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Assocomplast
ASSOCIAZIONE NAZIONALE
COSTRUTTORI DI MACCHINE E STAMPI
PER MATERIE PLASTICHE E GOMMA



INDAGINE DI MERCATO IN LAOS

A FAVORE DEI COSTRUTTORI ITALIANI DI MACCHINE PER

LA LAVORAZIONE DI MATERIE PLASTICHE E GOMMA

La ricerca di mercato sull'industria della trasformazione della plastica e della gomma in Cambogia è stata realizzata dall'Ufficio Meccanica, Chimica, Energia, Ambiente dell'ICE-Agenzia in collaborazione con ASSOCOMAPLAST. L'ICE-Agenzia è titolare dei diritti per la pubblicazione del rapporto la cui copia può essere richiesta dalle aziende italiane del settore all'indirizzo: meccanica.energia@ice.it.

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Content

	<i>Page</i>
Chapter I	General Information and Macro-Economic Profile
1.1	Geography Information.....1-1
1.2	Economy Overview.....1-1
1.3	Lao PDR Free Trade Agreement.....1-2
1.4	Investment Promotion.....1-3
1.5	Import Procedures.....1-4
1.6	Import Duty for Machinery.....1-10
Chapter II	Plastics and Rubber Industry Overview
2.1	Lao PDR Plastics Industry Overview.....2-1
2.2	Lao PDR Rubber Industry Overview.....2-4
Chapter III	Machinery for Working Rubber or Plastics Statistic
3.1	Product Specification and Classification.....3-1
3.2	Lao’s Total Market for Plastics and Rubber Machinery.....3-4
Chapter IV	Survey Results Summary
4.1	Survey Target and Scope.....4-1
4.1.1	Survey Target.....4-1
4.1.2	Survey Scope.....4-1
4.2	Plastics Product Industry Survey.....4-1
4.2.1	Sector of Plastics Product Converter.....4-1
4.2.2	Size of Plastics Product Converter.....4-2
4.2.3	Main Oversea Suppliers of the Plastics Processing Machinery.....4-2
4.2.4	Plastics Processing Technologies.....4-3
4.2.5	Age of Plastics Processing Machinery.....4-3
4.3	Market Trend in Plastics Industry.....4-4
4.4	Market Trend in Rubber Industry.....4-4

Chapter V Preliminary Analysis

5.1	Plastics Machinery Analysis.....	5-1
5.2	Suggested Strategy for Italian Machinery to Laos.....	5-9

Annex I Business Guide in Lao PDR

1.	Relevant Investment Legislation.....	1
2.	Investment Applications.....	2
3.	Investment Protection.....	13
4.	Investment Incentives.....	14
5.	Promoted Areas/Sectors.....	16
6.	Taxation.....	17
7.	Financial Regulations.....	18
8.	Approval for the Employment of Foreign Workers.....	19
9.	Land and Building Ownership.....	19
10.	Investment Promotion.....	20

Annex II Plastics Converter Directory**Annex III Survey Questionnaire****Annex IV General Information**

Electricity.....	1
Trade Associations.....	2
Technical Magazines.....	3
Sector Exhibitions.....	3

Content of Figures

	<i>Page</i>
Chapter I General Information and Macro-Economic Profile	
Figure 1.1 Import procedure flowcharts.....	1-5
Chapter III Machinery for Working Rubber or Plastics Statistic	
Figure 3.1 Import value of machinery for plastics and rubber of Lao PDR.....	3-4
Figure 3.2 Machinery for plastics and rubber industry was imported by Lao PDR in period of 2008-2012.....	3-7
Chapter IV Survey Results Summary	
Figure 4.1 Plastics processing technology.....	4-3
Chapter V Preliminary analysis	
Figure 5.1 Market Share by Country Brand of Plastics Machinery in Lao PDR.....	5-1

Content of Tables

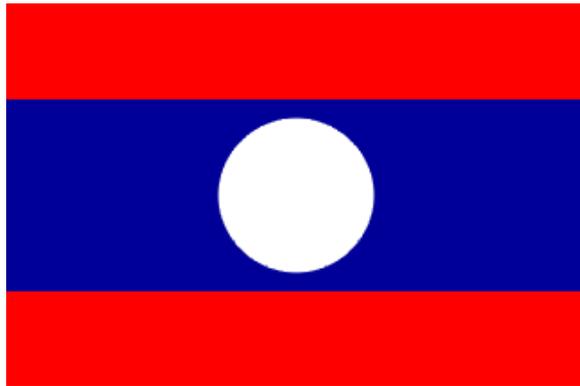
	<i>Page</i>
Chapter II Plastics and Rubber Industry Overview	
Table 2.1 Volume of plastics resin in Lao PDR.....	2-2
Table 2.2 Value of plastics resin in Lao PDR.....	2-3
Table 2.3 The consumption of main plastics resin of Lao PDR.....	2-4
Table 2.4 Volume of natural rubber (HS code 4001) export in Lao PDR.....	2-5
Table 2.5 Volume of synthetic rubber import in Lao PDR.....	2-6
Table 2.6 Value of rubber product (HS code 4005-4017) import in Lao PDR	2-7
Table 2.7 Volume of rubber product (HS code 4005-4017) import in Lao PDR	2-8
Table 2.8 Value of rubber product (HS code 4005-4017) export in Lao PDR	2-11
Table 2.9 Volume of rubber product (HS code 4005-4017) export in Lao PDR	2-12
 Chapter III Machinery for Working Rubber or Plastics Statistic	
Table 3.1 Description of HS code for machinery.....	3-1
Table 3.2 Import value of machinery plastics and rubber or the manufacture of products from these materials of Lao PDR from oversea.....	3-5
 Chapter IV Survey Results Summary	
Table 4.1 Sector of plastics product converter by number of companies..	4-2
Table 4.2 Names of interviewed company.....	4-2
 Chapter V Preliminary analysis	
Table 5.1 Survey results of Plastics Machinery in Lao PDR.....	5-1
Table 5.2 SWOT Analysis from Market Survey.....	5-3
Table 5.3 TOWS Analysis from Market Survey.....	5-7

Chapter I

General Information and Macro-Economic Profile

Overview of macro-economic of Cambodia was summarized in this Chapter. There was no analysis in this article but will be figured out in Chapter VI, preliminary analysis.

The Lao People's Democratic Republic of Lao PDR



1.1 Geography Information

Area:	236,800 sq km (Land 230,800 sq km/Water 6,000 sq km)
Climate:	tropical monsoon; rainy season (May to November); dry season (December to April)
Capital:	Vientiane (Viangchan)
Population:	6,695,166 (est. Jul 2013)
Ethnic Groups:	Lao 55%, Khmou 11%, Hmong 8%, other (over 100 minor ethnic groups) 26%
Languages:	Lao (official), French, English, various ethnic languages

1.2 Economy Overview

GDP (2012):	9.30 billion U.S. dollars ¹
Growth rate of GDP: (%AAGR 2007-2012)	17.10%
GDP per Capita (2012):	1,399 U.S. dollars ¹
Inflation rate (2012):	4.26 percent change ¹
Export – Commodities:	wood products, coffee, electricity, tin, copper, gold, cassava

Export – Partner:	Thailand 32.8%, China 20.7%, Vietnam 14%
Import – Commodities:	machinery and equipment, vehicles, fuel, consumer goods
Import – Partner:	Thailand 63.2%, China 16.5%, Vietnam 5.6%
Monetary Unit:	Kips (LAK)
Exchange rate:	1,000 Kips = 4 Baht (Thai)
	8,256 Kips = 1 USD

1.3 Lao PDR Free Trade Agreements¹

As a member of ASEAN, Lao PDR is a party to a number of Free Trade Agreements (FTA). These agreements are aimed at facilitating trade between ASEAN member states and the other countries signatories to the agreement. The ultimate objective is a reduction of the tariff on all commodities to zero. This elimination of Customs duties is implemented over time as a series of gradual reductions in the tariff.

A preference that Laos benefits from free trade agreements which is most important to Laos is the ASEAN Trade in Goods Agreement (ATIGA). Laos has also signed free trade agreements with ASEAN dialogue countries: Closer Economic Relations (Australia and New Zealand), China, India, Japan and Korea. In addition, Laos is a party to other FTAs: Lao-Vietnam Trade Agreement and the Asia-Pacific Trade Agreement (APTA).

Laos is exporting and benefiting from preferential treatment to ASEAN markets mainly to Thailand with the exports totaled US\$623 million in 2012, followed by Vietnam and Singapore, amounting to US\$69 million and US\$44 million, respectively. The preferential exports to Malaysia and Indonesia were each less than US\$2 million. Laos also exports to ASEAN dialogue partners including China, Japan and Korea with such exporting items as agriculture, garments, handicrafts and non-timber forestry products. Other dialogue partner markets include Australia India and New Zealand.

- ASEAN - China Free Trade Agreement: ACFTA
- ASEAN - Japan Comprehensive Economic Partnership: AJCEP
- ASEAN - Korea Free Trade Agreement: AKFTA
- ASEAN – India Free Trade Agreement: AIFTA
- Agreement Establishing the ASEAN-Australia- New Zealand Free Trade Area: AANZFTA (signed)
- ASEAN Free Trade Area: AFTA

¹ www.laotradeportal.gov.la

- ATIGA

Laos benefits from trade preference in the form of tariff exemption or reduction under the ATIGA from 9 other ASEAN members: Brunei, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Exports from Laos destined to these markets are subject 0% tariff rates for most agricultural and industrial products since 2010, except for those under the General Exception List (GEL) as well as under the Sensitive List (SL) exporting to newer ASEAN members (Cambodia, Myanmar and Vietnam) which will be cut to 0% rate by 2018.

- Asia Pacific Trade Agreement: APTA
- Laos – Vietnam Trade Agreement
- Trading with the European Union

The Export Helpdesk is an online service, provided by the European Commission, to facilitate market access in particular for developing countries to the European Union.

This free and user-friendly service provides relevant information required by exporters interested in supplying the EU market.

- The Ministry of Agriculture and Forestry has issued a notification on Sanitary and Phytosanitary Measures (SPS) for EU countries
- New EU timber regulation comes into force
- The Republic of Turkey issued Health Certificates for an export of fishery and aquaculture products
- Export Helpdesk
- Notification for exporter of plant for planting to EU market
- European Union has passed and disseminated the new regulations on the reduced rate of import duty for products importing from developing countries (GSP or Generalized Scheme of Preferences)

1.4 Investment Promotion²

Concession business is an investment which requires a concession or permission from the state to use the property and other rights of the state such as: use of state land, mining, electric power, aviation, telecommunication, insurance. The registered capital of a concession business shall not be less than 30% of the total capital (the total capital is the

² www.thaifta.com/trade/public/la_law.pdf

total amount of capital a company can invest in Laos) • At the day of establishment the company must pay at least 20% of the registered capital while the remaining shall be paid within 2 years. A company investing in a general business must have a registered capital of at least approximately US\$ 125,000 (1 bln kip) • At the day of establishment the company must pay 40% (agriculture business), 60% (production and processing) or 80% (services) of the registered capital, while the remaining must be paid within 1 year. The sector is promoted such as agriculture, industry, handicraft and services.

1.5 Import Procedures³

The importation of goods requires a series of procedures ranging from the conclusion of a contract to import payments. The general import procedures include the conclusion of import contracts, the securing of import permissions, customs clearance and payments for imports. Procedures included in the optional category depend on the type of transaction and the nature of the goods to be imported.

Imported goods legally enter into Laos when shipments have arrived at the port of entry, estimated duties have been paid, and delivery of the goods has been approved by the customhouse concerned. There are many possible trading methods including L/C and TT among others.

This procedure is generally applicable for all types of goods imported into Laos for domestic consumption under the Customs regime. However, different types of goods may require different supporting documents to be presented to Customs together with a declaration. Please check the website (www.laotradeportal.gov.la) or consult with the relevant authorities if you are in doubt as to whether a specific permit or license is required⁴.

³ www.web-laos.com/en/node/36140

⁴ www.laotradeportal.gov.la

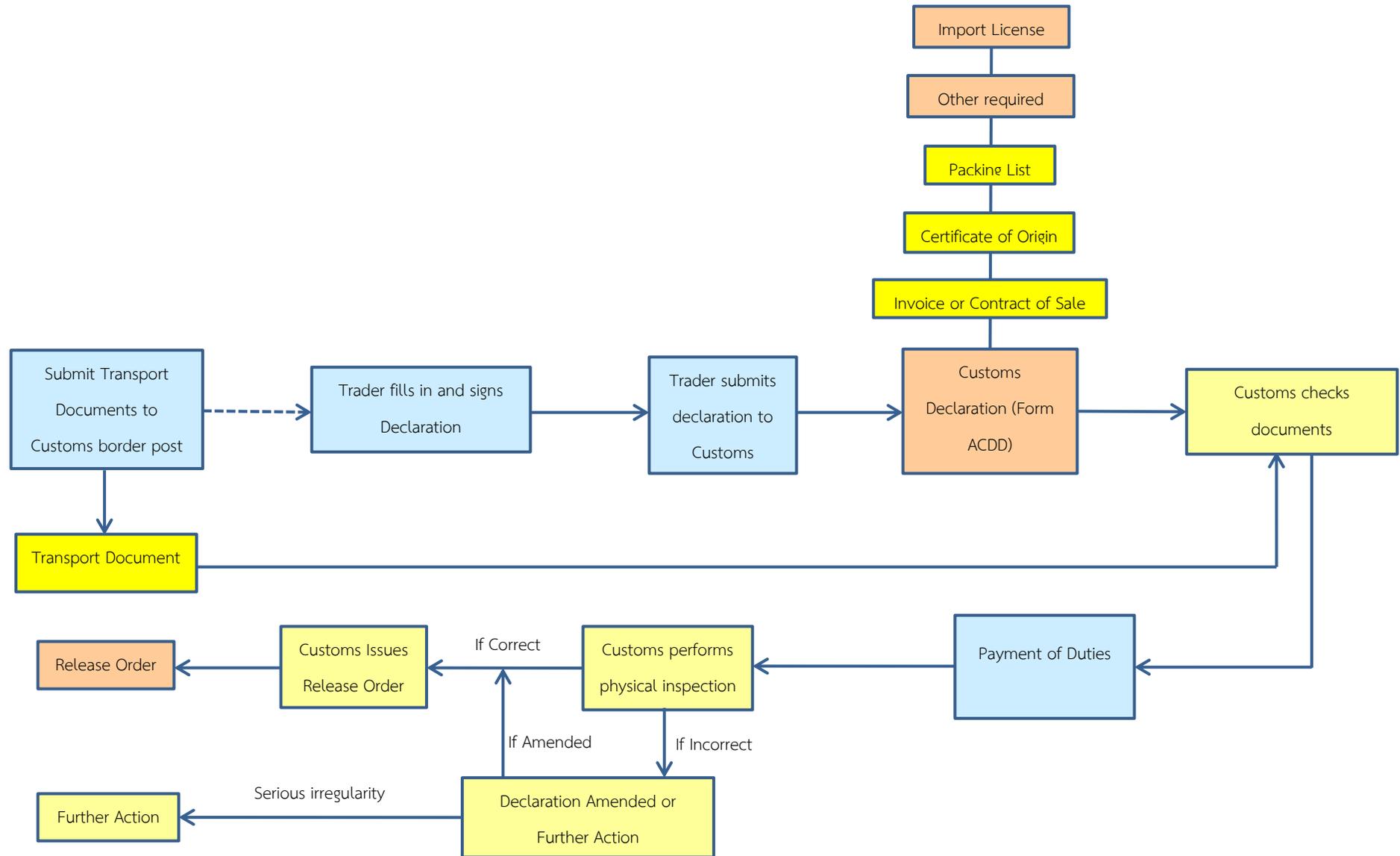


Figure 1.1 Import procedure flowcharts

1.5.1 Lao Import Structure

The volume of total imports in 1997 accounted for more than US\$ 705 million. The traditional import pattern, as mentioned earlier, includes capital goods, industrial raw materials and consumer goods among others. Reflecting the trade liberalization measures, substantial changes are taking place in the pattern of imports as well. In spite of the fact that capital goods and raw materials are still taking the lion's share, there is also a sharp increase in the import of consumer goods.

This section is designed to assist brokers, importers and exporters in the preparation of customs documentation for the importation of goods into and exportation of goods from Lao PDR⁵.

This section also gives you an overview of the Harmonized System for classification of goods and methods of valuation of goods based on the GATT Valuation System.

You may choose to prepare your customs documentation or obtain the services of a licensed broker. In all cases you need to submit, together with your declaration, basic supporting documents which are:

1. A cargo control or transport document
2. A carrier advice note
3. An invoice
4. Relevant permits and authorizations

If you are faced with a problem to complete the declaration form, please contact the nearest customs office.

You will be able to obtain release of your goods upon presentation of a fully completed declaration package consisting of the following:

1. 3 copies of the cargo control document
2. 2 copies of the invoice
3. 2 carrier advice notes
4. 2 copies of any permit issued by a relevant Ministry or Department

⁵ http://laocustoms.laopdr.net/import_and_export_information.htm

5. 2 certificates of origin showing origin of goods
6. 3 sets of the declaration form

1.5.2 Cargo Control Document

A cargo control document in the form of an airway bill for goods arriving by air or a manifest for goods arriving by highway or river will be sent to you together with an advice note issued by the carrier to inform you that a shipment has arrived and is awaiting customs clearance.

You will need the cargo control number from the airway bill or manifest to complete the appropriate field on the declaration form.

Three copies of the cargo control document and two copies of the advice note must accompany the declaration form.

1.5.3 Invoice

For all shipments entering or leaving Lao PDR, a commercial invoice which indicates the buyer and seller of the goods, the price paid or price payable, and an adequate description of the goods including quantity of the goods contained in the shipment, should be produced to support the declaration. The invoice must be prepared by the exporter. Locally produced invoices are not acceptable. [Click here to download an invoice sample](#)

1.5.4 The Declaration Form

The declaration form or single administrative document is used for all customs transactions; import, export or transit. It must be complete to be acceptable in customs.

The declaration form has three segments.

1. In the first section enter general information on importer, exporter and declarant as well as transport and transaction details.
2. In the second section enter details on the item declared, including amount of duties and taxes payable or exempted.
3. Summary of Payment and Responsibility of Declaration Section.

1.5.5 Conclusion of Contract

An import contract is included when an offer based on a written agreement or a contract between a Lao trading agent and a foreign supplier is received, or an offer issued overseas from a foreign exporter is accepted, administered according to the Foreign Exchange Regulations, the Custom Law and with special reference to the Export & Import Regulations issued by the Ministry of Commerce. All items can be freely imported unless they are specifically prohibited.

1.5.6 Import Permission

An import license (permission) must be obtained directly from the Ministry of Commerce that delegates its authority to provincial trade services. It means that an import license can be obtained from the Provincial Trade where the importing enterprise is situated. An import license remains valid for, in principle, three months. Payment for imports, as well as customs clearance of imported goods, should be completed within the term of the import permission.

1.5.7 Establishment of a Letter of Credit (L/C)

A party receiving import permission must establish and L/C through a foreign exchange bank within the effective period. In an unavoidable circumstance, however, the period can be extended by submitting to the competent bank an application for amendment to the L/C. When arranging the L/C, the same information as notes on the import authorization form must be used. The amount of the L/C should not exceed the authorized amount, and it must be expressed in the same currency specified in the import authorization form.

1.5.8 Receipt of Transport Documents

The foreign exporter, having received the L/C, ships the goods according to the conditions of the L/C and negotiates using transport documents as security. The exporter's bank then sends the transport documents to the bank that issued the L/C and after the L/C opening bank has verified that the conditions of the transport documents are consistent with those of the L/C, it settles the account of the import transaction and transfers the transport documents to the importers, the importer submits the bill of Lading (B/L) to the shipping company and collects the imported freight. If, however, the

freight has already arrived but the transport documents have not, the importers may present a Letter of Guaranty (L/G) to the shipping company and receive the freight in advance, after receiving from the importer's bank the L/G prepared under fixed conditions.

1.5.9 Customs Clearance

The importer unloads the imported freight and places it in a bonded area house. The customs clearance report can only be prepared by a consignee (importer). Employing a certified customs specialist or a certified customs clearance corporation.

Upon receipt of the import, the customs house inspector will verify that the contents of the imported merchandise correspond with that described in the import authorization form and confirms that the documentation is in order. The tariff on the merchandise is then calculated and levied, and an import approval is presented to the person reporting the import. This person may remove the imported merchandise from the bonded area. After doing so, the import procedures are complete.

1.6 Import Duty for Machinery⁶

HS Version	HS code	Year	Description	(WTO) MFN Applied Tariff				
				Average of AV Duties*	Minimum AV Duty**	Maximum AV Duty***	Duty Free TL**** (%)	Number of Non-AV Duty*****
HS02	844316	2008	Flexographic printing machinery	5.0	5	5	0.0	0
HS02	844400	2008	Machines for extruding, drawing, texturing or cutting man-made textile materials	5.0	5	5	0.0	0
HS02	847710	2008	Injection-moulding machines for working rubber or plastics	5.0	5	5	0.0	0
HS02	847720	2008	Extruders for working rubber or plastics	5.0	5	5	0.0	0
HS02	847730	2008	Blow-moulding machines for working rubber or plastics	5.0	5	5	0.0	0
HS02	847740	2008	Vacuum-moulding machines and other thermoforming machines for working rubber or plastics	5.0	5	5	0.0	0
HS02	847751	2008	Machinery for moulding or retreading pneumatic tyres or for moulding or otherwise forming inner tubes of rubber or plastics	5.0	5	5	0.0	0

⁶ <http://tariffdata.wto.org/ReportersAndProducts.aspx>

HS Version	HS code	Year	Description	(WTO) MFN Applied Tariff				
				Average of AV Duties*	Minimum AV Duty**	Maximum AV Duty***	Duty Free TL**** (%)	Number of Non-AV Duty*****
HS02	847759	2008	Machinery for moulding or otherwise forming products from rubber or plastics (excl. injection-moulding machines, extruders, blow-moulding machines, vacuum-moulding and other thermoforming machines; machinery for moulding or retreading pneumatic tyres or for moulding or otherwise forming inner tubes)	5.0	5	5	0.0	0
HS02	847780	2008	Machinery for working rubber or plastics or for the manufacture of products from these materials, not specified or included elsewhere in this chapter	5.0	5	5	0.0	0
HS02	847790	2008	Parts of machinery for working rubber or plastics or for the manufacture of products from these materials, n.e.s.	5.0	5	5	0.0	0
HS02	848071	2008	Injection or compression-type moulds for rubber or plastics	5.0	5	5	0.0	0
HS02	848079	2008	Moulds for rubber or plastics (other than injection or compression types)	5.0	5	5	0.0	0

*Average of AV Duties : Average of all Ad valorem duties in the HS code. No Ad valorem equivalents for non-AV duties are included.

**Minimum AV Duty : Minimum Ad valorem duty in the HS code.

***Maximum AV Duty : Maximum Ad valorem duty in the HS code.

****Duty Free TL (%) : Percentage of applied duty free national tariff lines in the HS code.

*****Number of Non-AV Duty : Number of national tariff lines in the HS code with non- Ad valorem duty.

Chapter II

Plastics and Rubber Industry Overview

2.1 Lao PDR Plastics Industry Overviews

In 2012, Laos had a consumption of plastic resins of 22 KTA (HS code 3901-3909), which almost of resin was imported. Laos has no plastics production in country therefore the converter import the plastics resin from overseas in order to support domestic consumption. In 2012, plastics resin imports and demands were 28 million USD. The volume and value of plastics resin in Laos are shown in table 2.1 and table 2.2, respectively.

Table 2.1 Volume of plastics resin in Lao PDR.

Unit: Ton

Commodity	Description	Year				
		2008	2009	2010	2011	2012
3901-3909	Plastic resins	13,093	14,705	18,234	17,478	19,884
3901	Polymers Of Ethylene, In Primary Forms	5,390	6,410	6,862	8,011	8,184
3902	Polymers Of Propylene Or Other Olefins, Prim Forms	1,910	1,351	1,407	1,419	2,320
3903	Polymers Of Styrene, In Primary Forms	-	16	35	71	109
3904	Polymers Of Vinyl Chloride Etc., In Primary Forms	2,826	3,854	4,667	4,175	5,179
3905	Polymers Of Vinyl Acetate & Oth Vinyl Polym, Pr Fm	30	32	32	144	65
3906	Acrylic Polymers In Primary Forms	943	1,118	3,396	1,283	1,373
3907	Polyethers, Epoxides & Polyesters, Primary Forms	1,901	1,814	1,625	2,165	2,425
3908	Polyamides In Primary Forms	2	4	3	18	6
3909	Amino-Resins, Phenolics & Polyurethanes, Prim Form	91	106	207	192	223

Source: Global trade atlas, Nov, 2013.

Table 2.2 Value of plastics resin in Lao PDR.

Unit: USD

Commodity	Description	Year				
		2008	2009	2010	2011	2012
3901-3909	Plastic resins	19,182,790	16,430,956	23,904,802	26,491,303	27,880,311
3901	Polymers Of Ethylene, In Primary Forms	8,427,926	7,780,615	10,265,206	12,784,589	12,640,702
3902	Polymers Of Propylene Or Other Olefins, Prim Forms	3,073,736	1,656,727	1,905,864	2,100,691	2,696,068
3903	Polymers Of Styrene, In Primary Forms	-	17,319	59,983	142,466	215,594
3904	Polymers Of Vinyl Chloride Etc., In Primary Forms	2,761,730	2,972,495	4,422,877	4,152,940	4,755,849
3905	Polymers Of Vinyl Acetate & Oth Vinyl Polym, Pr Fm	82,558	72,798	75,331	168,729	115,580
3906	Acrylic Polymers In Primary Forms	1,327,852	1,381,980	3,894,801	2,622,325	2,478,912
3907	Polyethers, Epoxides & Polyesters, Primary Forms	3,225,512	2,176,102	2,270,585	3,412,769	3,665,623
3908	Polyamides In Primary Forms	7,832	6,289	8,591	46,216	28,343
3909	Amino-Resins, Phenolics & Polyurethanes, Prim Form	275,644	366,631	1,001,564	1,060,578	1,283,640

Source: Global trade atlas, Nov, 2013.

In addition, Laos is also plastics importer, by 2012, the total import of plastic resin were around 32 million USD. The consumption of main plastics resins were polyethylene (PE) 8 KTA, polypropylene (PP) 2 KTA and polyethylene terephthalate 1 KTA as shown in table 2.3.

Table 2.3 The consumption of main plastics resin of Lao PDR.

No.	Resins	2007	2008	2009	2010	2011	2012
1.	PE	5	5	6	7	8	8
2.	PP	4	2	1	1	1	2
3.	PET	1	1	1	1	1	1

Unit: KTA

2.2 Lao PDR Rubber Industry Overview

The history of rubber production in Laos is relatively short, and the industry only began to expand over the last decade. Lao PDR lacked any significant rubber plantations until 1995, when around 50 ha were established in Ban Chiengchaleusuk of Champassak province. Between 1994 and 1996 rubber was planted in Luang Namtha Province in the Hmong communities of Ban Hadnyao, where a total of 342 ha of smallholder plantations were established. (Douangsavanh et al, 2008).

Lao PDR is currently experiencing a rapid expansion of rubber cultivation. The growing demand for natural rubber in the global market, particularly in regional manufacturing centers such as China and India, is identified as a driving force for this expansion.

The total export of natural rubber (HS code 4001) is 16 KTA, in 2012. Technically specified natural rubber (Tsnr) is the highest volume exported at 7.4 KTA as shows in table 2.4.

Table 2.4 Volume of natural rubber (HS code 4001) export in Lao PDR.

Unit: Ton

Commodity	Description	2008	2009	2010	2011	2012
4001	Natural Rubber, Balata, Chicle Etc, Prim Form Etc	7,342	6,751	7,091	7,815	15,949
400122	Technically Specified Natural Rubber (Tsnr)	0	526	1,927	2,102	7,425
400129	Natural Rubber In Primary Forms Etc. Nesoi	2,926	44	788	151	1,528
400121	Natural Rubber In Smoked Sheets	4,026	5,962	4,323	5,388	638
400110	Natural Rubber Latex, Whether Or Not Pre vulcanized	354	219	53	174	612

Source: Global trade atlas, Nov, 2013.

In 2012, the total import of synthetics rubber (HS code 4005-4017) increased 37% from 2011. Acrylo-nitrile rubber (NBR) was the highest imported at 24 tonnes, other latex of synthetic rubber was 9 tonnes and Poly-butadiene rubber (BR) was 3 tonnes. The total Laos import synthetics rubber is shown as the table 2.5.

Table 2.5 Volume of synthetic rubber import in Lao PDR.

Unit: Ton

Commodity	Description	2008	2009	2010	2011	2012
Synthetics Rubber	Synthetics Rubber	55	64	57	27	37
400211	Latex of styrene-butadiene rubber (SBR)/ carboxylated Styrene-butadiene rubber (SBR)	0	0	0	0	1
400219	Styrene-butadiene rubber (SBR)	0	16	11	0	0
400220	Poly-butadiene rubber (BR)	0	0	0	0	3
400231	Isobutene-isoprene (butyl) rubber (IIR)	51	34	45	24	0
400259	Acrylo-nitrile rubber (NBR)	0	0	0	0	24
400270	Ethylene-propylene-nonconjugated diene rubber (EPDM)	3	0	0	0	0
400280	Mixtures of natural rubber of 4-digit heading 4001 with synthetic-rubber of 4- digit heading 4002	1	8	1	3	0
400291	Other latex of synthetic rubber	0	0	0	0	9
400510	Compounded rubber, un-vulcanised, in primary forms, or in plates, sheet and strip, with carbon-black or silica	0	7	0	0	0

Source: Global trade atlas, Nov, 2013.

The total export of synthetics rubber (HS code 4005-4017), PITH has no information.

The total import value of rubber product (HS code 4005-4017) was 69 million USD in 2012. The import of rubber product (HS code 4005-4017) increased at 27.6% from 2011. New pneumatic tires of rubber (HS code 4011) was the highest imported at 47 million USD, retread or used pneu tires, solid tires etc, rubber was 5.5 million USD and articles nesoi of unhardeded vulcanized rubber was 4.6 million USD. The total Laos import rubber product (HS code 4005-4017) is shown as the table 2.6 and table 2.7.

Table 2.6 Value of rubber products (HS code 4005-4017) import in Lao PDR.

Unit: USD

Commodity	Description	2008	2009	2010	2011	2012
Rubber	Rubber products	32,849,271	40,683,021	40,652,367	54,004,417	68,932,974
4005	Compounded Rubber, Unvulcanised, Primary Forms Etc	453,030	386,664	434,034	329,370	1,043,670
4006	Unvulc Rubber Forms Nesoi & Unvulc Rubber Articles	48,210	11,444	35,123	23,147	38,903
4007	Vulcanized Rubber Thread And Cord	4,321	-	12,084	-	3,988
4008	Plates, Sheets, Profile Shapes Etc, Soft Vulc Rubber	110,844	2,386,334	294,299	522,297	562,865
4009	Tubes, Pipes & Hoses Of Unharded Vulcanized Rubber	988,370	841,616	1,289,624	1,861,341	2,671,109
4010	Conveyor Or Transmiss Belts Of Vulcanized Rubber	855,560	396,435	855,090	1,215,720	3,002,769
4011	New Pneumatic Tires, Of Rubber	22,710,953	27,413,471	28,902,776	41,067,356	46,921,819
4012	Retread Or Used Pneu Tires, Solid Tires Etc, Rubber	1,980,944	3,399,694	2,461,504	2,883,099	5,510,605
4013	Inner Tubes For Tires, Of Rubber	4,033,969	3,513,872	3,219,290	3,068,642	3,852,125
4014	Hygienic Or Pharm Articles Of Unharded Vulcan Rubber	364,590	35,284	266,174	19,505	421,220
4015	Art Of Apparel & Access Of Unharded Vulcanized Rubber	102,013	80,364	326,607	218,437	123,024
4016	Articles Nesoi Of Unhardeded Vulcanized Rubber	1,166,554	2,122,967	2,480,477	2,716,483	4,640,578
4017	Hard Rubber In All Forms; Articles Of Hard Rubber	29,913	94,877	75,286	79,020	140,299

Source: Global trade atlas, Nov, 2013.

Table 2.7 Volume of rubber products (HS code 4005-4017) import in Lao PDR.

Commodity	Unit	Description	2008	2009	2010	2011	2012
Rubber	n/a	Rubber products	n/a	n/a	n/a	n/a	n/a
4005	T	Compounded Rubber, Unvulcanised, Primary Forms Etc	213	159	145	94	435
4006	T	Unvulc Rubber Forms Nesoi & Unvulc Rubber Articles	21	5	11	6	60
4007	T	Vulcanized Rubber Thread And Cord	1	0	8	0	1
4008	T	Plates, Sheets, Profile Shapes Etc, Soft Vulc Rubber	16	788	67	322	62
4009	M	Tubes, Pipes & Hoses Of Unharded Vulcanized Rubber	100	1	224	736	9,661
4009	T	Tubes, Pipes & Hoses Of Unharded Vulcanized Rubber	211	162	195	483	649
4010	T	Conveyor Or Transmiss Belts Of Vulcanized Rubber	208	113	152	194	642
4010	NO	Conveyor Or Transmiss Belts Of Vulcanized Rubber	0	0	33	56	18
4011	NO	New Pneumatic Tires, Of Rubber	785,862	849,429	754,867	862,583	831,430
4011	T	New Pneumatic Tires, Of Rubber	0	1,276	1,458	1,285	2,121
4011	PCE	New Pneumatic Tires, Of Rubber	338	0	0	0	0
4012	NO	Retread Or Used Pneu Tires, Solid Tires Etc, Rubber	74,452	71,416	60,537	86,419	81,416
4012	T	Retread Or Used Pneu Tires, Solid Tires Etc, Rubber	367	684	352	250	831
4013	NO	Inner Tubes For Tires, Of Rubber	2,752,495	2,283,757	1,897,221	1,329,539	1,359,178
4013	T	Inner Tubes For Tires, Of Rubber	0	9	8	63	156
4013	PCE	Inner Tubes For Tires, Of Rubber	320	0	0	0	0
4014	T	Hygienic Or Pharm Articles Of Unharded Vulcan Rubber	37	3	31	1	41

Table 2.7 Volume of rubber products (HS code 4005-4017) import in Lao PDR (continue).

Commodity	Unit	Description	2008	2009	2010	2011	2012
4015	PRS	Art Of Apparel & Access Of Unharded Vulcanized Rubber	39,367	499,682	1,720,021	6,713	933,410
4015	T	Art Of Apparel & Access Of Unharded Vulcanized Rubber	6	3	26	21	2
4015	DPR	Art Of Apparel & Access Of Unharded Vulcanized Rubber	0	0	0	526	0
4016	T	Articles Nesoi Of Unhardeded Vulcanized Rubber	149	211	368	192	570
4016	NO	Articles Nesoi Of Unhardeded Vulcanized Rubber	0	0	0	14	13
4017	T	Hard Rubber In All Forms; Articles Of Hard Rubber	6	27	13	22	45

Source: Global trade atlas, Nov, 2013.

The total export value of rubber product (HS code 4005-4017) was 170,842 USD in 2012. The export of rubber product (HS code 4005-4017) decreased 44% from 2011. However, inner tubes for tires, of rubber was the highest exported at 162,545 USD, tubes, pipes & hoses of unharded vulcanized rubber and conveyor or transmits belts of vulcanized rubber was 5,844 and 2,301 USD. The total Laos export rubber product (HS code 4005-4017) is shown as the table 2.8 and table 2.9.

Table 2.8 Value of rubber products (HS code 4005-4017) export in Lao PDR.

Unit: USD

Commodity	Description	2008	2009	2010	2011	2012
Rubber	Rubber products	149,340	111,821	540,709	306,312	170,842
4005	Compounded Rubber, Unvulcanised, Primary Forms Etc	97,030	-	-	-	-
4006	Unvulc Rubber Forms Nesoi & Unvulc Rubber Articles	-	-	-	-	-
4008	Plates, Sheets, Profile Shapes Etc, Soft Vulc Rubber	-	-	-	1,090	-
4009	Tubes, Pipes & Hoses Of Unharded Vulcanized Rubber	246	9,246	198	5,610	5,844
4010	Conveyor Or Transmiss Belts Of Vulcanized Rubber	8,770	5,098	-	1,239	2,301
4011	New Pneumatic Tires, Of Rubber	2,222	18,541	24,336	-	-
4012	Retread Or Used Pneu Tires, Solid Tires Etc, Rubber	39,716	-	-	-	-
4013	Inner Tubes For Tires, Of Rubber	-	78,926	516,083	298,314	162,575
4015	Art Of Apparel & Access Of Unharded Vulcanized Rubber	-	10	-	-	-
4016	Articles Nesoi Of Unhardeded Vulcanized Rubber	1,356	-	91	60	89
4017	Hard Rubber In All Forms; Articles Of Hard Rubber	-	-	-	-	33

Source: Global trade atlas, Nov, 2013.

Table 2.9 Volume of rubber products (HS code 4005-4017) export in Lao PDR.

Commodity	Unit	Description	2008	2009	2010	2011	2012
Rubber	n/a	Rubber products	n/a	n/a	n/a	n/a	n/a
4005	T	Compounded Rubber, Unvulcanised, Primary Forms Etc	42	-	-	-	-
4006	T	Unvulc Rubber Forms Nesoi & Unvulc Rubber Articles	-	-	-	-	-
4008	T	Plates, Sheets, Profile Shapes Etc, Soft Vulc Rubber	-	-	-	-	-
4009	T	Tubes, Pipes & Hoses Of Unharded Vulcanized Rubber	-	3	-	2	1
4010	T	Conveyor Or Transmiss Belts Of Vulcanized Rubber	8	13	-	1	5
4011	NO	New Pneumatic Tires, Of Rubber	24	215	305	-	-
4012	NO	Retread Or Used Pneu Tires, Solid Tires Etc, Rubber	34	-	-	-	-
4013	NO	Inner Tubes For Tires, Of Rubber	-	105,000	637,430	289,300	139,300
4015	T	Art Of Apparel & Access Of Unharded Vulcanized Rubber	-	-	-	-	-
4016	T	Articles Nesoi Of Unhardeded Vulcanized Rubber	5	-	-	-	-
4017	T	Hard Rubber In All Forms; Articles Of Hard Rubber	-	-	-	-	-

Source: Global trade atlas, Nov, 2013.

Chapter III

Machinery for Working Rubber or Plastics Statistic

3.1 Product Specification and Classification

HS code is a standardized multi-functional system to classify goods, universally applied by governments of all countries, international organizations and individuals in many other fields, such as domestic tax, trade policy, price control, quota control, budgeting, and economic research and analysis. Therefore HS Code becomes a universally recognized classification standard and economic language. Thai customs department classified the machinery in HS Code 8477 as shown in table 3.1.

Table 3.1 Description of HS code for machinery

HS Code	Description
844316	Flexographic printing machinery
844400	Machines for extruding, drawing, texturing or cutting man-made textile materials.
848071	Molds for Rubber or Plastic, Injection/Compression Type
848079	Molds for Rubber or Plastics Except Inject or Compression
8477	Machinery for working rubber or plastics or for the manufacture of products from these materials not specified or included elsewhere in this Chapter.
847710	Injection-molding machines for working rubber or plastics
84771000	Parts: Injection-molding machines
84771010	Parts: Injection-molding machines for molding rubber
84771031	Injection-molding machines for Poly (vinyl chloride)
84771039	Parts: Injection-molding machines, other
847720	Extruders for working rubber or plastic
84772000	Parts: Extruders
84772010	Parts: Extruders for extruding rubber
84772020	Parts: Extruders for extruding plastics
847730	Blow molding machines for working rubber or plastics
84773000	Parts: Blow molding machines

Table 3.1 Description of HS code for machinery (continue)

HS Code	Description
847740	Vacuum molding machines & other thermoforming machines for working rubber or plastics
84774000	Parts: Vacuum molding machines and other thermoforming machines
84774010	Parts: Vacuum molding machines and other thermoforming machines for molding or forming rubber
84774020	Parts: Vacuum molding machines and other thermoforming machines for molding or forming plastics
847751	Machinery for molding or retreading pneumatic tyres or for molding or otherwise forming inner tubes
84775100	Other machinery for molding or otherwise forming: For molding or retreading pneumatic tyres or for molding or otherwise forming inner tubes
847759	Other machinery for molding or other forming, for working rubber or plastics
84775900	Other machinery for molding or otherwise forming: Other
84775910	Other machinery for molding or otherwise forming: For rubber
84775920	Other machinery for molding or otherwise forming: For plastics
847780	Other machinery for working rubber or plastics or for the manufacture of products from these materials
84778010	Other machinery: For working rubber or for the manufacture of products from rubber, electrically operated
84778020	Other machinery: For working rubber or for the manufacture of products from rubber, not electrically operated
84778031	Other machinery: For working rubber or for the manufacture of products from plastics, electrically operated: Lamination presses for the manufacture of printed circuit boards or printed wiring boards
84778039	Other machinery: For working rubber or for the manufacture of products from plastics, electrically operated: Other

Table 3.1 Description of HS code (continue)

HS Code	Description
84778040	Other machinery: For working rubber or for the manufacture of products from plastics, not electrically operated
84778090	Other machinery: Other
847790	Parts of machinery for working rubber or plastics or for the manufacture of products from these materials
84779000	Other machinery: Parts
84779010	Parts of electrically operated machines for working rubber or for the manufacture of products from rubber
84779020	Parts of non-electrically operated machines for working rubber or for the manufacture of products from rubber
84779032	Parts of lamination presses for the manufacture of printed circuit boards or printed wiring boards
84779039	Other
84779040	Parts of non-electrically operated machines for working plastics or for the manufacture of products from plastic materials

Source: Thai Custom Department

3.2 Lao’s Total Market for Plastics and Rubber Machinery

Figure 3.1 shows import value of machinery for working rubber and plastics of Laos during the period 2007-2012. Overall, as the import value, in 2012, Laos imported the machinery for working rubber and plastics with the highest value at 7.3 million USD which mainly imported from Germany followed by China and Thailand about 42%, 30%, and 20% respectively.

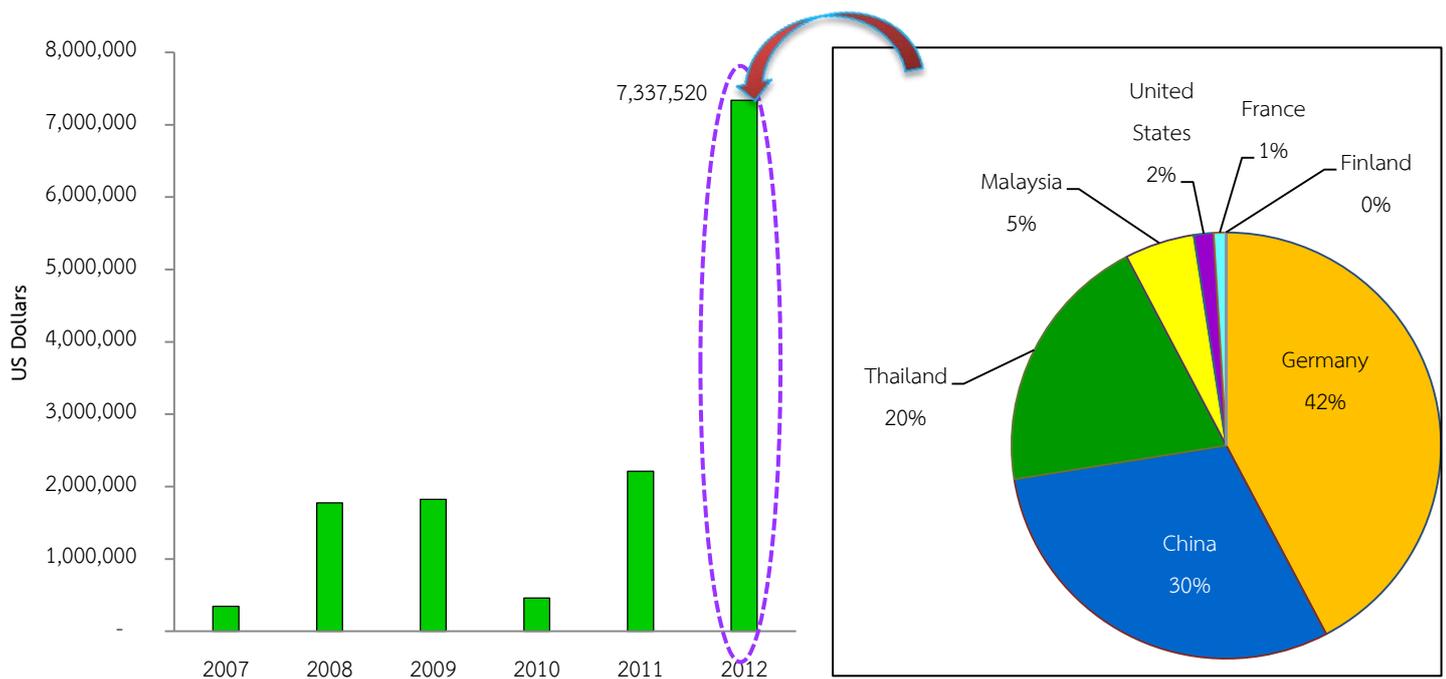


Figure 3.1 Import value of machinery for plastics and rubber of Lao PDR.

Table 3.2 Import value of machinery for plastics and rubber or the manufacture of products from these materials of Lao PDR from overseas.

Reporting Country	United States Dollars											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total	468,580	134,410	439,121	1,119,066	361,141	553,483	345,902	1,776,791	1,825,410	458,951	2,210,941	7,337,520
Germany	-	-	23,553	3,307	-	-	32,903	1,343,769	10,494	-	22,747	3,102,955
China	63,850	3,687	37,791	51,076	58,730	451,510	126,897	180,177	994,097	265,088	1,819,774	2,214,006
Thailand	76,777	126,266	222,953	68,176	261,684	91,539	168,977	132,035	347,348	68,884	184,496	1,457,201
Malaysia	-	-	-	-	20,713	-	-	-	-	6,253	72,009	385,663
United States	-	-	-	916,800	-	-	-	-	-	-	28,631	108,698
France	-	-	-	-	-	-	10,655	-	33,013	11,936	17,028	66,773
Finland	-	-	-	-	-	-	-	-	-	-	1,733	2,224
United Kingdom	327,953	4,457	4,448	-	-	1,601	-	-	29,652	-	7,410	-
Singapore	-	-	-	-	-	-	-	-	162,953	31,436	3,527	-
South Korea	-	-	-	70,000	-	1,463	-	-	23,385	2,981	-	-
Sweden	-	-	357	-	-	-	-	-	-	-	990	-
Switzerland	-	-	-	-	-	-	-	-	-	2,980	-	-
Taiwan	-	-	-	8,280	-	-	-	-	-	-	-	-
Denmark	-	-	-	-	18,135	-	-	-	-	-	-	-
Austria	-	-	-	-	-	-	-	-	-	5,256	6,218	-
Belgium	-	-	-	-	-	-	-	4,591	-	-	-	-
Canada	-	-	-	-	-	-	4,862	22,842	-	-	-	-
Hong Kong	-	-	150,019	-	-	-	32	19,335	-	14,985	-	-
India	-	-	-	-	-	-	-	-	23,380	-	3,384	-

Table 3.2 Import value of machinery for plastics and rubber or the manufacture of products from these materials of Lao PDR from oversea (continue).

Reporting Country	United States Dollars											
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Italy	-	-	-	1,427	1,879	7,370	1,567	-	-	-	-	-
Japan	-	-	-	8,280	-	-	-	74,042	201,088	49,152	42,994	-

Source: Global trade atlas, Nov, 2013.

Figure 3.2 shows import value of machinery for plastics and rubber of Laos between 2008 and 2012. Overall, as the import value, in 2012, injection molding (HS code 847710) was imported with the highest value totally about 3.3 million USD followed by others machinery (HS code 847780) and molds for rubber or plastics except inject or compression (HS code 848079) about 1.98 million USD and 0.8 million USD respectively.

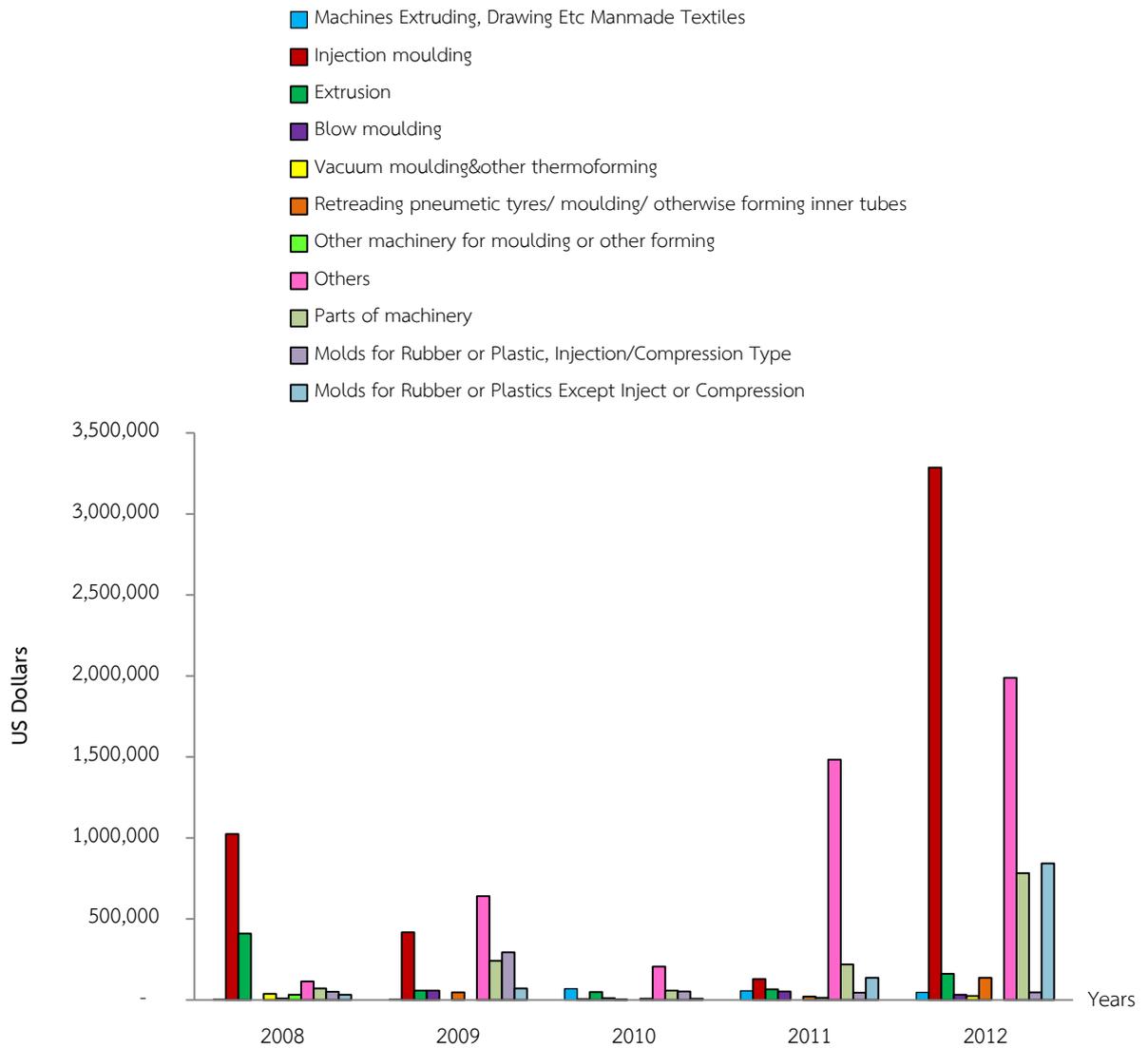


Figure 3.2 Machinery for plastics and rubber industry was imported by Lao PDR in period of 2008-2012.

Chapter IV

Survey Results Summary

4.1 Survey Target and Scope

4.1.1 Survey Target

The main targets of the market analysis to be carried out are:

- Point out the opportunities and suggestions for Italian plastics and rubber machinery manufacturers, estimate the demand investigation and attractiveness for Italian plastics and rubber machinery manufacturers in the short/middle period in the various sectors of the Laos processing industry.
- Provide an overview on other possible end-user sectors for Italian plastics and rubber machinery manufacturers.
- Support the activities on site of Italian plastics and rubber machinery manufacturers through operative information (such as shipping procedures, opening a branch office, custom duties, financial instruments available etc.).

4.1.2 Survey Scope

Survey on the top processing companies operating in different sectors of the markets (injection molding, film extrusion, pipe extrusion etc.), to collect information about their structure, installed machinery fleet, investment plans, according to the following data-sheet:

4.2 Plastics Product Industry Survey

4.2.1 Sector of Plastics Product Converter

From the survey results, 37.5% of the surveyed converter operate in packaging sector. However, the other sector plastics industry such as construction and E&E (electrical and electronic component) are also operated.

Table 4.1 Sector of plastics product converter by number of companies

No.	Sector	No. of Companies	Share (%)
1	Construction	1	12.5%
2	Packaging	3	37.5%
3	E&E	1	12.5%
4	Not available	3	37.5%
Total		8	100.0%

Table 4.2 Names of interviewed company

Lao Brewery Company (Beer Lao)
Lam plastic Products Factory
Dimond drinking water factory
Lao China Woven Plastic Sack co;ltd
Tien Phong-SMP Lao Plastic Pipe Factory
Linglong Electrical co ltd
Far East Enterprise Co; Co Ltd.*
Asia Plastic Factory*
Saysana Plastic factory*

*Note: The 3 companies of interview did not inform the In-depth information with us.

4.2.2 Size of Plastics Product Converter

In term of size of company, the number of employee is used for classified the size of company followed as: the employees less than 50 peoples is small company (S), 50-200 peoples is medium company (M) and more than 200 people is large company (L). The total of companies are interviewed, 1 company are the large size company followed by 2 medium size companies, 2 small size companies and 3 companies are not available.

4.2.3 Main Oversea Suppliers of the Plastics Processing Machinery

From the survey result shows that Lao's converter use the machinery from China, Thailand and Canada. The Canadian machinery brand is Husky brand with injection stretch blow molding.

The main foreign supplier of the plastics processing machinery of the surveyed are from China is 75% of total, followed by Thailand and Canada is 12.5%.

4.2.4 Plastics Processing Technologies

Overall, as the plastics processing, Lao's plastics converter 5 surveyed companies, inform the In-depth information, use the most of Blow molding, hold a share of 43.8% followed by injection molding, extrusion/pipe and extrusion/film about 31.3%, 12.5% and 12.5% respectively.

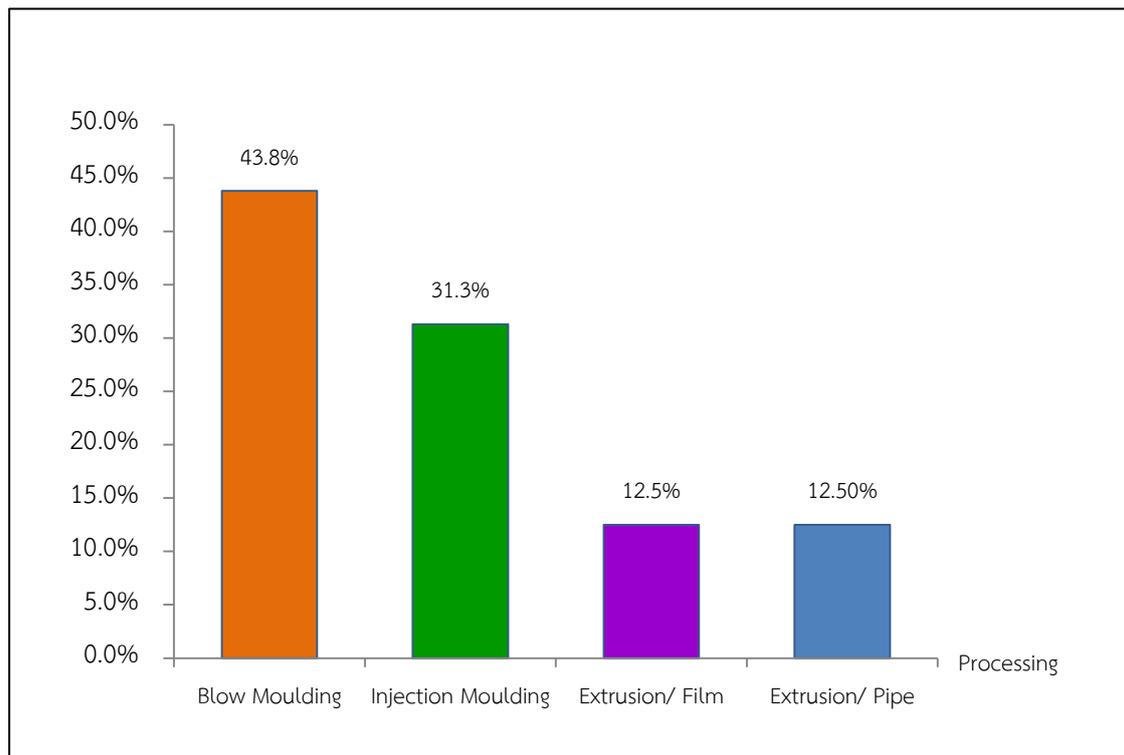


Figure 4.1 Plastics processing technology

4.2.5 Age of Plastics Processing Machinery

The total of machinery of Lao's plastics industry are interviewed, have the lifetime from 5-10 years old.

4.3 Market Trend in Plastics Industry

The size of plastics industry markets in Laos is very small, when compared with the demand of domestic consumption. Plastics production in the country is not enough for consumer because of high import value of plastics products with totally 65.8 million USD in 2012 and due to the lack of basic factors such as raw material, infrastructure, financial and production technology.

The list of plastics manufacturing companies was gathered from Lao National Chamber of Commerce and Industry, Lao Embassy in Thailand and Yellow Pages of Lao PDR. Total list of all type of companies is 19; finally we found that manufacturing of plastics companies in Lao PDR is only 14 companies (Annex II). All companies were interviewed and only 5 companies were available. We know that all available was the key player such as Lao Brewery Company (Beer Lao). The most of plastics companies which the survey results are the packaging sector (37.5%).

The economy of Laos is primarily agricultural and goods from agriculture which must use the packaging to contain. Moreover, the limit of shipping into the user, are not comfortable therefor packaging is necessary. In 2012, the highest plastics product import related with the agricultural and goods. There are many type of packaging such as plastics bag, bottles, boxes and other closures, the value of plastics packaging are about 23.7 million USD or 36% of total import value of plastics product. It is possible that packaging, plastics in agricultural industry and plastics in construction industry trend to grow up in the future.

4.4 Market Trend in Rubber Industry

The size of market in rubber products industry in Lao PDR is still small. Domestic investment companies are actors in rubber production in Lao PDR, but there is a lack of reliable information regarding the number of companies involved or the size of their plantation area. Lao domestic companies generally invest in rubber plantations through both concessions and contract farming models, and most of the companies involved are agricultural import-export companies that are able to see the market demand for rubber. The most important of these companies are DAFI, Siphansalika and Xaysana.

Two domestic investment companies, The Lao Export-Import Company mainly exports agricultural products to Vietnam and China. Through its previous experiences, the company identified a demand for rubber in both countries, especially in China. Since 2001, the company has been exporting rubber to China. Lao Export-Import Development Company utilizes different contract farming models depending on conditions in different villages. At present, the company has 748 ha in Luang Namtha and plans to expand its production area.

The other domestic company was Xaysana Company, a private company operating in Champassak Province and utilizing its own capital. The company is involved in many business activities, including construction and exporting agricultural products to Vietnam and Thailand. Since 2006, Xaysana has invested in rubber plantations on a concession model. The company currently has a 60 hectare concession issued by the Champassak provincial authorities and employs around 10 laborers. Xaysana plans to expand its production area to 100 ha by 2015. It aims to sell its latex to large rubber companies operating in the same area, as well as exporting it to Vietnam and Thailand by itself¹.

However, Lao domestic investors have no direct market linkages with rubber consuming industries, such as the vehicle industry. The investors mainly rely on large international companies operating in similar locations for exporting their latex. So far, Lao domestic investors see international companies which have direct linkages rubber consuming industry as their market. So, at present, there is no opportunity for rubber machinery in Lao PDR but in the next 5 years, market survey will need to monitor opportunity again.

¹ “Rubber investments and market linkages in Lao PDR: approaches for sustainability”, The Sustainable Mekong Research Network, March 2009.

Chapter V

Preliminary analysis

5.1 Plastics Machinery Analysis

Table 5.1 Survey results of Plastics Machinery in Lao PDR

Rubber Products	Size Company	Kind of machine	Country of Origin	Manufacturer's name (Brand)	Number of Units
Construction	S	Pipe/ Profile Extrusion	China	-	2
Packaging	L	Injection Stretch Blow Molding	Canada	Husky	2
	M	Blow Molding	China	-	3
			Thailand	-	2
		Extrusion for Woven	China	-	2
EE	S	Injection Molding	China	-	5
Total					16

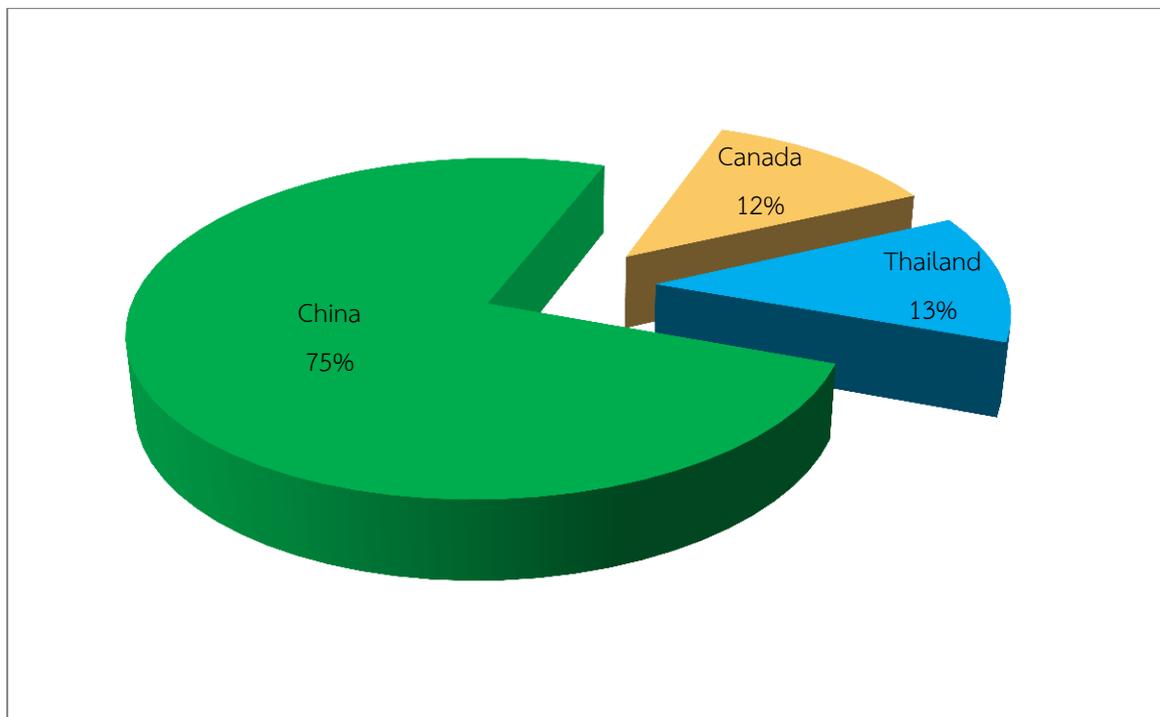


Figure 5.1 Market Share by Country Brand of Plastics Machinery in Lao PDR.

From survey results, China brand are dominated in total picture and if look in detail Chinese machine are dominated in injection, extrusion and blow molding machine for Electrical and Electronic component, packaging and construction sector. Thailand brand is the second, there are also dominated in blow molding machine for packaging sector. Moreover, Canada brand (Husky brand) is the third and dominated in injection stretch blow molding machine (ISBM) for producing PET bottle and caps.

Refer to machinery import data of Lao PDR in 2012; there were only 6.2 million USD (0.5% when compared to Thailand) of importing machinery when compared with Thailand which was totally 1,298 million USD. Import values of machines of Lao PDR is much lower than Thailand, thus it can be seen that the size of market in plastics and rubber industry in Lao PDR is still very small. However, when compared with the demand of domestic consumption of Lao PDR, plastics production in the country is not enough for consumer because of high import value of plastics products with totally 65.8 million USD in 2012. The plastics product with highest import value is the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics with 23.7 million USD, followed by tubes, pipes and hoses, and fittings therefor (for example, joints, elbows, flanges), of plastics with 15.7 million USD. Plastics consumption in Lao PDR mainly imported from Thailand up to 50.3 million USD, followed by China, and India with 11, and 1.2 million USD respectively.

According to this fact, it is possible that Lao PDR needs to increase in the supply of plastics products to meet country's demand. However, because of the lack of basic supporting factors for plastic industry such as raw material, usable infrastructure, production technology and skilled workman the market of plastics product industry in Lao PDR is not big enough for Italian machinery to do the marketing. Nevertheless, it is estimated that plastics and rubber industries in Lao PDR will grow continuously and demand of machinery will increase to be feasible for future investment in the next five years. Thus, to do business in plastics and rubber industry market in this region, the represent office should be settled in Thailand to transfer technology and to be the hub for the goods distribution due to the appropriateness in many aspects such as promptness of specialists in raw material, production technology, and also the high potential of plastics industry in Thailand.

Table 5.2 SWOT Analysis from Market Survey.

Main Country of Origin	Strength	Weakness	Opportunity	Threat
Japan	<ul style="list-style-type: none"> ● Quickly technology development ● Very good after sales Services with quickly (In some case, can supply pare part within one week) ● Have more agency in Thailand and work with aggressive 	<ul style="list-style-type: none"> ● Performance and precision of machinery lower than European machinery 	<ul style="list-style-type: none"> ● Vast base of Japanese customer especially Injection Molding Machine in Automotive Sector ● Can service and supply in mass that have low cost of operation 	<ul style="list-style-type: none"> ● Due to many brand in same type of machine, price competition is problem for Japanese machinery i.e. Nissei, Toshiba, Sumitomo, Mitsubishi, JSW, Fanuc and Hitashi ● Face to price war from Taiwan and China machinery
China	<ul style="list-style-type: none"> ● Cheap price ● Many agency in Thailand because of their cheap price, easy 	<ul style="list-style-type: none"> ● Performance and Precision are lower than European and Japanese machinery 	<ul style="list-style-type: none"> ● Wide spread in Packaging Sector that is the biggest sector in region, some application such as 	<ul style="list-style-type: none"> ● In perception of Laos users, lack of confident to use China and Taiwan machinery because very

Main Country of Origin	Strength	Weakness	Opportunity	Threat
	<p>to sell</p> <ul style="list-style-type: none"> ● A lot of promotion and show in Machinery Exhibition 	<ul style="list-style-type: none"> ● Lower life time than European and Japanese machinery and need more frequency for maintenance 	<p>extrusion and blow film no need high precision machinery</p>	<p>low performance and need frequency maintenance (i.e. German Sheet Extrusion Machine life time is more than 10 year but Taiwan and China is lower than 5 year)</p>
Germany	<ul style="list-style-type: none"> ● Very high Performance and Precision ● Good After Sales Services with acceptable cost and time ● Have wide customer base, with good reference because 	<ul style="list-style-type: none"> ● High price ● Less agency in Thailand (when compare to Japanese) some time will be late spare parts supply. 	<ul style="list-style-type: none"> ● Very high confident from market (Brand Loyalty) because of their very good performance and after Sales Service ● Success in high technology in Packaging Sector that is biggest sector 	<ul style="list-style-type: none"> ● Price war from Taiwan and China (higher more than 2-4 times)

Main Country of Origin	Strength	Weakness	Opportunity	Threat
	doing business in long time and easy to repeat order			
Italy	<ul style="list-style-type: none"> ● Good Performance and Precision (Especially Extrusion machine for Plastic Products and Calendaring Machine for Rubber Products) 	<ul style="list-style-type: none"> ● High price (When compare to Taiwan, China and Japanese machine) ● Bad after sales service, very late of spare part supply, that all reason is hard for repeat order ● Less agency in Thailand that why after sell service and spare parts supply have a problem of 	<ul style="list-style-type: none"> ● High confident in performance and precision from Thai users when compare to Japanese machine users 	<ul style="list-style-type: none"> ● Price war from China, Taiwanese and Japanese machine ● Language and communication with Laos and Japanese users is the barrier

Main Country of Origin	Strength	Weakness	Opportunity	Threat
		<p>late and cover all need</p> <ul style="list-style-type: none"> • Less promotion by Exhibition and Demonstration 		
Thailand	<ul style="list-style-type: none"> • The price is lower than European and Japanese machinery • Easy to demonstration because of their factory in local 	<ul style="list-style-type: none"> • Performance and Precision are lower than European and Japanese machinery but higher than China machinery • Lower life time than European and Japanese machinery and need more frequency for maintenance 	<ul style="list-style-type: none"> • Wide spread in Packaging Sector that is the biggest sector in region, some application such as extrusion blow molding and blow film no need high precision machinery 	<ul style="list-style-type: none"> • In perception of Laos users, lack of confident to use Thai machinery because low performance and need frequency maintenance

Table 5.3 TOWS Analysis from Market Survey.

<p>Guideline of Strategy</p>	<p>Strong</p> <ul style="list-style-type: none"> ● Good Performance and Precision (Especially Extrusion machine for Plastic Products and Calendaring Machine for Rubber Products) 	<p>Weakness</p> <ul style="list-style-type: none"> ● High price (When compare to Taiwan, China and Japanese machine) ● Bad after sales service, very late of spare part supply, that all reason is hard for repeat order ● Less agency in Laos that why after sell service and spare parts supply have a problem of late and cover all need ● Less promotion by Exhibition and Demonstration
<p>Opportunity</p> <ul style="list-style-type: none"> ● High confident in performance and precision from Laos users when compare to Japanese machine users 	<p>S-O</p> <ul style="list-style-type: none"> ● Use high confidential in performance and precision of customer to boost 	<p>W-O</p> <ul style="list-style-type: none"> ● Improve after sell service to boost customer confidential ● Set up strong agency in the Region ● More exhibit in popular Exhibition with real machinery and show off high technology

Threat	S-T	W-T
<ul style="list-style-type: none"> ● Price war from China, Taiwanese and Japanese machine ● Language and communication with Laos and Japanese users is the barrier 	<ul style="list-style-type: none"> ● Avoid price war sector such as blow film, thermoforming for plastics and pressing and extrude for rubber ● English or native speaker technician be necessary 	<ul style="list-style-type: none"> ● Don't enter to sector of low price and high competitive such as low cost packaging, plastics, general parts of rubber

5.2 Suggested Strategy for Italian Machinery to Laos

1. Boost up sell force by using high confidentiality of customer in performance and precision of Italian Machinery in sector by;
 - a. Exhibit in Exhibition with real demonstration of high technology machinery.
 - b. Technical training program in Italy.
2. Set up good agency that can provide quickly technical support and spare parts supply.
3. Focus on Extrusion and/or Stretching Machinery (film, pipe), Hi-speed Injection Machine (i.e. PET preform and cap) in packaging and construction sector for plastics industry.
4. Focus on Mixing and Calendering Machinery (compounding, coating, and sheet) in Tire Autoparts and Mechanical parts for rubber industry.
5. Avoid enter to with injection machinery for autoparts and electronic/electrical parts because Japanese Machinery is very strong in this sector.
6. Avoid blow film extrusion, sheet extrusion machinery because of very high price competitive with Taiwan/Chinese machinery.

Annex I

Business Guide of Lao PDR

1. Relevant Investment Legislation

1.1 Investment Act

- Law on the Promotion of Foreign Investment (No. 11/NA dated 22 October 2004)¹

The Law on the Promotion of Foreign Investment determines the principles, regulations and measures regarding the promotion, protection and management of foreign investment in Lao PDR.

Forms of Foreign Investment

(Article 5 of the Foreign Investment Promotion Law No.11/NA)

Forms of investment are classified into three types as follows:

- Business Cooperation by contract
- Joint Ventures between foreign and domestic investors (foreign partners must hold at least 30% of equity share)
- 100% foreign-owned enterprises

Apart from these, foreign investors can also set up representative offices and establish branches in Lao PDR (branches are limited to banks or financial institutions, insurance companies, international consulting firms and foreign airlines).

Investment Terms

(Article 11 of Foreign Investment Promotion Law No. 11/NA)

The terms of foreign investment are based on the characteristics and size of the enterprise or projects and can be up to 50 years. This can be extended for 25 more years

¹ A new investment law was promulgated by Lao PDR in 2009. The date of entry into force is to be determined

subject to Government approval. The investment term of a foreign enterprise shall be for a maximum of 75 years.

1.2 Companies Act

- Enterprise Law (No. 11/NA, dated 9 November 2005)

Forms of Domestic Investment and Term of Investment

Investment forms and terms of domestic enterprises shall be implemented in accordance with Part II of Enterprise Law Number 11/NA, dated 9 November 2005.

2. Investment Applications

2.1 Agencies Involved in Administering Investment Applications and the Granting of Incentives

The Government of Lao PDR established the Committee for Promotion and Management of Investment (CPMI) at the central and local levels as follows:

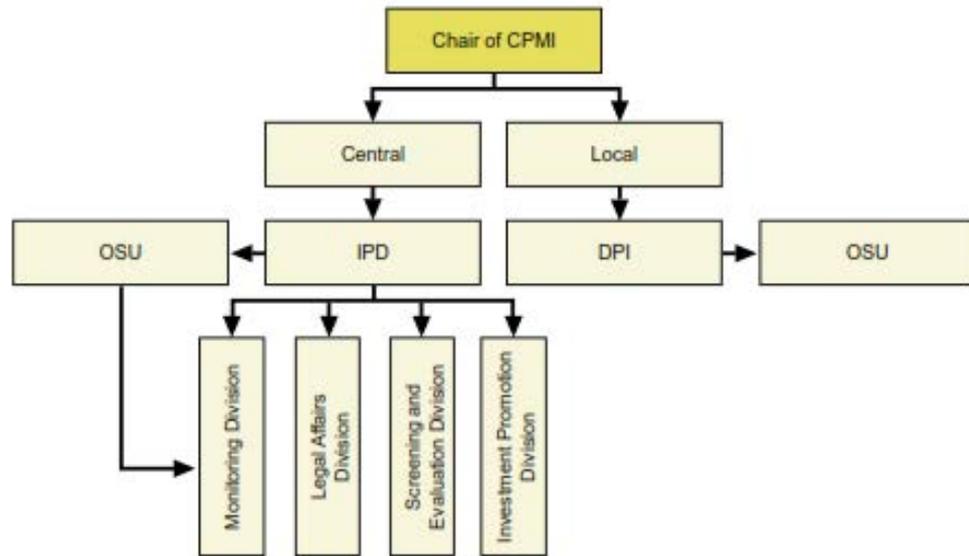
- **CPMI at central level:** Minister of Planning and Investment (MPI) is the chair of the CPMI by virtue of his position. There is also an Investment Promotion Department (IPD) acting as a Permanent Office with One-Stop-Service Unit (OSU).

Investment Promotion Department (IPD) (the former Permanent Office of Department for promotion and management of Domestic and Foreign Investment (DDFI), is a central government agency under the supervision of the CPMI, which is under the umbrella of the Ministry of Planning and Investment (MPI). IPD is empowered to appraise investment applications, and report to the CPMI on the investment approvals. IPD is also responsible for the monitoring of investment projects licensed by CPMI, as well as providing incentives for both domestic and foreign investment.

- **CPMI at local level:** the provincial governor or the mayor of Vientiane Capital city is the chair of the CPMI by virtue of his position, which utilizes the Provincial Department for Planning and Investment as permanent offices with the One-Stop-Service

Unit (OSU), which is located in the Investment Unit of the Department for Planning and Investment²

Diagram of the Organizational Structure of the Committee for Promotion and Management on Investment (CPMI)



2.2 Conditions Including the Timetable for the Processing of Applications

• Investment Application and Approval Procedures

i) Investment Application Forms (obtainable at the central and local levels of CPMI) should have the following attachments:

- Business plan
- Joint venture agreement (in case there are more than two shareholders)
- Draft Articles of Association of the enterprise to be established in the Lao PDR
- Certified documents for corporate income tax paid for the past three years retroactively in the case of investment proposed by entity(ies)
- Other certified documents of the investors:
 - Biographic information
 - Copy of passport
 - ID card and criminal record number 3 (in the case of domestic investors)

² Roles and functions of CPMI at each level are provided for in Articles 43, 44 of Decree on Domestic Investment Number 300/PM and in articles 52, 53 Decree on Foreign Investment Number 301/PM

- 6 copies of 3 X 4cm recent photos of the General Manager or the company's representative in the Lao PDR.

Investors must file 7 copies of the above mentioned documents.

ii) Submission of Investment Applications

Applications for foreign investment in the Lao PDR shall go through the one stop service unit of the Committee for Promotion and Management of Investment ("CPMI").

For investment projects based on the activities listed under investment type 1 (Annex 3 of Decree Number 300/PM and Decree Number 301/PM) with an investment value of less than US\$3,000,000- (or below US\$5,000,000 for four provinces: Vientiane Capital, Savannakhet, Champasak and Luang Prabang), investment applications can be submitted to CPMI at the local or central level. For investment activities other than under investment type 1, applications must be submitted to the CPMI at the central level only.

iii) Examination of a Foreign Investment Application

Upon receipt of a complete application in accordance with Article 19 of the Foreign Investment Promotion Law No. 11/NA, the CPMI shall coordinate with the relevant sectors and local authorities where necessary to examine and to respond in writing to the foreign investor pursuant to the following timeframes:

- 15 working days for projects which fall under the list of promoted activities/promoted sectors.
- 25 working days for projects which fall under the list of open activities with conditions/promoted sectors with some restrictions.
- 45 working days for projects which involve the grant of a concession, large scale projects or projects related to natural resource.

Foreign investors who are qualified will obtain a foreign investment license, an enterprise registration certificate and a tax registration certificate at the same time from the CPMI at the place where the foreign investors are licensed; thereafter they will be considered as enterprises established in conformity with the laws of Lao PDR.

iv) Location for Submitting Investment Applications

For information concerning the government's investment policies and regulations, as well as the investment application form instructions, investors may contact:

- Central level:

Investment Promotion Department (IPD)
Ministry of Planning and Investment (MPI)

Souphanouvong Avenue

Vientiane 01001, Lao PDR

Tel : (856-21) 222 690, 219 568, 218 377

Fax : (856-21) 215 491

E-mail : investinlaos@gmail.com

Website : <http://www.invest.laopdr.org>

- Local level

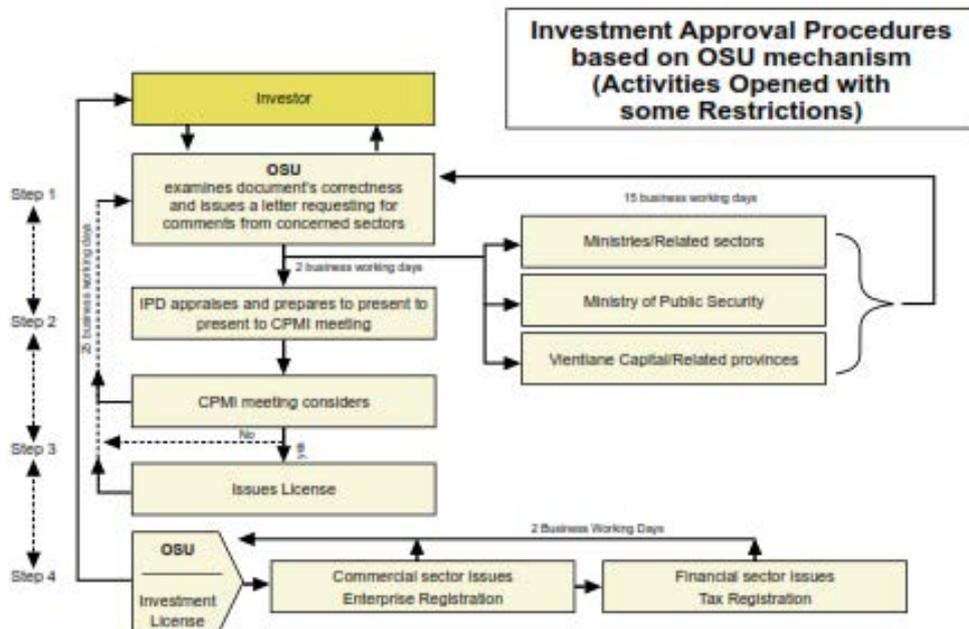
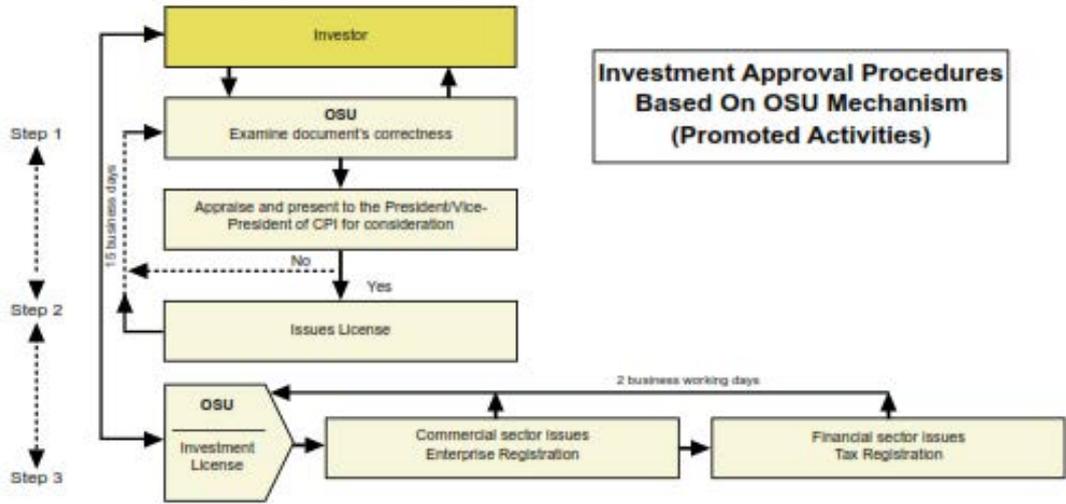
No.	Name(s)	Address(es)
1	Department for Planning and Investment in Vientiane Capital	Vientiane Capital Administration Office Tel : 021-415941, 412527 Fax : 021-413134 Email : amphayvan@hotmail.com
2	Department for Planning and Investment in Sayaboury	Simeuang Village Sayaboury District and Province Tel : 074-211445, 211702 Fax : 074-211041, 211262
3	Department for Planning and Investment in Xieng Khuang	Phonsavang Village Pek District, Xieng Khuang Province Tel : 061-312023 Fax : 061-312133
4	Department for Planning and Investment in Bokeo	Muangkeo Village Houaysai District, Bokeo Province Tel/ Fax: 084-211490

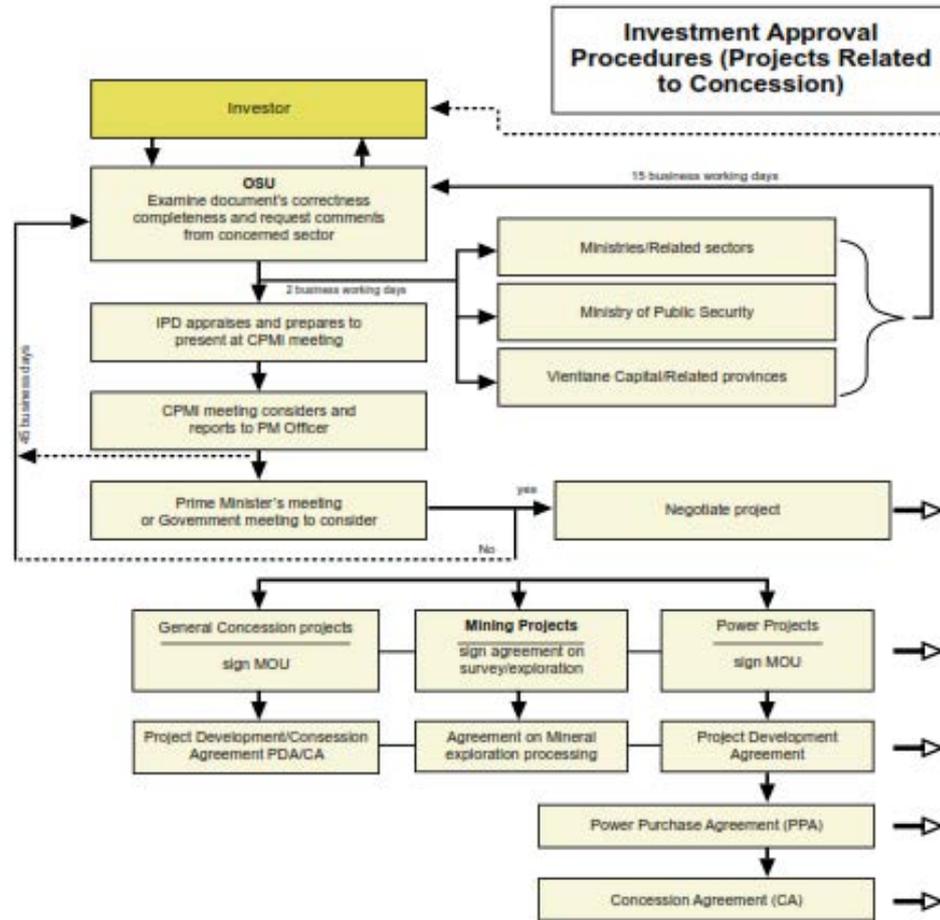
No.	Name(s)	Address(es)
5	Department for Planning and Investment in Phongsaly	Phoufa Village Phongsaly District and Province Tel : 088-210846 Fax : 088-210713
6	Department for Planning and Investment in Houa Phan	Phanxay Village, Phathy Rd Samneua District Houa Phan Province Tel : 064-312065 Fax : 064-312140
7	Department for Planning and Investment in Luang Prabang	Fongkham Village Luang Prabang District and Province Tel : 071-212331 Fax : 071-212781
8	Department for Planning and Investment in Luang Namtha	Saysomboun Village Luang Namtha District and Province Tel : 086-312165 Fax : 086-211741
9	Department for Planning and Investment in Oudomxay	Phoukhiao Village Xay District, Oudomxay Province Tel : 081-312036 Fax : 081-312347
10	Department for Planning and Investment in Khammouane	Nabo Village Thakhek District Khammouane Province Tel : 051-212288 Fax : 051-212289

No.	Name(s)	Address(es)
11	Department for Planning and Investment in Champasak	Champasak Provincial Office Tel/- Fax: 031-212541
12	Department for Planning and Investment in Savannakhet	Phonsavang Tai Village Kaysone Phomvihane District Savannakhet Province Tel : 041-212163, 215042 Email : Savacms2@laotel.com
13	Department for Planning and Investment in Saravane	Saravane Provincial Office Tel : 034-2114477 Fax : 034-211028
14	. Department for Planning and Investment in Xekong	Mai Houa Meuang Village Lamam District, Xekong Province Tel : 038-211015 Fax : 038-211015
15	Department for Planning and Investment in Attapeu	Phonsavang Village Samakhixay District, Attapeu Province Tel : 036-211120 Fax : 036-211019
16	Department for Planning and Investment in Borikhamxay	Anousone Village Paksane District Borikhamxay Province Tel : 054-212204 Fax : 054-212204

2.3 Procedures for Investment Applications

Procedures for Investment Applications at Central Level





2.4 Registration

After receiving the investment license, IPD’s One-Stop Service Unit shall proceed with the registration for investors as follows:

- Enterprise Registration
- Domestic Tax Registration³

In addition to the registration requirements above, and before commencing business operations, the investment enterprises must obtain other necessary operating licenses for their business operations, which are divided into three categories as follows:

³ In case a foreign investment enterprise cannot bring into the Lao PDR 20% of its total registered capital, the enterprise shall receive a temporary domestic tax registration valid for 60 business days. After that, if the company still does not bring the said registered capital into the country, the investment license shall be terminated without any conditions.

- *Category 1* - investment activities of a consulting or trading nature: must obtain approval to use company seals.

- *Category 2* - investment activities without construction of new building or factory: must obtain approval to use company seals and operating license from the concerned sectors.

- *Category 3* - investment activities involving construction of new building or factory: must obtain approval to use company seals, construction permit and operating license.

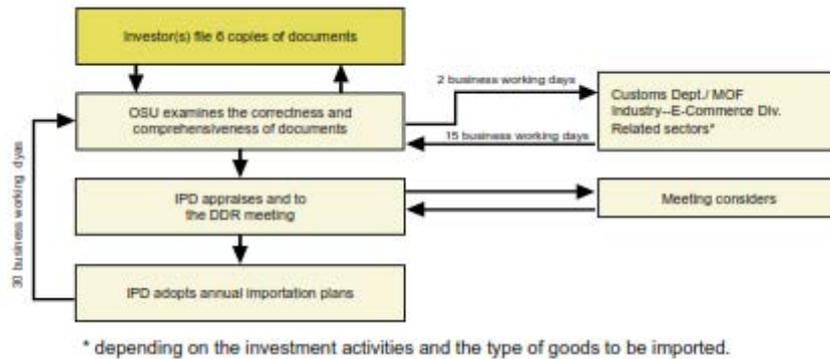
2.5 Regulation on Importation (Article 33 of Decree 301/PM)

Investors must submit their annual importation plans in accordance with the CPMI standard forms at the central and local levels (where the investment license has been issued). The CPMI will consider approving and issuing a certificate within 30 business days from the date of receiving the request.

The approved annual importation plans will be transmitted to officials at the border where the importation will take place to monitor and deduct the balance based on actual importation. Approved annual importation plans can be modified once.

Additional importation not included in the annual importation plans such as utilities or emergency spare parts to replace the old and broken ones with a value not over US\$30,000 shall be permitted by the Ministry of Finance (Custom Department) not more than twice a year based on verification from concerned sectors. In case the value exceeds US\$30,000, the request shall be referred to the CPMI for consideration on a case by case basis.

Approval Procedures for the Annual Importation Plan



2.6 Report on Investment Activities/ Operations

Contents of the report on investment operation activities of investment enterprises consist of the following criteria:

- Capital importation;
- Value of assets on the reporting day;
- Record of compliance with custom and tax obligations;
- Use of domestic raw materials;
- Value of exported commodities (for activities which produce commodities for export);
- Labor used within the enterprise; and
- Implementation of a social welfare regime.

Investment enterprises must submit reports on the status of operations according to the standard CPMI forms on a semi-annual and annual basis.

Any enterprise not complying with this requirement will not receive the investment promotion incentive from the CPMI and will be considered in violation of investment rules and regulations.

2.7 Regulations on Change in the Legal Basis

In case an investment enterprise wishes to modify the terms of its investment, an application requesting such modifications must be made to the CPMI.

Types of Changes in the Legal Basis:

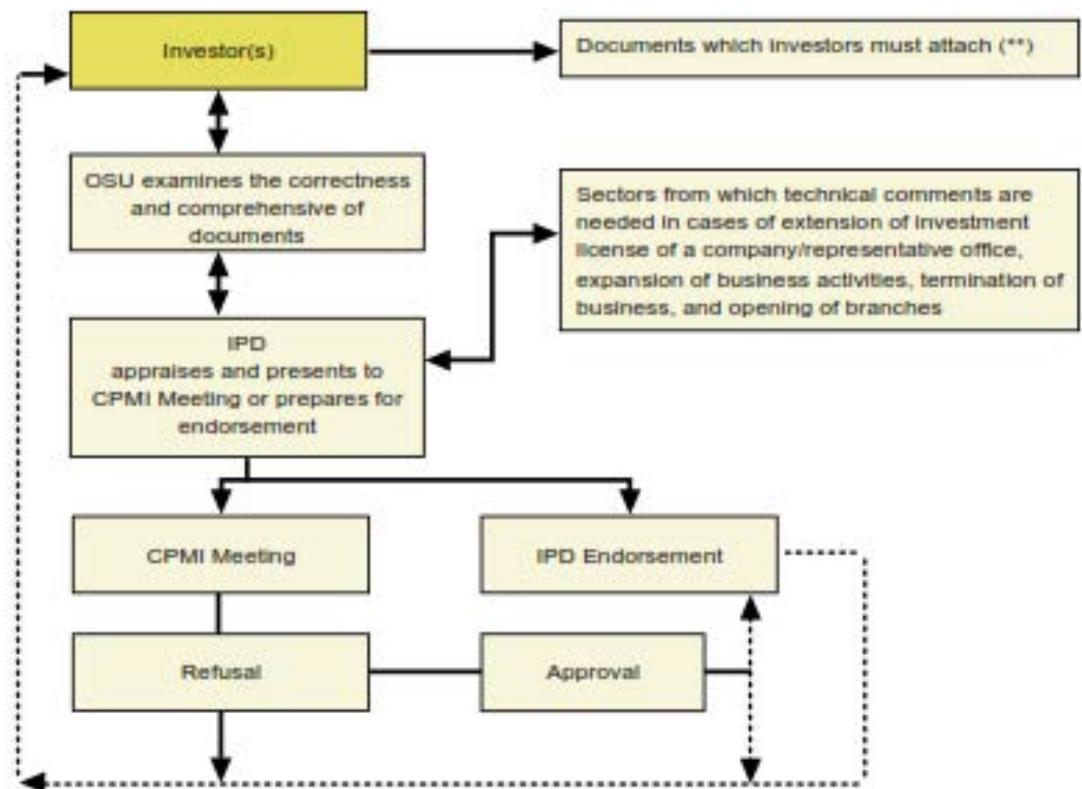
- i) Changes in the legal basis of existing investment which needs the approval of CPMI are:

- extension of the investment license
- addition of more business activities or increase in investment capital
- opening of branches of the invested company within Lao PDR
- splitting or merging of a company
- permanent termination of business
- extension of license of representative office

ii) Changes in the legal basis of investment, which needs the approval from IPD:

- temporary suspension of business
- increase in investment capital without expanding of the company's business activities
- endorsement of change in shareholders
- endorsement of new directors or representatives
- endorsement of changing location of company or representative offices
- change of name of the company or the representative.

Request for Change in the Legal Basis



Remarks: (**)

1. Application/request form;
2. Copy of investment license, enterprise registration, tax registration, business operation license, article of association which has been approved;
3. Performance Report (in case of extension of investment license of a company/representative office, expansion of business activities);
4. Original Investment license or representative office license (in case of extension of company license or representative offices, modification, permanent termination of investment);
5. Certification of the importation of investment capital from the bank of the Lao PDR (in case of capital increase);
6. Business plan (in case of expansion of business) or operation plans (in case of opening branches or request for extension of representative offices);
7. Short biography and copy of passport of Director (in case of changing of new Director or extension of representative office) and copy of identification card, short biography and criminal record number 3 (in case of a Lao national);
8. Notes or shareholders' resolution or executive board of director's resolution, share transfer agreement or share purchase agreement. Documents must be notarized at the Notary Public Office, joint-memorandum between two or more companies (in case of shareholder changes or in case of merging of two or more companies);
9. Property lease agreement with certificate recognized by village authority, certified receipt of lease payment (in case of changing location)

3. Investment Protection

3.1 Intellectual Property Rights (IPR)

- Article 12 of the of the Foreign Investment Promotion Law No.11/NA

Foreign investors have the right to protection of their intellectual property which has been registered by the relevant authorities in Lao PDR.

3.2 Dispute Settlement

- **Domestic Investment Enterprises**

Internal disputes shall be resolved as follows:

- The parties in dispute must first attempt to resolve the disputes by mediation.
- If the disputes cannot be solved amicably, the parties shall then file an initial complaint to the CPMI where the investment licenses were issued. The duration for mediation of disputes is within 30 business days;

- If that does not result in a satisfactory outcome, the parties may file their complaint to the State Arbitration Agency for Economic Dispute or to a judicial process as agreed by the disputing parties.

In the case of enterprises having an agreement with the government, the resolution shall be based on terms and conditions of the agreement.

• Foreign Investment Enterprises

In the case of a dispute arising from a business operation under the form of business by contract, the dispute shall be resolved as prescribed in the contract.

In case of a dispute in a joint venture enterprise, or 100% foreign-owned investment enterprise, the parties shall proceed to a resolution based on the following steps:

- The parties in dispute must first attempt to resolve the disputes by mediation;
- If the disputes cannot be solved amicably, the parties shall then file an initial complaint to the CPMI where investment licenses were issued. The duration for mediation of disputes is within 30 business days;
- If that does not result in a satisfactory outcome, the parties may file their complaint to the State Arbitration Agency for Economic Dispute or to judicial process as agreed by the disputing parties.

4. Investment Incentives

4.1 Investment Promotion Incentives

To promote domestic and foreign investment and attract investors to invest in promoted activities, the Government has established the following fiscal incentive systems (*Foreign Investment Promotion Law no.11/NA*):

Corporate Income/Profit Tax Rates and Profit Tax Exemption-Reduction Period

Zone	Tax Incentive		
	Exemption Period	Tax Rate during Exemption/Reduction Period	Full Profit Tax Rate
Zone I	7 years	-	10%
Zone II	5 years	7.5% for 3 years	15%
Zone III	2 years	10% for 2 years	20%

Remarks:

- Zone I: Mountainous, plateau zones with no economic infrastructure to facilitate investments

- Zone II: Mountainous, plateau zones with a moderate level of economic infrastructure to accommodate investments

- Zone III: Mountainous, plateau zones with good economic infrastructure available for investments.

The profit tax exemption period starts from the date of commencement of business operation of an enterprise.

In addition to the incentives mentioned above, the foreign investment enterprises shall be entitled to the following incentives:

i) The reinvested profits will be exempted from profit tax for that accounting year (Article 18 of Investment Promotion Law No. 11/NA).

ii) During the period of profit tax exemption, enterprises will be entitled to the exemption of minimum tax measure (Article 18 of Investment Promotion Law No. 11/NA).

iii) Exemptions of custom duty and import tax for importations of machinery, materials, equipment and heavy vehicles directly used in production. In addition, enterprises will be entitled to custom duty and import tax exemption or reduction for the importation of raw materials and semi-finished products (Article 34, 35, 37 of Decree No. 301/PM).

iv) Foreign expatriates are subjected to personal income tax at a flat rate of 10% (Article 14. of Investment Promotion Law No. 11/NA).

v) Foreign investors and their family members will be granted multiple entry visas (maximum up to 5 years per each issuance and renewable) (Article 30. of Decree No. 301/PM)

4.2 Criteria for Receiving Incentives (Article 15-22 of Decree No. 301/PM)

The receiving of incentives is based on investment zones, sectors/activities⁴ and specific conditions of each activity such as:

i) Production for export (with registered capital of US\$300,000 and export not less than 80% of total production);

ii) Activities relating to agriculture or forestry, processing of agriculture, forestry and handicraft (must have registered capital of US\$300,000 and over);

iii) Industrial processing activities, industries using modern technology, scientific research and developments, environment and bio diversities protection activities (with

⁴ Except activities related to rights to concession from the Government (mining, hydro power and general activities)

registered capital of US\$500,000 and over, using 100% new machinery with certification from producers or reliable institutes. Activities on scientific research-analysis must have registered capital of US\$100,000 and over);

iv) Activities related to human resource development, skills development and public health (must have registered capital of US\$100,000 and over);

v) Infrastructure development activities (but not of a construction contractual nature, must have registered capital of US\$500,000 and over);

vi) Production of raw materials and equipment to be supplied to key industrial activities (must have registered capital of US\$500,000 and over)

vii) Development of tourism industry and transit services (must have registered capital of US\$500,000 and over);

viii) Production of construction materials, spare parts and equipment to be supplied to other industrial production (registered capital US\$1,000,000 (one million) and over).

A detailed list of business activities of the eight sectors mentioned above can be found in the annex of the Prime Minister's Decree Number 300/PM and 301/PM on the Implementation of the *Law on the Promotion of Domestic Investment* and the *Law on the Promotion of Foreign Investment* respectively.

Investment activities other than the eight sectors mentioned above shall be subject to regular profit tax at a rate of 35% as provided by the *Tax Law*.

5. Promoted Areas/ Sectors

5.1 Promoted Activities

- *Article 16 of the of the Foreign Investment Promotion Law No.11/NA*

The Government determines promoted activities as follows:

- Production for export;
- Agricultural and forestry activities, agro-forestry and handicraft processing activities;
- Activities relating to industrial processing, industrial activities using modern technology, scientific study and analysis activities and development, activities in relation to protection of environment and biodiversity;
- Human resources development, skills development and protection of people's health;

- v) Construction of infrastructure;
- vi) Production of raw materials and equipment to be supplied to key industrial activities;
- vii) Development of tourism and transit services.

5.2 Promoted Zones

- *Article 17 of the of the Foreign Investment Promotion Law No.11/NA*

The Government specifies 3 promoted zones based on geographical location and socio-economic conditions as follows:

Zone 1: Mountainous, plain and plateau zones with no economic infrastructure to facilitate investments.

Zone 2: Mountainous, plain and plateau zones with a certain level of economic infrastructure suitable to accommodate investments to some extent.

Zone 3: Mountainous, plain and plateau zones with good infrastructure to support investments.

The classification of each zone is attached as Annex 1 of the Prime Minister's Decree on Domestic Investment Number 300/PM and Decree on Foreign Investment Number 301/PM.

6. Taxation

6.1 Regular Customs and Tax Systems

- i) Regular import duty rates are between 3% - 40%
- ii) Indirect taxes include
 - Business turnover tax between 5% -10%⁵
 - Excise tax between 5% - 90%⁶
- iii) Direct taxes include:
 - General profit tax at 35%
 - Minimum tax at the rate of 0.1% of total revenue
 - Personal income tax between 0%-25% (progressive rate)

⁵ Provided in Article 17, Part 3 of Tax Law Number 04/NA, dated 19/5/2005

⁶ Provided in Article 28, Part 4 of Tax Law Number 04/NA, dated 19/5/2005

- Fees and service charges

Investment activities related to natural resources such as: mining survey and exploration, power energy, land concession activities are subject to natural resources tax and/or royalty and/or land concession fees as periodically levied by the Lao Government or according to negotiation and agreement.

6.2 Duty and Tax Incentives

- *Article 18 of the of the Foreign Investment Promotion Law No.11/NA*

Foreign enterprises investing in activities within the promoted sectors and zones determined in Article 16 and 17 of the *Foreign Investment Promotion Law No. 11/NA* will be entitled to the following duty and tax incentives:

- 0% of import duties on production vehicles, machinery, equipment and raw materials directly used in production;
 - No export duties on finished products;
 - Profit tax is classified into 3 groups: 20%, 15% and 10% and profit tax exemption is offered for a period of up to 7 years depending on activities, investment areas and size of investment (*please refer to Section IV.1 for details*)
- *Article 14 of the of the Foreign Investment Promotion Law No.11/NA*
 - Foreign expatriates/Foreign employees working in a foreign investment enterprise are subjected to personal income tax at a flat rate of 10%.

7. Finance Regulations

Foreign Exchange and repatriation of Capital/ Profits

- *Article 12 of the of the Foreign Investment Promotion Law No. 11/NA*

Foreign investors shall have the following rights and benefits:

- To transfer/repatriate profits, capital and other income after full payment of duties, taxes and other fees in accordance with regulations and laws, to their home countries or a third country through a commercial bank located in the Lao PDR.
- To open a Kip account and a foreign currency account with commercial banks located in the Lao PDR.

8. Approval for the Employment of Foreign Workers

Foreign Employees and Work Permits

- *Article 12 of the Foreign Investment Promotion Law No. 11/NA*

Foreign investors shall have the following rights and benefits:

- To use foreign labor, if necessary, but this shall not exceed 10% (ten percent) of the enterprise's labor.
- Foreign investors and their families, foreign professionals and employees of a foreign enterprise will be provided with facilities such as multiple entry visas and long term residence in the Lao PDR with the agreement of the Government; and will have the right to request Lao nationality in accordance with the Nationality Law.

9. Land and Building Ownership

Lease or Concession of Land

- *Article 12 of the Foreign Investment Promotion Law No.11/NA*

Foreign investors shall have the following rights and benefits:

- To receive benefits from the lease of or a concession over land such as the right to use
- To sell or use assets associated with the leased land or concession as security to any persons or financial institutions or for the purpose of joint venture
- To sublease the right to use land, to transfer the land lease or concession agreement in accordance with the lease term
- To use the land lease agreement or concession in Joint Ventures or as security with other persons.

The details of the rights, benefits and obligations of foreign investors related to the land lease or concession shall be in compliance with the Land Law and other relevant laws.

10. Investment Promotion

Investment Promotion Department (IPD)
Ministry of Planning and Investment (MPI)
Souphanouvong Avenue
Vientiane 01001, Lao PDR
Tel : (856-21) 222 690, 216 958, 218 377
Fax : (856-21) 215 491
E-mail : investinlaos@gmail.com
Website: www.invest.laopdr.org

Annex II

Plastics Converter Directory

List of Plastics Converter in Lao PDR

These lists of Plastics Converter in Laos are the key player from Yellow Page in Laos.

No.	Company	Address	Tel.	Fax.	E-mail	Products
1	Pikulthong Plastic Co., Ltd	28/7 7 Nakhonepathom, Other	+66-34 28 8616-7 +66-89 921 8201 +66-81 376 6623	+66-34 28 8618	i_am_jo_yoy@hotmail.com	Plastic Goods Manufactures & Suppliers
2	Phontong Koutphet Factory	PhontongSt Phontong Vientiane Cap., Vientiane	+856-21 56 0923 +856-20 2222 2203 +856-20 5570 3130	+856-21 26 4051	phontong9@hotmail.com	Plastic Goods Manufactures & Suppliers
3	Saysana Plastic Factory	ThangonRd Dontiu Vientiane Cap., Vientiane Cap	+856-30 526 2022 +856-20 2222 4202 +856-20 7788 4887 +856-20 7780 5958			Plastic Goods Manufactures & Suppliers
4	Tien Phong-smp Lao Plastic Pipe Factory	Route13South KhoksaArt Vientiane Cap., Vientiane Cap	+856-21 76 5021 +856-21 76 5022 +856-20 5552 0597 +856-20 2222 8881	+856-21 76 5023	tienphongsmp@yahoo.com	Plastic Goods Manufactures & Suppliers

No.	Company	Address	Tel.	Fax.	E-mail	Products
5	Million Polyseal Industry Co LtdJane Plastic Industry Co Ltd	WattayNyaiThong Vientiane Cap., Vientiane Cap	+856-21 21 3858 +856-20 5551 1521	+856-21 24 4107	saibouajpi@hotmail.com	Plastic Goods Manufactures & Suppliers
6	Far East Enterprise Co Ltd	ThadeuaRd Somsanouk Vientiane Cap., Vientiane Cap	+856-21 31 3479	+856-21 31 3489		Plastic Goods Manufactures & Suppliers
7	Lao - China Woven Plastic Sack Co Ltd	LuangPrabangRd Nahae Vientiane Cap., Vientiane Cap	+856-21 25 2716 +856-21 25 2717	+856-21 25 2718		Plastic Goods Manufactures & Suppliers
8	SP Plastic Factory Ltd	432 43 NonghaiSt Nonghay Vientiane Cap., Vientiane Cap	+856-21 48 0133	+856-21 31 2556		Plastic Goods Manufactures & Suppliers
9	Laosamay Plastic Factory	Savang Vientiane Cap., Vientiane Cap	+856-21 21 2821 +856-21 21 7829 +856-21 21 7569	+856-21 26 2888		Plastic Goods Manufactures & Suppliers
10	Asia Plastic Factory	ThadeuaRd Somsanouk Vientiane Cap., Vientiane Cap	+856-21 31 3611 +856-21 31 3901	+856-21 31 3902		Plastic Goods Manufactures & Suppliers
11	Vientiane Plastic Factor	Route13North NongtengNeua Vientiane Cap., Vientiane Cap.	+856-21 61 3094 +856-20 5530 7333 +856-20 5580 8355			Plastic Goods Manufactures & Suppliers

No.	Company	Address	Tel.	Fax.	E-mail	Products
12	Continental Plastic Industry Co Lt	ThadeuaRd NonghayNoy Vientiane Cap., Vientiane Cap	+856-21 31 3404	+856-21 31 3403		Plastic Goods Manufactures & Suppliers
13	Linglong Electrical Co Lt	DongdokRd Nasiew Vientiane Cap., Vientiane Cap	+856-21 77 1057 +856-20 2220 6878			Plastic Goods Manufactures & Suppliers
14	Lam Plastic Products Factory/ Diamond Drinking Water Factor	PhokaduatSt Phonsay Savannakhet Pro., Savannakhet Pro.	+856-41 21 2255 +856-20 5554 1160 +856-20 5576 6666	+856-41 21 2795	dakone999@yahoo.com	Drinking Water Manufactures &/or Supplier Plastic Goods Manufactures & Suppliers

Data Source: Yellow Page (<http://laoy.com/categories/la12530-plastic-goods-manufacturers-suppliers/listings>)

Annex III

Survey Questionnaire

Plastics survey results in Lao

- Small size plastic converter

1. General information:

Name of company:	Tien Phong-SMP Lao Plastic Pipe Factory		
Complete address:	13 South KhoksaArt Vientinae Capital		
Tel.:	(856-21)765021, (856-21) 765022	Fax.:	(856-21) 765023
E-mail.:	Tienphongsmp@y ahoo.com	Website.:	-
Year of establishment:	2008		
Number of employees:	25 persons		
	Private <input checked="" type="checkbox"/>	Public	<input type="checkbox"/>
Certification	ISO 9001 – 2000 certification in Vietnam		
Last three years' turnover (Million Baht)	2010	2011	2012
	-	-	-
Manufactured products:	Plastic Pipe		
Volume of consumed raw materials by plastics resin	PVC	-	Tons/ month
Processing technology			
Injection molding	<input type="checkbox"/>	Thermoforming	<input type="checkbox"/>
Blow molding	<input type="checkbox"/>	Foaming	<input type="checkbox"/>
Compounding	<input type="checkbox"/>	Post-use waste recycling	<input type="checkbox"/>
Film/sheet extrusion	<input type="checkbox"/>	Welding	<input type="checkbox"/>
Pipe/profile extrusion	<input checked="" type="checkbox"/>	Others	<input type="checkbox"/>

Information on the machinery fleet

Kind of machine	Manufactured product	Manufacturer's name and country of origin	Number of units	Age of the machine			
				< 5 years	5-10 years	10-20 years	>20 years
Extrusion	Plastic Pipe	China	2		2		

Investment plans (interest in buying new or second-hand machines/equipment: what kind?)

Don't interest

Interviewed person (name and position)

Mr. Khamsing Phommany

Data entry / Suggestion

-

2. General information:

Name of company:	Linglong Electrical co ltd		
Complete address:	Dongdok Rd Nasiew Vientiane capital		
Tel.:	(856-21) 771057	Fax.:	-
	(856-20) 22206878		
E-mail.:	danivientiane@gm	Website.:	-
	ail.com		
Year of establishment:	2003		
Number of employees:	18 persons		
	Private <input checked="" type="checkbox"/>	Public	<input type="checkbox"/>
Certification	-		
Last three years' turnover (Million Baht)	2010	2011	2012
	-	-	125,000
Manufactured products:	E&E Products		
Volume of consumed raw materials by plastics resin	-	-	Tons/month
Processing technology			
Injection molding	<input checked="" type="checkbox"/>	Thermoforming	<input type="checkbox"/>
Blow molding	<input type="checkbox"/>	Foaming	<input type="checkbox"/>
Compounding	<input type="checkbox"/>	Post-use waste recycling	<input type="checkbox"/>
Film/sheet extrusion	<input type="checkbox"/>	Welding	<input type="checkbox"/>
Pipe/profile extrusion	<input type="checkbox"/>	Others	<input type="checkbox"/>

Information on the machinery fleet

Kind of machine	Manufactured product	Manufacturer's name and country of origin	Number of units	Age of the machine			
				< 5 years	5-10 years	10-20 years	>20 years
Injection Molding	E&E Products	China	5		5		

Investment plans (interest in buying new or second-hand machines/equipment: what kind?)

interesting buying new machine

Interviewed person (name and position)

Mr. Done Accounting

Data entry / Suggestion

-

- Medium size plastic converter

3. General information:

Name of company:	Lam plastic Products Factory Dimond drinking water factory		
Complete address:	Phokaduat St Phonsay Savannaket Province		
Tel.:	(856-41) 212255; 020 55541160; 020 55766666	Fax.:	(856-21)212795
E-mail.:	dakone999@yaho o.com	Website.:	-
Year of establishment:	1990		
Number of employees:	120 persons		
	Private <input checked="" type="checkbox"/>	Public	<input type="checkbox"/>
Certification	-		
Last three years' turnover (Million Baht)	2010	2011	2012
	-	-	-
Manufactured products:	Drinking Water		
Volume of consumed raw materials by plastics resin	PET, PE	-	Tons/ month
Processing technology			
Injection molding	<input type="checkbox"/>	Thermoforming	<input type="checkbox"/>
Blow molding	<input checked="" type="checkbox"/>	Foaming	<input type="checkbox"/>
Compounding	<input type="checkbox"/>	Post-use waste recycling	<input type="checkbox"/>
Film/sheet extrusion	<input type="checkbox"/>	Welding	<input type="checkbox"/>
Pipe/profile extrusion	<input type="checkbox"/>	Others	<input type="checkbox"/>

Information on the machinery fleet

Kind of machine	Manufactured product	Manufacturer's name and country of origin	Number of units	Age of the machine			
				< 5 years	5-10 years	10-20 years	>20 years
Blow Molding	Drinking Water	Thailand, China	5		5		

Investment plans (interest in buying new or second-hand machines/equipment: what kind?)

interesting buying new machine

Interviewed person (name and position)

Mr. Lam Soundara

Data entry / Suggestion

-

4. General information:

Name of company:	Lao China Woven Plastic Sack co;ltd		
Complete address:	Luang Prabang rd Nahae Vientiane Capital		
Tel.:	(856-21) 252716	Fax.:	(856-21) 252717
E-mail.:	-	Website.:	-
Year of establishment:	2000		
Number of employees:	60 persons		
	Private <input checked="" type="checkbox"/>	Public	<input type="checkbox"/>
Certification	-		
Last three years' turnover (Million Baht)	2010	2011	2012
	-	-	-
Manufactured products:	Plastic Sack		
Volume of consumed raw materials by plastics resin	-	-	Tons/month
Processing technology			
Injection molding	<input type="checkbox"/>	Thermoforming	<input type="checkbox"/>
Blow molding	<input type="checkbox"/>	Foaming	<input type="checkbox"/>
Compounding	<input type="checkbox"/>	Post-use waste recycling	<input type="checkbox"/>
Film/sheet extrusion	<input type="checkbox"/>	Welding	<input type="checkbox"/>
Pipe/profile extrusion	<input type="checkbox"/>	Others	<input checked="" type="checkbox"/> Extrusion for Woven

Information on the machinery fleet

Kind of machine	Manufactured product	Manufacturer's name and country of origin	Number of units	Age of the machine			
				< 5 years	5-10 years	10-20 years	>20 years
Extrusion for Woven	Plastic Sack	China	2		2		

Investment plans (interest in buying new or second-hand machines/equipment: what kind?)

interesting buying new machines

Interviewed person (name and position)

Mrs. Phonevilay

Data entry / Suggestion

-

- Large size plastic converter

5. General information:

Name of company:	Lao Brewery Company (Beer Lao)		
Complete address:	KM 12 Thadeua Road Vientiane, 1016		
Tel.:	856 21 812045	Fax.:	-
E-mail.:	-	Website.:	www.beerlao.la
Year of establishment:	1973		
Number of employees:	700 persons		
	Private <input checked="" type="checkbox"/>	Public	<input type="checkbox"/>
Certification	ISO 9000		
Last three years' turnover (Million Baht)	2010	2011	2012
	-	-	-
Manufactured products:	Beer , Drinking Water		
Volume of consumed raw materials by plastics resin	PET, PE	-	Tons/ month
Processing technology			
Injection molding	<input type="checkbox"/>	Thermoforming	<input type="checkbox"/>
Blow molding	<input type="checkbox"/>	Foaming	<input type="checkbox"/>
Compounding	<input type="checkbox"/>	Post-use waste recycling	<input type="checkbox"/>
Film/sheet extrusion	<input type="checkbox"/>	Welding	<input type="checkbox"/>
Pipe/profile extrusion	<input type="checkbox"/>	Others	<input checked="" type="checkbox"/> Injection Stretch Blow Molding

Information on the machinery fleet

Kind of machine	Manufactured product	Manufacturer's name and country of origin	Number of units	Age of the machine			
				< 5 years	5-10 years	10-20 years	>20 years
Injection Stretch Blow Molding	Beer , Drinking Water	Husky/ Canada	2		2		

Investment plans (interest in buying new or second-hand machines/equipment: what kind?)

-

Interviewed person (name and position)

Cannot inform

Data entry / Suggestion

Information from Plastic Trader, Husky Machine (Canadian Base) also produce in Germany

- Furthermore, we interviewed several of plastic companies but some of interviewed didn't inform the In-depth information with us.

6. General information:

Name of company:	Saysana Plastic factory		
Complete address:	Thangon Rd Dontiu Vientiane Capital		
Tel.:	856 30 5262022,	Fax.:	856 21 765023
	856 20 22224202		
E-mail.:	dobouatha@gmail.	Website.:	-
	com		
Year of establishment:	2002		
Number of employees:	10 persons		
	Private <input checked="" type="checkbox"/>	Public	<input type="checkbox"/>
Certification	No because don't export		
Last three years' turnover (Million Baht)	2010	2011	2012
	-	-	-
Manufactured products:			
Volume of consumed raw materials by plastics resin	-	-	Tons/month

7. General information:

Name of company:	Far East Enterprise Co; Co LTD		
Complete address:	Thadeua Rd Somsanouk Vientiane capital		
Tel.:	856 21 313479	Fax.:	856 21 313489
E-mail.:	-	Website.:	-
Year of establishment:	2000		
Number of employees:	40 persons		
	Private <input checked="" type="checkbox"/>	Public	<input type="checkbox"/>
Certification	No		
Last three years' turnover (Million Baht)	2010	2011	2012
	-	-	-
Manufactured products:			
Volume of consumed raw materials by plastics resin	-	-	Tons/month

8. General information:

Name of company:	Asia Plastic Factory		
Complete address:	Thadeua Rd Somsanouk Vientiane Capital		
Tel.:	856 21 313611, 856 21 313901	Fax.:	856 21 313902
E-mail.:	-	Website.:	-
Year of establishment:	1995		
Number of employees:	15 persons		
	Private <input checked="" type="checkbox"/>	Public	<input type="checkbox"/>
Certification	No		
Last three years' turnover (Million Baht)	2010	2011	2012
	-	-	-
Manufactured products:			
Volume of consumed raw materials by plastics resin	-	-	Tons/ month

Annex IV

General Information

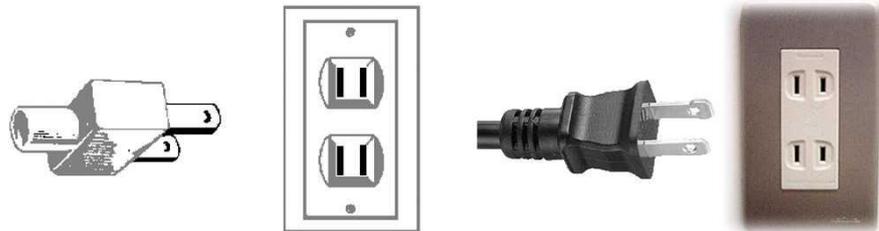
1. Electrical

The voltage in Laos is 220-230 Volts AC. Electrical appliances will require an adapter that can change the shape of the plug prongs, as well as an electrical voltage converter that will allow a normal 110-volt American appliance to take the 220 Volt current. Electricity: 220V. However, electricity supply can be unreliable in smaller towns.

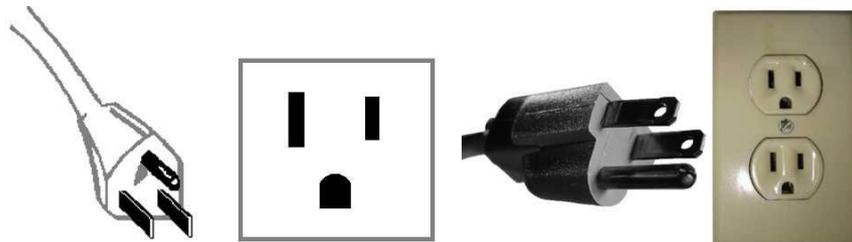
Country	Frequency (Hz)	Residential Voltage (V)	Commercial Voltage (V)	Industrial Voltage (V)
Laos	50	380/220 (Three-Phase)	380/220 (Three-Phase)	380/220 (Three-Phase)

There are 5 types of plugs or sockets used in Laos as

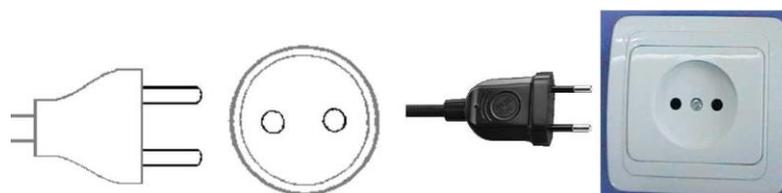
- Ungrounded plug with two flat parallel prongs



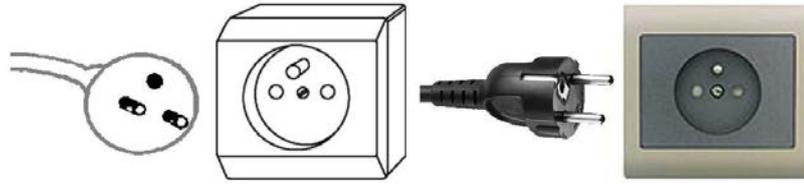
- Plug with two flat parallel prongs and a grounding pin



- Two-wire plug with two round prongs and no ungrounded pin



- Round two-wire plug with two round prongs and addition of a female contact to accept the grounding pin in the socket



- Round two-wire plug with two round prongs and additional two grounding clips on the side of the plug



2. Trade Associations

Department of Import and Export Ministry of Industry and Commerce

Address: Phonexay Road, Ban Phonexay, Saysettha District, PO Box 4107,
Vientiane Capital, Lao PDR

Phone: +856-21 454 224

Fax: +856-21 454 224

E-mail: enquiries@laotradeportal.gov.la

Website: <http://www.laotradeportal.gov.la>

The Lao PDR Trade Portal is the single stop point for all information relating to import and export into and from Laos. The Lao PDR Trade Portal is hosted by the Department of Import and Export of the Ministry of Industry and Commerce on behalf of all the Government agencies involved in the import/export process. It is responsible for Trade Facilitation Secretariat (TFS) focal point. On this portal trader will be able to get information about all the regulatory requirements they need to fulfill in order to carry out their transactions.

Lao National Chamber of Commerce and Industry

Address: Kayson phomvihance Ave., Ban Phonphanao Saysettha District,
Vientiane Capital, Lao PDR. P.O. Box: 4596

Phone: +856-21 453 312

Fax: +856-21 452 580
E-mail: lncci@laopdr.com
Website: <http://www.laocci.com>

Lao National Chamber of Commerce and Industry (LNCCI) established in 1989 is an independent body which represents the business community in Lao PDR. It is the nexus between state and private enterprises and represents employers, groups and joint ventures across all agencies that have been established under the laws of Lao PDR. It currently has more than 1000 members represented through Chambers of Commerce in 13 provinces and business associations and groups. That makes LNCCI the largest and most representative business community in Lao PDR.

3. Technical Magazines

Lao Trade Magazine

Publisher: Ministry of Industry and Commerce Department of Planning and Cooperation
Phone: +856-21 413 916
Fax: +856-21 453 982
Website: <http://www.laosoft.org>

4. Sector Exhibitions

No.	Event Title & Organizer	Date of Event	Venue
1	<p>Association of Lao Architects and Civil Engineers: ALACE EXPO 2014</p> <p>ALACE Fair Expo is Lao International leading and largest architect and design event, attended by the architectural luminaries, design experts, affluent, consumer audience, and media.</p> <p>Participation is open to manufacturers, distributors, importers, retailers, designers and others who are interested in marketing, selling and promoting International products and services.</p> <p>The Association of Lao Architects and Civil Engineer (ALACE) is proud to present this annual prestigious event as part of the association's initiatives to provide a marketing and business opportunity for both international suppliers and local business operators in the architecture and civil engineering sector.</p> <p>http://www.alaceexpo.com</p>	20 - 23 February, 2014	LAO- ITECC, Lao PDR

