

Abstract

Independent Study Title investment in the Lao People's Democratic Republic, law and barriers concerned

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This study investigates investment in the Lao People's Democratic Republic, law and barriers concerned by using secondary data obtained from the other sources followings: books, documents, articles, magazines and regulations related on Lao investment promotions.

Findings are as follows:

1. In the past 2012, the study found that the investment in Laos continuously increase and it is a country with the fastest economic growth in ASEAN averaged 8 percent of GDP growth per year. The main country's incomes received from foreign investment such as: investment in the field of natural resources. The half of GDP come from the fields of mine, agriculture and electricity as the sixth quarter of the year 2011-2012 Lao government could draw internal and external private investment in amount of 98 projects with the total values of 2,001,977,293 US\$ which consist of 17 projects of mining fields with the values of 1,480,428,105 US\$, 4 projects of electric fields with the values of 298,645,250 US\$, 34 projects of agricultural fields with the values of 102,348,310 US\$ and 12 projects of services fields with the values of 51,681,434 US\$.

2. In 2012 there were 14 countries that were approved to invest in Lao P.D.R. as followings: 12 projects from Vietnam with the values of 1,454,654,474 US\$, 58 projects from Lao P.D.R. with the values of 262,095,251 US\$, 5 projects from south Korea with the values of 136,294,078 US\$, 5 projects from south Korea with the values of 136,294,078 US\$, 21 projects from China with the values of 77,327,922 US\$, 11 projects from Thailand with the values of 69,578,275 US\$, 2 projects from Malaysia with the values of 22,030,000 US\$, 2 projects from Hong Kong with the values of 6,500,000 US\$, 1 project from American with the values of 1,851,840 US\$, 1 project from Canada with the values of 1,493,010 US\$, 3 projects from Israel with the values of 1,432,600 US\$, 1 project from Russia with the values of 900,000 US\$, 6 projects from France with the values of 748,000 US\$, 1 project from Taiwan with the values of 400,000 US\$ and 1 project from Japan with the values of 350,000 US\$.

3. The problems of the investment in the Lao P.D.R. are the agencies that provide investment services are delayed and the investment promotion law has just been conducted, so it makes problems to the legal carriers. The least developed technology cause problems for investors. Many investors must import all materials, equipments and machine. Besides, financial institutions in Lao P.D.R are not enough to support the large investment. Most commercial banks are located in only big city such as: Vientiane capital. Electricity, water supply and transportation have not been utilized, especially, Lao P.D.R is land-locked country that makes the investors lost a high cost for spreading their products. Despite small scale of markets and least purchasing power, Local labors are non-skill. The investors are limited for propagating their products data and advertisement.