



Up date on the Investment Policies and Regime of the Lao People's Democratic Republic

**Presented by: The Department of Investment
Promotion (IPD),
Ministry of Planning and Investment.**

Bangkok

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Presentation Outlines

- 1. Evolution of the Investment Promotion Law**
- 2. Salient Features of the New Investment Law**
- 3. Investment Incentives**
- 4. Investment Facilitations**

I. Evolution of the Investment Promotion Law

Open Door Policy:

1. New Economic Mechanism: 1986 Shifting from planned economy to a market oriented economy
2. Privatization of state enterprises: Lao Telecom, Banking, Fuel and Gas, Beverage.
3. Open for FDI:
 - FDI Law 1988
 - FDI Law (1st revised) 1994
 - FDI Law (2nd revised) 2004
 - FDI Law (3rd revised) 2009

II. Salient Features of the Investment Promotion Law (2009)

- **Combined the domestic investment law and foreign direct investment law into one to create a “level playing field” for both domestic and foreign investors;**
- **Shorten procedures to open new businesses;**
- **No terms of investment for promoted activities;**
- **Extended Investment incentives: Education and Health care sectors are top priorities;**
- **Foreigners can have access to local financial sources;**
- **Foreign Invested Companies can own a piece of land for building their residences (Certain conditions to be applied);**
- **Foreigners can invest in the real estate sector;**
- **Promotion of the development of SEZ and Industrial Park.**

Procedure of getting the license

**Ministry/Department of
Industry and Commerce**



**General Business
Activities (open sectors)**



**Enterprise Registration
License**

**Ministry/Department of
Planning and Investment**



**Concesssion Business
Activities
&
Representative Office**



**Concession License
&
Representative Office
License**

**Committee for
Economic Zones
(Secretariat at PMO)**

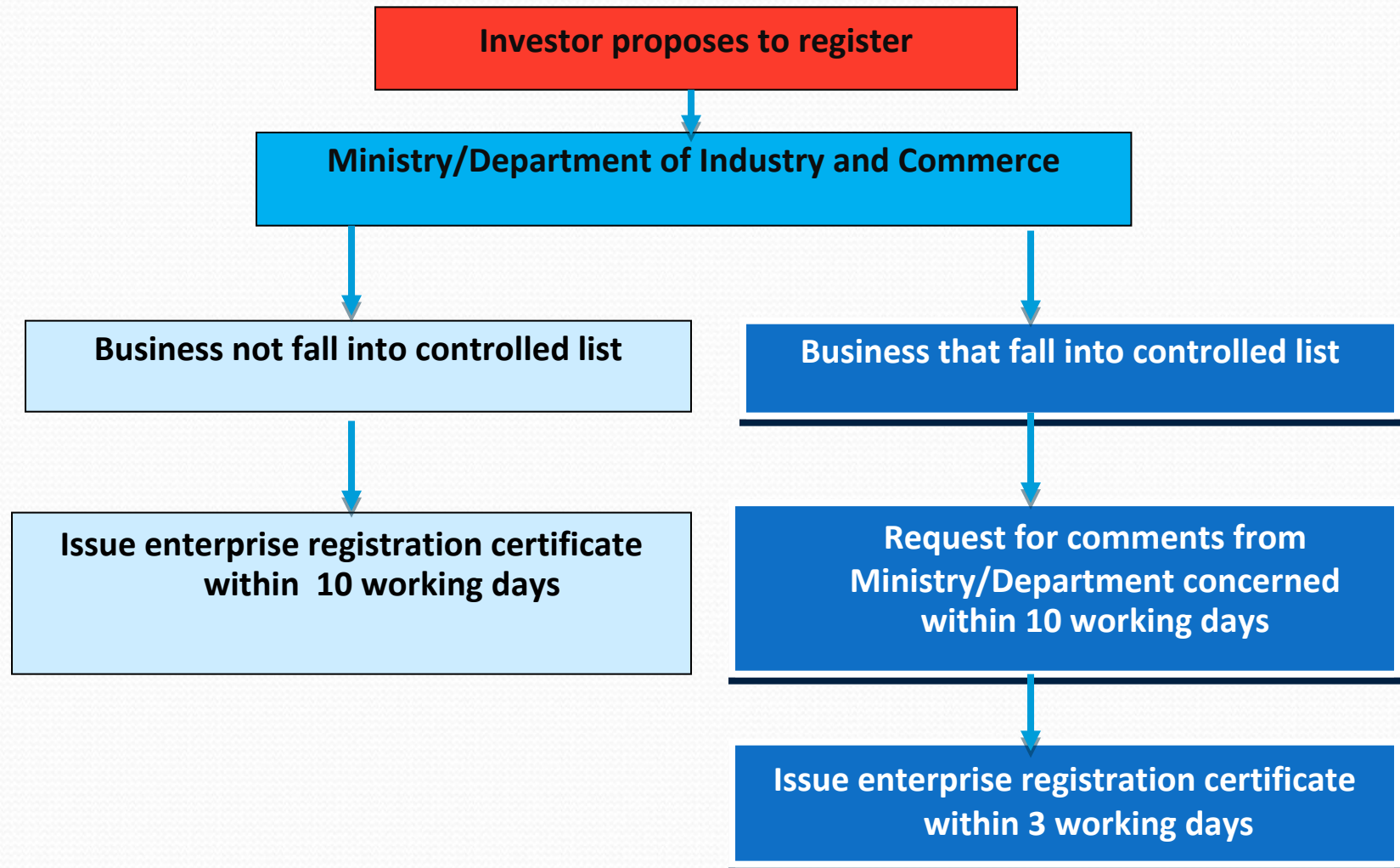


**Investment in Specific
Economic Zone**

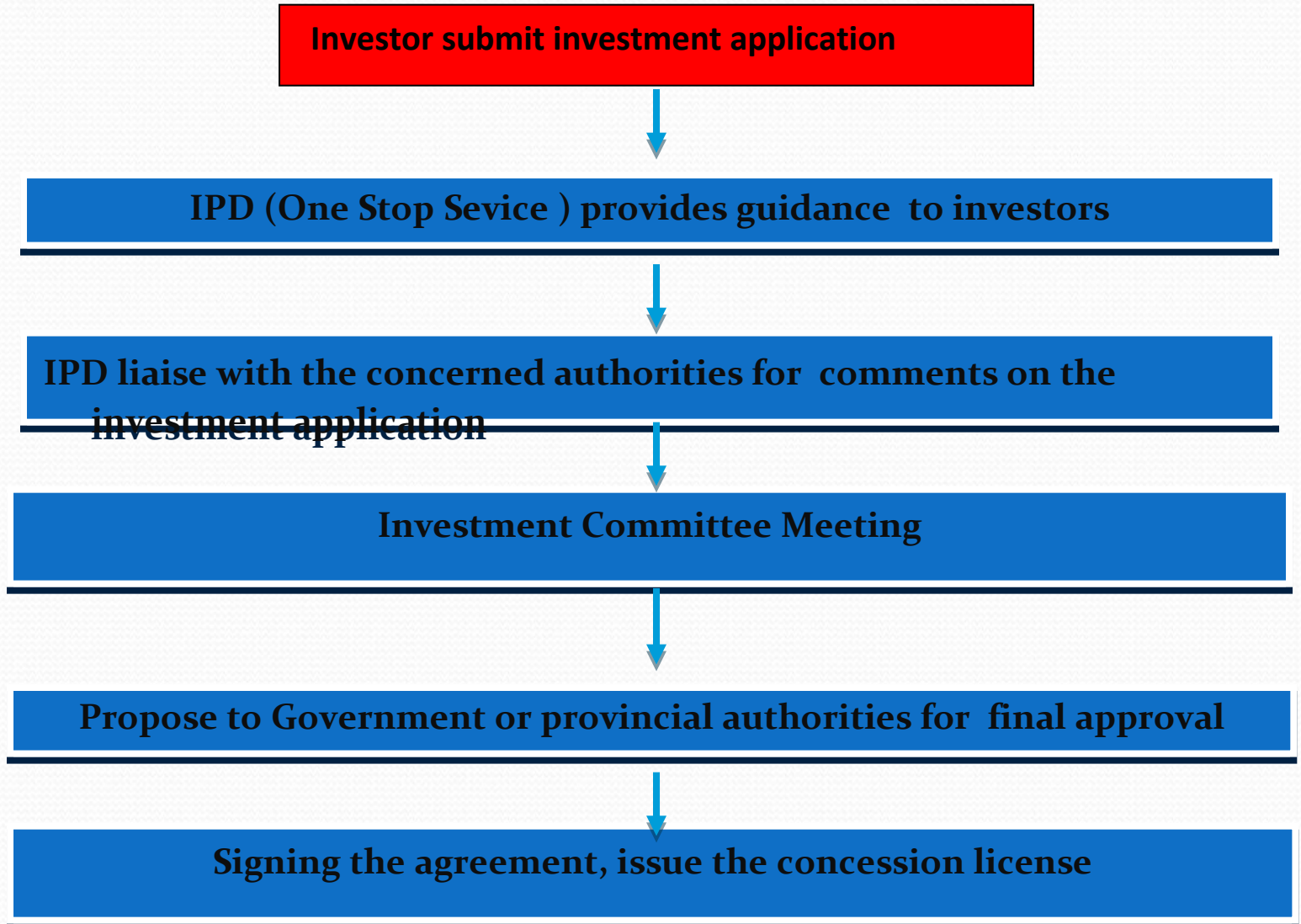


**Enterprise Registration
License**

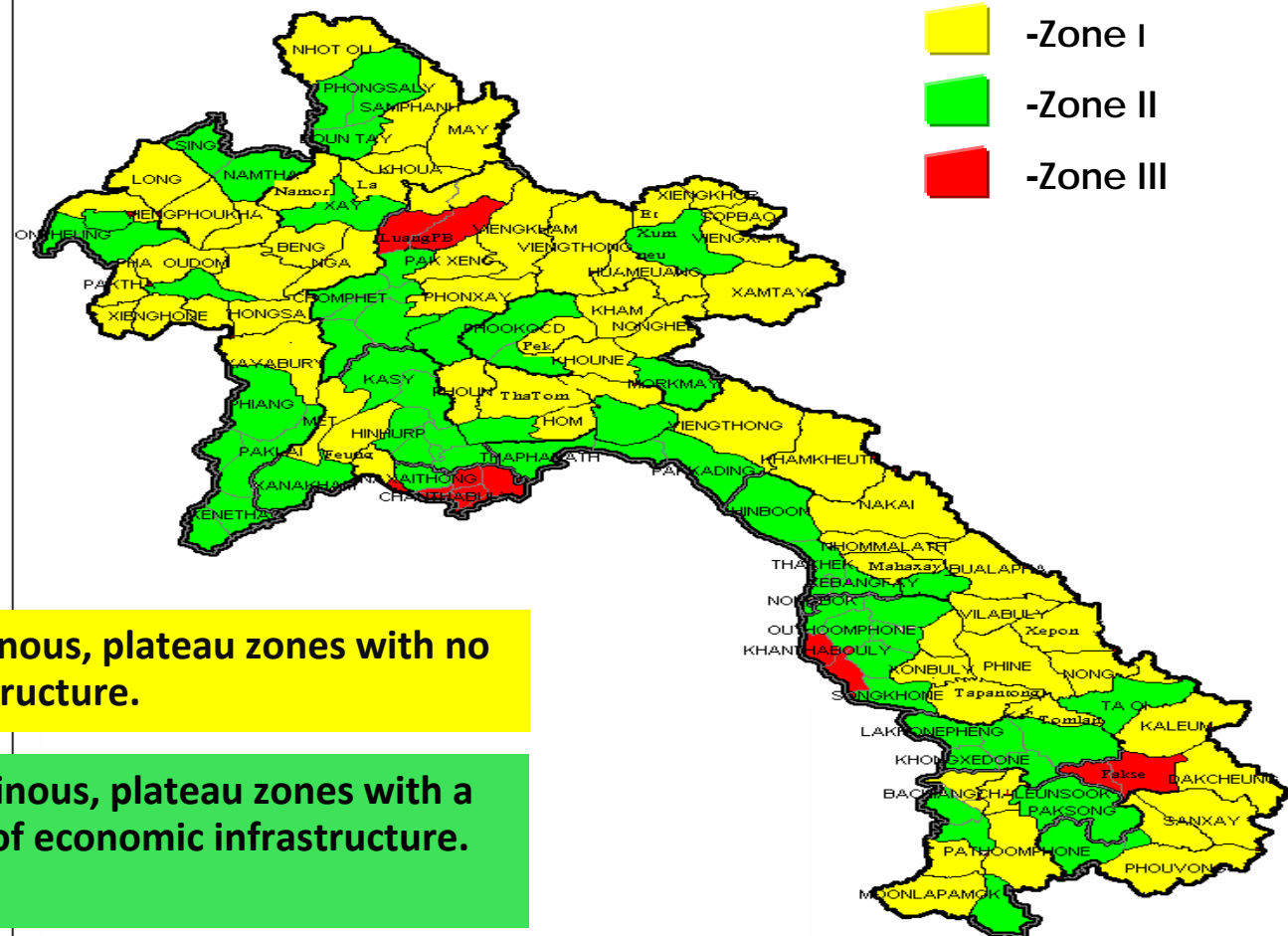
Approval procedures for investment in general activities



Approval Procedures for Concession Investment



III. Investment Incentives



Zone 1: Mountainous, plateau zones with no economic infrastructure.

Zone II: Mountainous, plateau zones with a moderate level of economic infrastructure.

Zone III: Mountainous, plateau zones with good economic infrastructure.

Incentive on Cooperate Profit tax

Promoted Sectors	Zone	Level	Period of exempt (years)
Industry Agriculture Service	1	1	10
		2	6
		3	4
	2	1	8
		2	4
		3	2
	3	1	4
		2	2
		3	1

Granting additional incentives

Education & Healthcare sectors



- **Exempt land lease or land concession**
 - Zone 1 = 15 years**
 - Zone 2 = 10 years**
 - Zone 3 = 3 years**
- **Provide additional 5 years for cooperate profit tax exempt**

IV. Investment Facilitation

One Stop Service for Investment

- ❖ The Investment One Stop Service locates at :
 - Planning and Investment for concession (central and provincial level)
 - Trade and Industry for open activities (central and provincial level)
 - Economic Zones
- ❖ The Investment One Stop Service provides various type of services including investment application, business related information and consultation, and legal consultation.

Special Economic Zones

Government strongly encourage investors to develop:

- **Special economic zone**
- **Export Processing zone**
- **Industrial Park**
- **Tourism zone**
- **Duty free zone**
- **ICT Zone, and**
- **Others zone**



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Thank You...