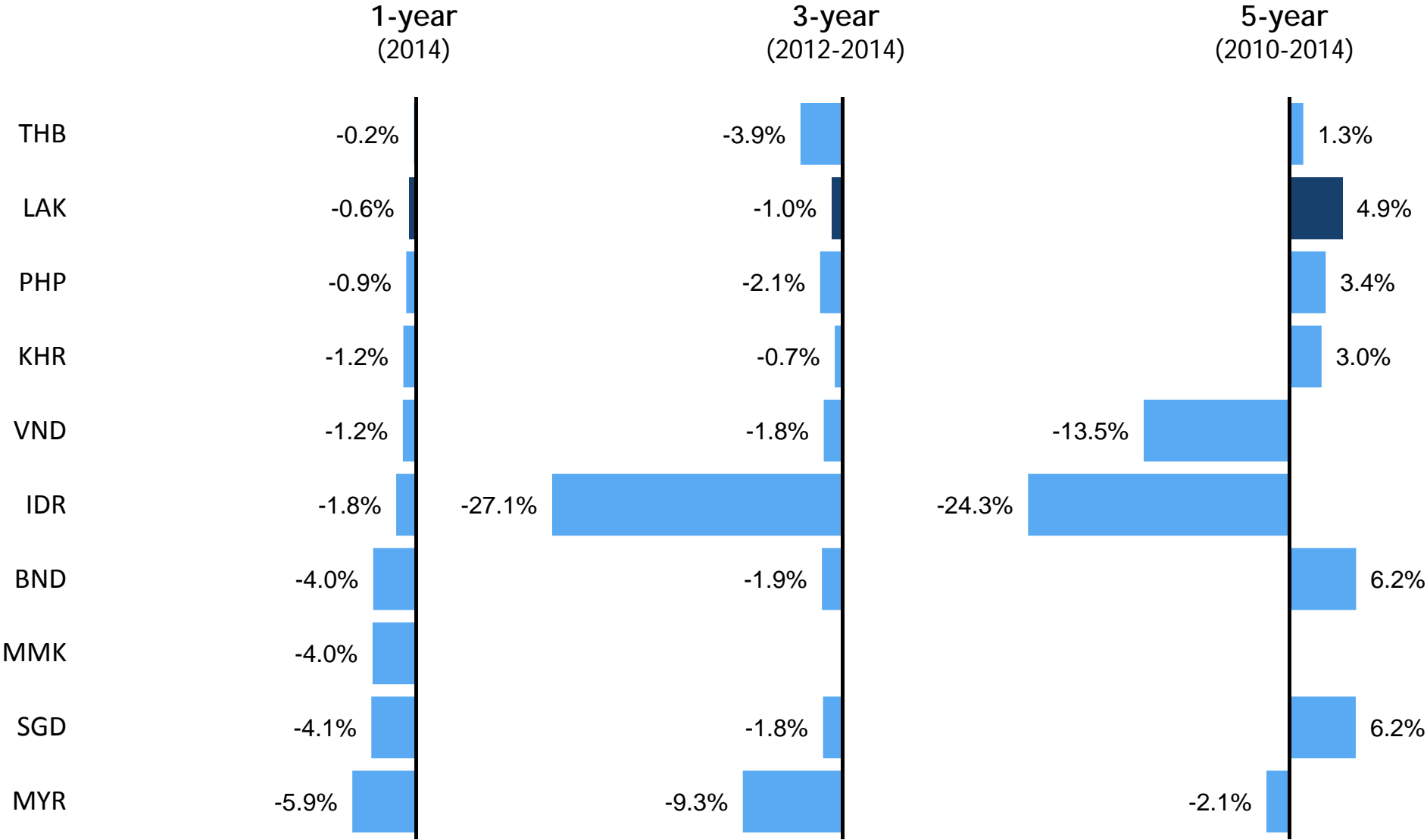
Laos external risk is a major concern as its current account deficit is not expected to get better while its international reserve level is critically low.

Note: (\*) Forecasted by IMF in World Economic Outlook report, Oct 2015  
(\*\*) Equals trade + service  
Source: IMF, The World Bank; Charting Economy analysis

# Kip has been quite stable vs USD over the past 3 years

## ASEAN Exchange rate performance

Change in value against USD, percentage



### Exchange rate

A stable exchange rate is preferred in the world where most countries adopt floating rate policy. Volatile exchange rate can certainly harm international trade and investment.

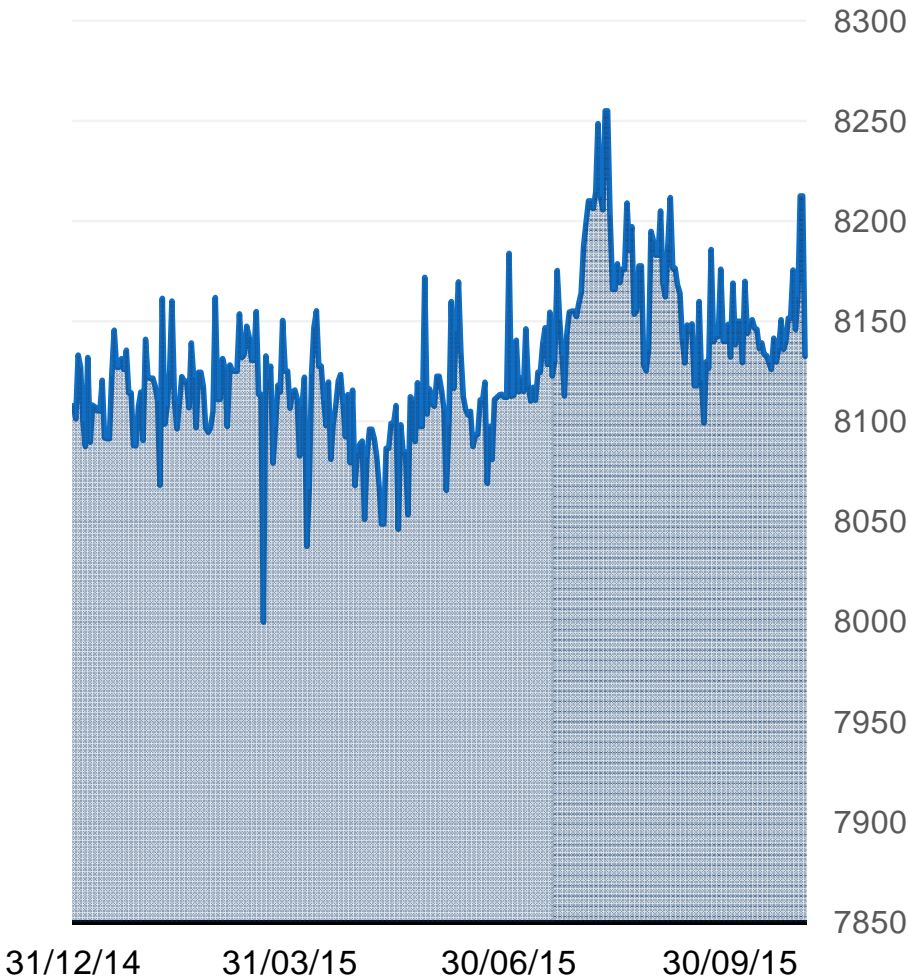
### Laos exchange rate

Kip has been quite stable vs USD over the past 3 years. For a 5-year period, it has gained 4.9% against USD.

# Kip value has almost unchanged against USD so far in 2015 due mainly to dollarization

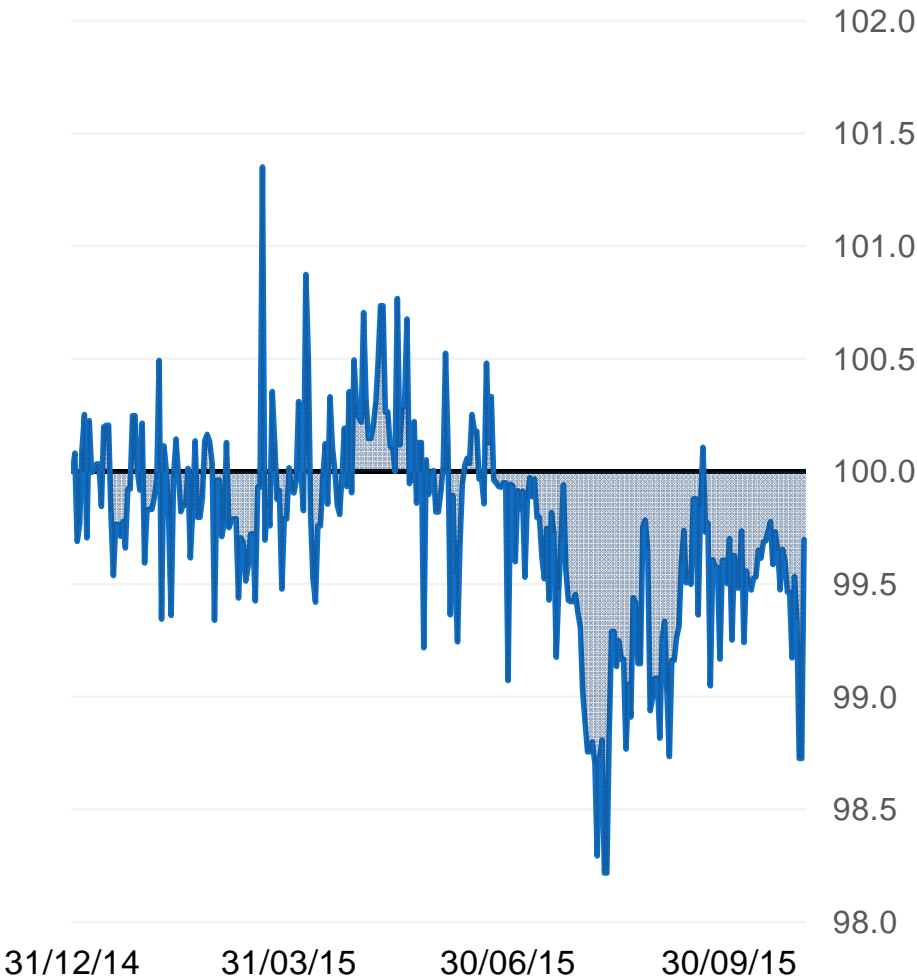
## Laos Kip Exchange Rate

Per USD, mid point



## Laos Kip Value

Indexed per USD, mid point, 31/12/14 = 100



### Exchange rate

A stable exchange rate is preferred in the world where most countries adopt floating rate policy. Volatile exchange rate can certainly harm international trade and investment.

### YTD change in Kip exchange rate

Kip value has almost unchanged against USD so far in 2015.

APPENDIX 1:

## **KEY PROJECTIONS**

**From IMF's World Economic Outlook Report  
October 2015**



KEY PROJECTIONS:

LAOS ECONOMY

Indicators	Units	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Estimates Start After
Current account balance	Billion USD	-1.39	-2.84	-3.00	-3.24	-3.55	-3.06	-3.04	-3.05	-3.17	-3.07	2013
General government gross debt	% of GDP	56.9	62.2	60.1	62.5	63.4	66.5	68.8	69.6	71.8	73.3	2013
Gross domestic product per capita, current prices	USD	1,236	1,414	1,594	1,693	1,785	1,877	2,058	2,299	2,486	2,682	2012
Gross domestic product, constant prices	% change	8.0	7.9	8.0	7.4	7.5	8.0	7.5	7.2	7.4	7.4	2013
Gross domestic product, current prices	Billion USD	8.1	9.4	10.8	11.7	12.5	13.4	15.0	17.1	18.8	20.7	2013
Inflation, average consumer prices	% change	7.6	4.3	6.4	5.5	5.3	1.5	2.3	2.7	3.1	3.3	2013
Population	Million Persons	6.5	6.6	6.8	6.9	7.0	7.2	7.3	7.4	7.6	7.7	2012

Source: IMF World Economic Outlook Oct 2015

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On Projections

Economic projections change all the time, given new data available. Even best forecasters, IMF included, do not often get them right at the end. Do not take them as certainty, but a guideline to apply to your business, if you need to.

APPENDIX 2:

## **DOING BUSINESS 2016**

**Detailed rankings and scores for Laos  
and comparable economies**

# Starting a business in Laos is actually easier than in Indonesia, India or Philippines

## Starting a business rank

Economy	Rank	DTF*	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in min. capital (% of income per capita)
New Zealand	1	100.0	1.0	0.5	0.3	0.0
Hong Kong SAR, China	4	98.1	2.0	1.5	1.2	0.0
Singapore	10	96.5	3.0	2.5	0.6	0.0
Australia	11	96.5	3.0	2.5	0.7	0.0
Malaysia	14	95.3	3.0	4.0	6.7	0.0
Korea, Rep.	23	94.4	3.0	4.0	14.5	0.0
Brunei Darussalam	74	87.6	7.0	14.0	1.2	0.0
Japan	81	86.3	8.0	10.2	7.5	0.0
Thailand	96	85.1	6.0	27.5	6.4	0.0
Timor-Leste	104	83.6	4.0	9.0	0.3	156.6
Vietnam	119	81.3	10.0	20.0	4.9	0.0
China	136	77.5	11.0	31.4	0.7	0.0
Lao PDR	153	73.8	6.0	73.0	4.9	0.0
India	155	73.6	12.9	29.0	13.5	0.0
Myanmar	160	70.0	11.0	13.0	97.1	0.0
Philippines	165	68.6	16.0	29.0	16.1	3.3
Indonesia	173	66.0	13.0	47.8	19.9	31.0
Cambodia	180	58.1	7.0	87.0	78.7	24.1
Central African Republic	189	31.4	10.0	22.0	204.0	540.1

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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## Starting a Business

This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate. To make the data comparable across 189 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. The most recent round of data collection for the project was completed in June 2015.

## Starting a Business in Cambodia

Starting a business in Laos is actually easier than in Indonesia, India or Philippines. It does not cost a lot but takes quite a long time to complete.

# Getting construction permits in Laos does not cost a lot but there are many procedures to go through

## Dealing with Construction Permits rank

Economy	Rank	DTF*	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0-15)
Singapore	1	93.0	10.0	26.0	0.3	14.0
Australia	4	86.6	10.0	112.0	0.5	14.0
Hong Kong SAR, China	7	84.8	11.0	72.0	0.7	12.0
Vietnam	12	82.2	10.0	166.0	0.8	14.0
Malaysia	15	81.1	15.0	79.0	1.4	13.0
Brunei Darussalam	21	79.1	14.0	119.0	0.2	12.0
Korea, Rep.	28	77.8	10.0	28.0	4.3	8.0
Thailand	39	75.6	17.0	103.0	0.1	11.0
Lao PDR	42	75.1	11.0	83.0	0.5	6.5
Japan	68	71.7	12.0	197.0	0.6	10.0
Myanmar	74	71.0	14.0	95.0	4.0	9.0
Philippines	99	67.7	24.0	98.0	1.1	11.0
Indonesia	107	66.7	17.0	210.2	3.8	13.0
Timor-Leste	154	57.2	16.0	207.0	0.3	4.0
China	176	48.3	22.0	244.3	7.2	9.0
Cambodia	181	38.1	20.0	652.0	6.2	6.5
India	183	32.5	33.6	191.5	26.0	11.0
Afghanistan	185	22.9	11.0	353.0	76.6	1.5

### Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, this year Doing Business introduces a new measure, the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in June 2015.

### Getting construction permits in Laos

Getting construction permits in Laos does not cost a lot but there are many procedures to go through. In overall, it is easier than in Philippines, Indonesia or even China.

# Despite being “battery of Asia”, getting electricity in Laos costs a lot and takes more than 4 months

## Getting Electricity rank

Economy	Rank	DTF*	Procedures (number)	Time (days)	Cost (% of income per capita)	Reliability of supply and transparency of tariff index (0-8)
Korea, Rep.	1	99.9	3.0	18.0	39.8	8.0
Singapore	6	94.3	4.0	31.0	25.9	8.0
Hong Kong SAR, China	9	91.6	4.0	28.0	1.3	7.0
Thailand	11	90.5	4.0	37.0	45.9	7.0
Malaysia	13	90.1	5.0	32.0	30.7	8.0
Japan	14	89.9	3.4	97.7	0.0	8.0
Philippines	19	86.9	4.0	42.0	28.7	6.0
Australia	39	82.3	5.0	75.0	8.4	7.0
Indonesia	46	80.7	5.0	79.0	383.0	7.0
Brunei Darussalam	68	74.9	5.0	56.0	40.1	4.0
India	70	74.6	5.0	90.1	442.3	5.5
China	92	68.7	5.5	143.2	413.3	6.0
Timor-Leste	95	67.9	3.0	63.0	733.4	0.0
Vietnam	108	63.3	6.0	59.0	1322.6	3.0
Cambodia	145	52.4	4.0	179.0	2336.1	2.0
Myanmar	148	50.9	6.0	77.0	1673.4	0.0
Lao PDR	158	45.2	6.0	134.0	1522.6	0.0
Bangladesh	189	15.3	9.0	428.9	3140.5	0.0

### Getting Electricity

This topic tracks the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. In addition to assessing efficiency of connection process, new indicators were added to measure reliability of power supply and transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2015.

### Getting Electricity in Laos

Despite being “battery of Asia”, getting electricity in Laos costs a lot and takes more than 4 months.

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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# Registering property in Laos does not cost a lot and takes less than 2 months

## Registering Property rank

Economy	Rank	DTF*	Procedures (number)	Time (days)	Cost (% of property value)	Quality of the land administration index (0-30)
New Zealand	1	94.5	2.0	1.0	0.1	26.0
Singapore	17	85.7	4.0	4.5	2.9	26.5
Malaysia	38	76.3	8.0	13.0	3.3	27.5
Korea, Rep.	40	76.2	7.0	6.5	5.1	27.5
China	43	75.0	4.0	19.5	3.4	17.0
Australia	47	74.2	5.0	4.5	5.2	20.0
Japan	48	73.9	6.0	13.0	5.8	24.5
Thailand	57	71.3	3.0	3.0	6.3	13.5
Vietnam	58	70.6	5.0	57.5	0.6	14.0
Hong Kong SAR, China	59	69.8	5.0	27.5	7.7	23.0
Lao PDR	66	68.7	4.0	53.0	1.1	9.5
Philippines	112	57.5	9.0	35.0	4.3	12.5
Cambodia	121	54.9	7.0	56.0	4.4	7.5
Indonesia	131	52.4	5.0	27.4	10.8	8.3
India	138	50.3	7.0	47.0	7.5	7.0
Myanmar	145	49.3	6.0	85.0	5.1	4.0
Brunei Darussalam	148	48.6	7.0	298.0	0.6	14.5
Bangladesh	185	27.5	8.0	244.0	7.0	4.5
Timor-Leste	189	0.0	no practice	no practice	no practice	0.0

### Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, this year Doing Business adds a new measure to the set of registering property indicators, an index of the quality of the land administration system in each economy. The quality of land administration index has four dimensions: reliability of infrastructure, transparency of information, geographic coverage and land dispute resolution. The most recent round of data collection for the project was completed in June 2015.

### Registering Property in Laos

Registering property in Laos does not cost a lot and takes less than 2 months. However, the quality of the land administration is not yet up to international standard.

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier



# Getting credit in Laos is easier than in Thailand

## Getting Credit rank

Economy	Rank	DTF*	Strength of legal rights index (0-12)	Depth of credit information index (0-8)	Credit registry coverage (% of adults)	Credit bureau coverage (% of adults)
New Zealand	1	100.0	12.0	8.0	0.0	100.0
Australia	5	90.0	11.0	7.0	0.0	100.0
Cambodia	15	80.0	11.0	5.0	0.0	37.0
Hong Kong SAR, China	19	75.0	8.0	7.0	0.0	96.0
Singapore	19	75.0	8.0	7.0	0.0	58.6
Malaysia	28	70.0	7.0	7.0	57.0	77.1
Vietnam	28	70.0	7.0	7.0	41.5	6.9
India	42	65.0	6.0	7.0	0.0	22.0
Korea, Rep.	42	65.0	5.0	8.0	0.0	100.0
Indonesia	70	55.0	5.0	6.0	48.5	0.0
Lao PDR	70	55.0	6.0	5.0	5.1	0.0
Brunei Darussalam	79	50.0	4.0	6.0	61.2	0.0
China	79	50.0	4.0	6.0	89.5	0.0
Japan	79	50.0	4.0	6.0	0.0	100.0
Thailand	97	45.0	3.0	6.0	0.0	60.2
Philippines	109	40.0	3.0	5.0	0.0	14.0
Timor-Leste	162	20.0	0.0	4.0	5.8	0.0
Myanmar	174	10.0	2.0	0.0	0.0	0.0
Yemen, Rep.	185	0.0	0.0	0.0	1.3	0.0

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

www.ChartingEconomy.com

## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2015.

## Getting Credit in Laos

Getting credit in Laos is easier than in Thailand.

# Minority investors in Laos are not protected well enough

## Protecting Minority Investors rank

Economy	Rank	DTF	Strength of minority investor protection index (0-10)	Extent of conflict of interest regulation index (0-10)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Extent of shareholder governance index (0-10)	Extent of shareholder rights index (0-10)	Extent of ownership and control index (0-10)	Extent of corporate transparency index (0-10)
Hong Kong SAR, China	1	83.3	8.3	9.0	10.0	8.0	9.0	7.7	9.0	7.0	7.0
New Zealand	1	83.3	8.3	9.3	10.0	9.0	9.0	7.3	8.0	7.0	7.0
Singapore	1	83.3	8.3	9.3	10.0	9.0	9.0	7.3	8.0	7.0	7.0
Malaysia	4	78.3	7.8	8.7	10.0	9.0	7.0	7.0	6.0	8.0	7.0
India	8	73.3	7.3	6.7	7.0	6.0	7.0	8.0	10.0	8.0	6.0
Korea, Rep.	8	73.3	7.3	7.0	7.0	6.0	8.0	7.7	7.0	8.0	8.0
Japan	36	63.3	6.3	7.0	7.0	6.0	8.0	5.7	8.0	4.0	5.0
Thailand	36	63.3	6.3	7.7	10.0	7.0	6.0	5.0	5.0	6.0	4.0
Australia	66	56.7	5.7	6.0	8.0	2.0	8.0	5.3	5.0	3.0	8.0
Timor-Leste	81	55.0	5.5	4.7	5.0	4.0	5.0	6.3	8.0	7.0	4.0
Indonesia	88	53.3	5.3	5.7	10.0	5.0	2.0	5.0	7.0	4.0	4.0
Cambodia	111	48.3	4.8	6.3	5.0	10.0	4.0	3.3	1.0	4.0	5.0
Vietnam	122	45.0	4.5	3.7	7.0	3.0	1.0	5.3	7.0	4.0	5.0
Brunei Darussalam	134	43.3	4.3	5.7	4.0	5.0	8.0	3.0	4.0	1.0	4.0
China	134	43.3	4.3	5.0	10.0	1.0	4.0	3.7	1.0	2.0	8.0
Philippines	155	38.3	3.8	4.0	2.0	3.0	7.0	3.7	1.0	4.0	6.0
Lao PDR	178	31.7	3.2	3.3	6.0	1.0	3.0	3.0	5.0	4.0	0.0
Myanmar	184	26.7	2.7	2.0	3.0	0.0	3.0	3.3	5.0	3.0	2.0
Afghanistan	189	10.0	1.0	1.7	1.0	1.0	3.0	0.3	0.0	0.0	1.0

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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## Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in June 2015.

## Minority Investors in Laos

Minority investors in Laos are not protected well enough.

# Taxes in Laos are quite low but it takes a lot of time to deal with

## Paying Taxes rank

Economy	Rank	DTF	Payments (number per year)	Time (hours per year)	Total tax rate (% of profit)	Profit tax (% of profit)	Labor tax and contributions (% of profit)	Other taxes (% of profit)
Qatar	1	99.4	4.0	41.0	11.3	0.0	11.3	0.0
Hong Kong SAR, China	4	98.7	3.0	74.0	22.8	17.5	5.2	0.1
Singapore	5	96.6	6.0	83.5	18.4	2.0	15.3	1.1
Brunei Darussalam	16	89.6	18.0	89.0	8.7	0.8	7.9	0.0
Korea, Rep.	29	84.5	12.0	188.0	33.2	18.2	13.8	1.2
Malaysia	31	84.3	13.0	118.0	40.0	22.7	16.4	0.9
Australia	42	82.4	11.0	105.0	47.6	26.0	21.1	0.5
Timor-Leste	57	80.0	18.0	276.0	11.2	11.2	0.0	0.0
Thailand	70	77.7	22.0	264.0	27.5	19.5	5.4	2.6
Myanmar	84	74.8	31.0	188.0	31.4	25.3	0.2	5.9
Cambodia	95	73.1	40.0	173.0	21.0	19.5	0.5	1.0
Japan	121	67.2	14.0	330.0	51.3	..	..	..
Philippines	126	66.2	36.0	193.0	42.9	20.3	8.7	13.9
Lao PDR	127	66.1	35.0	362.0	25.3	16.0	5.6	3.7
China	132	64.5	9.0	261.0	67.8	..	..	..
Indonesia	148	60.5	54.0	234.0	29.7	..	..	..
India	157	56.1	33.0	243.0	60.6	..	..	..
Vietnam	168	45.4	30.0	770.0	39.4	14.5	24.8	0.1
Bolivia	189	12.2	42.0	1025.0	83.7	0.0	18.8	64.9

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

www.ChartingEconomy.com

## Paying Taxes

This topic addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes. The most recent round of data collection for the project was completed on June 1, 2015 covering for the Paying Taxes indicator calendar year 2014 (January 1, 2014 – December 31, 2014).

## Paying Taxes in Laos

Taxes in Laos are quite low but it takes a lot of time to deal with.

# Trading across borders in 'land-lock' Laos is easier than in Brunei and Myanmar

## Trading Across Borders rank

Economy	Rank	DTF	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Austria	1	100.0	0.0	0.0	1.0	0.0	0.0	0.0	1.0	0.0
Korea, Rep.	31	92.5	14.0	185.0	1.0	11.0	6.0	315.0	1.0	27.0
Singapore	41	89.4	12.0	335.0	4.0	37.0	35.0	220.0	1.0	37.0
Hong Kong SAR, China	47	87.8	19.0	282.0	1.0	52.0	19.0	266.0	1.0	130.0
Malaysia	49	86.7	20.0	321.0	10.0	45.0	24.0	321.0	10.0	60.0
Japan	52	85.9	48.0	306.0	3.0	15.0	48.0	337.0	3.0	23.0
Thailand	56	84.1	51.0	223.0	11.0	97.0	50.0	233.0	4.0	43.0
Timor-Leste	92	70.4	96.0	350.0	33.0	100.0	96.0	410.0	44.0	100.0
Philippines	95	69.4	42.0	456.0	72.0	53.0	72.0	580.0	96.0	50.0
China	96	69.1	26.0	522.0	21.0	85.0	92.0	777.0	66.0	171.0
Cambodia	98	67.6	45.0	375.0	132.0	100.0	4.0	240.0	132.0	120.0
Vietnam	99	67.2	57.0	309.0	83.0	139.0	64.0	268.0	106.0	183.0
Indonesia	105	64.8	39.0	254.0	72.0	170.0	99.0	383.0	144.0	160.0
Lao PDR	108	64.1	3.0	73.0	216.0	235.0	5.0	153.0	216.0	115.0
Brunei Darussalam	121	60.7	72.0	340.0	168.0	90.0	48.0	395.0	144.0	50.0
India	133	56.5	109.0	413.0	41.0	102.0	287.0	574.0	63.0	145.0
Myanmar	140	55.1	144.0	432.0	144.0	140.0	120.0	367.0	48.0	115.0
Congo, Dem. Rep.	187	1.3	515.0	1323.0	698.0	2500.0	588.0	2089.0	216.0	875.0

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

www.ChartingEconomy.com

## Trading Across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Under the new methodology introduced this year, Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2015.

## Trading Across Borders in Laos

Trading across borders in 'land-lock' Laos is easier than in Brunei and Myanmar.

# Enforcing contracts in Laos takes more than a year but does not cost a lot

## Enforcing Contracts rank

Economy	Rank	DTF	Time (days)	Cost (% of claim)	Quality of judicial processes index (0-18)
Singapore	1	84.9	150.0	25.8	16
Korea, Rep.	2	84.8	230.0	10.3	14
Australia	4	79.7	395.0	21.8	16
China	7	77.6	452.8	16.2	14
Hong Kong SAR, China	22	72.6	360.0	21.2	11
Malaysia	44	66.6	425.0	37.3	12
Japan	51	65.3	360.0	23.4	8
Thailand	57	62.7	440.0	19.5	7
Vietnam	74	60.2	400.0	29.0	7
Lao PDR	92	58.1	443.0	31.6	7
Brunei Darussalam	113	54.5	540.0	36.6	7
Philippines	140	49.2	842.0	31.0	8
Indonesia	170	35.4	471.0	115.7	6
Cambodia	174	34.5	483.0	103.4	6
India	178	32.4	1420.0	39.6	8
Myanmar	187	24.5	1160.0	51.5	3
Bangladesh	188	22.2	1442.0	66.8	8
Timor-Leste	189	6.1	1285.0	163.2	3

### Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court. In addition, this year it introduces a new measure, the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the commercial court system. The most recent round of data collection was completed in June 2015.

### Enforcing Contracts in Laos

Enforcing contracts in Laos takes more than a year but does not cost a lot.

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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# There is currently no practice of resolving insolvency in Laos

## Resolving Insolvency rank

Economy	Rank	DTF	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)	Outcome (0 as piecemeal sale and 1 as going concern)	Strength of insolvency framework index (0-16)	Commencement of proceedings index (0-3)	Management of debtor's assets index (0-6)	Reorganization proceedings index (0-3)	Creditor participation index (0-4)
Finland	1	93.8	90.1	0.9	3.5	1.0	14.5	3.0	6.0	2.5	3.0
Japan	2	93.8	92.9	0.6	3.5	..	14.0	..	..	..	..
Korea, Rep.	4	90.3	83.6	1.5	3.5	1.0	14.5	2.5	6.0	3.0	3.0
Australia	14	81.7	82.1	1.0	8.0	1.0	12.0	2.5	6.0	0.5	3.0
Hong Kong SAR	26	75.1	87.2	0.8	5.0	1.0	9.0	3.0	3.0	1.0	2.0
Singapore	27	74.8	89.7	0.8	3.0	1.0	8.5	3.0	4.0	0.5	1.0
Malaysia	45	62.5	81.3	1.0	10.0	1.0	6.0	2.0	2.0	0.0	2.0
Thailand	49	58.8	42.5	2.7	36.0	1.0	11.5	2.0	4.0	2.5	3.0
Philippines	53	56.8	21.4	2.7	32.0	0.0	14.5	3.0	5.5	3.0	3.0
China	55	55.4	36.2	1.7	22.0	..	11.5	..	..	..	..
Indonesia	77	46.5	31.2	1.9	21.6	..	9.5	..	..	..	..
Cambodia	82	45.1	8.3	6.0	28.0	0.0	13.0	3.0	4.0	3.0	3.0
Brunei Darussalam	98	41.1	47.2	2.5	3.5	0.0	5.0	2.0	2.0	0.0	1.0
Vietnam	123	35.8	20.1	5.0	14.5	0.0	8.0	3.0	3.0	2.0	0.0
India	136	32.6	25.7	4.3	9.0	..	6.0	..	..	..	..
Myanmar	162	20.4	14.7	5.0	18.0	0.0	4.0	2.0	2.0	0.0	0.0
Liberia	168	4.5	8.4	3.0	42.5	0.0	0.0	0.0	0.0	0.0	0.0
Lao PDR	189	0.0	0.0	no practice	no practice	no practice	0.0	2.0	2.0	0.5	0.0
Timor-Leste	189	0.0	0.0	no practice	no practice	no practice	0.0	2.5	6.0	1.0	2.0

Note: (\*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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## Resolving Insolvency

This topic identifies weaknesses in existing insolvency law and the main procedural and administrative bottlenecks in the insolvency process. The most recent round of data collection for the project was completed in June 2015.

## Resolving Insolvency in Laos

There is currently no practice of resolving insolvency in Laos.





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