

Business

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Wednesday June 26, 2013

Inside

Exporters struggle as Lao kip continues to rise against US dollar
PAGE B2



Nissan CEO promises growth, calls pay average
PAGE B2



Barrick to lay off 100 at Toronto head office
PAGE B3

Party confident of 8 percent GDP growth

Times Reporters

The Lao People's Revolutionary Party is confident that strong economic growth will continue in the next few years, while it is predicted that the rate will be maintained at or above 8 percent.

Head of the Party Central Committee's Propaganda and Training Board, Mr Cheuang Sombounkhanh, made the comment during a briefing held on Saturday to discuss the implementation of the resolution passed by the 9th Party Congress.

"As economic growth has been above 8 percent per year over the past two-and-a half years, we are confident we can achieve the target of at least 8 percent per year in the five-year period from 2011-2015," he said.

At the 9th Party Congress held in March 2011, the Party expressed its wish that economic growth not fall below 8 percent

over the five-year period.

A document released at the briefing showed that Gross Domestic Product (GDP) growth has been stable at 8.1 percent for the 2010-2011 financial year, and 8.3 percent for 2011-2012.

With the number expected to be about 8.1 percent this financial year, the average growth rate for the past three years should then be 8.2 percent.

To achieve continued growth, the government will need to invest 127 trillion kip over the five years, while 61.8 percent of the funds needed have been mobilised. In particular, the volume of private domestic and foreign investment has already reached over 70 percent of the target figure.

The Party also said inflation should be maintained at between -5 and +5 percent in this period. Figures released indicate it has improved over the past two-and-a half years, falling from 7.4 percent in 2010-2011 to 5.1

percent in 2011-2012, and falling again to 4.8 percent this year.

Mr Cheuang said the country's economic development is headed in the right direction with the service sector growing rapidly and employment levels increasing accordingly.

He also explained the change in the national economic structure. The percentage of people working as labourers in agriculture fell from 75.1 percent in 2010 to 71 percent in 2012. That figure is expected to fall to 70 percent this year.

Meanwhile, employment in the industrial sector rose from 5.5 percent to 7 percent, while in the service sector it increased from 19.5 to 20 percent.

"The change in our economic structure through the strong growth of industry and services has made us confident of GDP growth and we are sure it won't be lower than 8 percent," Mr Cheuang said.

Laos prepares for China-Asean Expo

Phetsamone Chandala

Laos has finished initial preparations for participation in the 10th China-Asean Expo (CAEXPO) in Nanning, Guangxi, China, from September 23 to 26, according to a senior official from the Trade and Product Promotion Department.

Department Director General Mr Somvang Ninthavong, of the Ministry of Industry and Commerce, reported on the progress of preparations at a recent CAEXPO Secretariat and sub-committee level meeting. He said the department, on behalf of the CAEXPO Secretariat, had appointed an overall supervisory committee, a secretariat and a sub-committee.

The department received approval from the government last March to use Vientiane to represent the charm of Laos as a backdrop for the display at the expo.

He said the CAEXPO Secretariat partnered with the Vientiane authorities and the Bluegrass Group to design a booth to exhibit Lao products at the expo, while the secretariat also joined with other sectors to hold meetings to discuss preparations for attending the event.

At these meetings the design of the national exhibition booth was developed, together with plans for making a short film and printing brochures. Preparations on investment information in special and specific economic zones in Laos and raising funds from the business sector to build the national exhibition booth were also discussed.

The CAEXPO Secretariat, the Lao National Chamber of Commerce and Industry and the finance sub-committee held a meeting to discuss preparations for the business sector to participate in the expo and the allocation of responsibility to ensure a smooth and efficient implementation.

The secretariat has prepared advertising materials to disseminate information, issue forms, define regulations and state conditions for participants, to encourage business units to take part in the expo. They also coordinated with logistics companies to ensure safe and reliable transport of goods and materials to the expo, to avoid problems that have occurred in



Mr Somvang Ninthavong speaks at the meeting.

the past.

Mr Somvang said that before the next meeting the CAEXPO Secretariat will have closely coordinated with the Ministry of Finance to allocate a budget to fund the preparations and Laos' participation in the event, carried out an advertising and promotional campaign to persuade business units to attend the expo, and drawn up a list of participants to give to the host country prior to the event.

They will closely work with the Vientiane authorities and China to ensure smooth preparations for the expo and produce a film and brochures to advertise the hidden potential of charming Vientiane.

The China-Asean Expo, co-sponsored by China and the 10 Asean countries as well as the Asean Secretariat, is the only international trade fair which focuses solely on the China-Asean Free Trade Area to promote the reciprocal cooperation and common development of China and Asean.

World Bank urged to scrap 'Doing Business' index

WASHINGTON (AP) -- An independent panel recommended on Monday that the World Bank scrap a contentious and influential ranking of countries meant to evaluate the ease of doing business.

The annual "Doing Business" report, first published by the World Bank in 2003, ranks 185 countries by aggregating 10 different indicators such as starting a business, getting construction permits, electricity, and credit, registering property, protecting investors, paying taxes, and enforcing contracts. It is supposed to assess how easy or difficult the regulatory and legislative environment makes it to do business.

The review panel, set up by the World Bank and headed by South African planning minister Trevor Manuel, concluded the main index was open to

misinterpretation and should be discontinued. It urged the World Bank to continue publishing the report without the headline index and to instead give only separate rankings for each individual indicator now aggregated into the main index.

"The Doing Business report has the potential to be misinterpreted," the panel's report said. "The Panel found that the main disagreement was whether the Doing Business report measured the correct indicators, in the correct way. In other words, the debate was about whether a higher ranking implied that a country was on the right track for private-sector development."

The World Bank set up the independent review after the index came in for some harsh criticism from a number of directions. China and India, which ranked 91 and 132 respectively

in the latest index, were among the critics.

The panel said the key criticism was that the structure and publication of the report focused attention primarily on the indicator rankings to the exclusion of the report's remaining content. It said another big concern was whether the information being gathered was really relevant.

The rankings have garnered considerable attention and World Bank President Jim Yong Kim said they have motivated reforms in some countries. Kim and the US, the Washington-based World Bank's largest shareholder, support the index and Kim will decide whether to accept the panel's recommendations.

The 2013 Doing Business index ranked Singapore first followed by Hong Kong, New Zealand and the US. The Central African Republic came in last.

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Exchange rates as of June 25, 2013

Banque pour le Commerce Extérieur Lao

Foreign Currencies	Buying	Selling
US Dollar 50-100	7,720	7,743
Thai Baht	249.08	250.33
Euro 50-500	10,101	10,151

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