

Investment value in Laos continues to surge



Mr Somdy.

Times Reporters

Laos is still able to attract domestic and foreign investment despite the fact that the government has suspended land concessions for rubber and eucalyptus plantations, according to a senior government official.

Minister of Planning and Investment, Mr Somdy Duangdy made the comment to law makers at the 5th session of the 7th legislature of the National Assembly in Vientiane yesterday.

He made the assurance amid concerns that investment values would experience a big drop this fiscal year as the government no longer allows large land concessions.

"The investment climate in

Laos is still good despite the land concession suspension," he said while delivering a report on the implementation of the National Socio-Economic Development Plan over the first six months of the 2012/2013 fiscal year.

Land concessions for rubber and eucalyptus trees was one of the major areas for local and foreign private investment over the past few years. After the government announced the suspension of the land concessions last year, a number of people expressed concerns that investment values would see a big drop this fiscal year.

Foreign direct investment is one of the main driving forces of the Lao economy. According to a report by Mr Somdy, over the first six months of this fiscal year, the government approved 29 domestic and foreign private investment projects with total investment value of US\$1.6 billion, accounting for 65 percent of the annual plan.

However domestic private investment projects were valued at US\$192 million, accounting for only 16 percent of the total private investment value.

The top sector over the first six months of this fiscal year which local and foreign business people moved to invest in was the energy sector, with total investment values reaching

US\$739 million. The second biggest sector was mining with investment values of US\$217 million and the third was construction with investors spending some US\$100 million.

Economists say that hydropower will become a major driving force of the Lao economy in future years. The energy sector will also ensure the sustainable growth of the Lao economy, they say, as hydropower is renewable while mining resources will one day be exhausted.

Mr Somdy said that the government has handed over more responsibility to local administrations in particular pilot districts to implement the three build directive, which aims to empower local authorities to be more proactive in management.

Economists also say that business people will find it easier to seek investment permission since they can request investment licenses at the district level. In the past, they have had to travel to the provincial capital to seek investment permission to run large companies.

However, one of the major concerns is that the district authorities need to upgrade their human resource capacities so as to be able to manage investment projects and ensure the sustainable development of investment projects.

Japanese university to help Lao education

Phaisythong Chandara

One of Japan's leading universities has announced it will work with higher education institutions in Laos to help boost their human resources.

Kanazawa University Vice President for Research, Mr Koetsu Yamazaki, met with Deputy Minister of Education and Sports, Dr Kongsy Sengmany, yesterday as part of a week-long working visit to Laos.

The meeting's aim was to promote future exchanges and good relations between the two countries and to discuss possible academic and research cooperation between Kanazawa University and Lao universities and colleges.

Mr Yamazaki said there will be further exchanges in various fields, including politics, economics, cultural studies, education and research.

"Our university would like

to contribute to the development of both countries, as part of our institute's mission for education and research in collaboration with institutions of higher education of Laos," he said.

"Our university just celebrated its 150th foundation anniversary in 2012, and we are always striving to expand the opportunities for international collaboration, in order to become the intellectual stronghold of East Asia." He said ever since Laos and Japan established a diplomatic relationship in 1955, the two countries have enjoyed continued exchanges and developed a trusting relationship.

In recent years, the ties between the two parties have become even stronger in the light of Laos' exceptional economic growth.

Mr Yamazaki said he strongly believed his visit would result in a much closer relationship between the Lao education ministry and Kanazawa University, which would reflect the amicable relation between Laos and Japan.

During the visit, Mr Yamazaki and his delegation will tour the National University of Laos and the University of Health Sciences in Vientiane.

The group will also go to Xieng Khuang province to visit Khangkhai Teacher Training College to discuss possible educational and study cooperation, especially in exchanging human resources, experts and techniques in the future. Mr Yamazaki's mission was supported by the Japan-Lao Youth Association. Kanazawa University, located in the west of Honshu Island, caters to about 11,000 students across a wide variety of fields.

Students receive an education that gives them specialised knowledge and the ability to carry out research, as well as a cosmopolitan outlook and an ethical perspective.

NA session opens... FROM PAGE 1



President Choummaly Sayasone (second right), Prime Minister Thongsing Thammavong (first right), other senior Party and government officials and National Assembly members attend the opening ceremony of the fifth ordinary National Assembly session.

state budget plan at the halfway mark, the implementation of the NSEDP implementation over the past six months and its half plan for 2012-2013, and the plan for 2013-2014 financial years.

Delivering the report on the achievement in implementing the NSEDP-7 over the preceding two-and-a-half years, Prime Minister Thongsing Thammavong highlighted GDP growth in excess of 8 percent as per plan with manageable inflation levels and sufficient foreign currency reserves to secure five months worth of imports.

However, Mr Thongsing noted that the national economic growth relied mainly on the sale of natural resources and the export of raw materials.

Representing the government to report on the forecast economic growth in the

ongoing fiscal year, Minister of Planning and Investment Mr Somdy Duangdy said growth will continue at over 8 percent and add 80.3 trillion kip or around US\$10 billion to national GDP.

In regards to the implementation of the state budget plan over the past half fiscal year, Minister of Finance Mr Phouphet Khamphoung spoke about the shortcomings in revenue collection, saying some districts have collected and spent money with little or no accounting records, and traders have seized the loopholes in the single window service to avoid tax payment obligations.

Aside from the discussion on the approval of the government reports and plans during the session, NA members will also debate

the country's preparation for the coming Asean Economic Community, the activities of the State Audit Organisation over 2011-2012, its plan for the 2012-2013 fiscal year, and the results of the audit report of the state budget for the 2010-2011 fiscal year.

In addition, the session will consider the reports of the People's Supreme Court and the Office of People's Supreme Prosecutor, as well as the activities of the NA over the past two-and-a-half years and its future plans.

NA members will also debate the newly drafted laws such as the Law on Science and Technology, Law on Social Insurance, and Law on the Lao Women's Union, as well as amendments to the laws on food and tourism and the draft National Land Policy.

Limited skilled labour still slowing progress



Mr Sounthone Phommachack (centre), Mr Phouvanh Chanthavong (left) and Ms Amy Torres at the meeting on labour skills.

Times Reporters

Government officials met with business sector representatives in Vientiane yesterday to discuss the need for more local skilled workers, as part of the government's push to ensure industrial restructuring and modernisation in Laos remains sustainable.

The meeting was led by Lao National Chamber of Commerce and Industry Vice President, Mr Sounthone Phommachack, Skill Development and Employment Department Director General, Mr Phouvanh Chanthavong, and International Labour Organisation Senior Specialist for Skills, Ms Amy Torres.

Mr Sounthone said government and business requires a sustainable skilled workforce and strong labour market to ensure the country can move to a fully-industrialised state in the near future.

"Currently in the country, employers and domestic and foreign investors are struggling to find quality workers, as most workers' skill levels remain low and there is a lack of good technical workers," he said.

He said skill development was an important factor in integrating with the Asean Economic Community by 2015 and being able to shift away from Least Developed Country status by 2020.

Mr Phouvanh said the government, through the Ministry of Labour and Social Welfare, had tried to develop Lao labour force skills, offering technical and vocational training for workers, staff, students and trainers across a variety of sectors.

He said in the last two-and-a-half years, the ministry has developed almost 100,000 quality Lao labourers to reduce reliance on foreign labour, with 24,000 working in the agriculture sector, 28,000 in

the industrial sector and 39,500 working in the services sector.

Mr Phouvanh said the ministry had also expanded labour recruitment service points in nine provinces, established 15 labour recruitment companies and updated skill development in the national curriculum.

Despite government efforts in the area, some business sectors still struggle to source labour, including sugarcane and rubber plantation projects and the construction industry. Often, businesses operating in such industries do not offer high salaries or wages.

On the other hand, sectors like business administration, banking and finance have a surplus of local skilled labour.

Further consultation between government, workers and business units will help ensure mechanisms are introduced to help address the skills shortage.

Weather forecast

| Xieng Khuang | | | | |
|-------------------|--------------------|-----|---------|-----------------------|
| Date | Temperature in (C) | | Weather | |
| | Min | Max | | |
| 08/07/2013 | 19 | 29 | ☁ | Scattered showers |
| 09/07/2013 | 19 | 29 | ☁ | Light thunder showers |
| 10/07/2013 | 20 | 30 | ☁ | Light thunder showers |
| Luang Namtha | | | | |
| Date | Temperature in (C) | | Weather | |
| | Min | Max | | |
| 08/07/2013 | 21 | 32 | ☁ | Scattered showers |
| 09/07/2013 | 21 | 32 | ☁ | Scattered showers |
| 10/07/2013 | 22 | 33 | ☁ | Isolated showers |
| Luang Prabang | | | | |
| Date | Temperature in (C) | | Weather | |
| | Min | Max | | |
| 08/07/2013 | 23 | 34 | ☁ | Light thunder showers |
| 09/07/2013 | 23 | 34 | ☁ | Light thunder showers |
| 10/07/2013 | 23 | 35 | ☁ | Scattered showers |
| Vientiane Capital | | | | |
| Date | Temperature in (C) | | Weather | |
| | Min | Max | | |
| 08/07/2013 | 25 | 32 | ☁ | Light thunder showers |
| 09/07/2013 | 25 | 33 | ☁ | Light thunder showers |
| 10/07/2013 | 25 | 34 | ☁ | Scattered showers |
| Savannakhet | | | | |
| Date | Temperature in (C) | | Weather | |
| | Min | Max | | |
| 08/07/2013 | 26 | 33 | ☁ | Isolated showers |
| 09/07/2013 | 26 | 33 | ☁ | Isolated showers |
| 10/07/2013 | 26 | 34 | ☁ | Isolated showers |
| Champassak | | | | |
| Date | Temperature in (C) | | Weather | |
| | Min | Max | | |
| 08/07/2013 | 24 | 33 | ☁ | Partly cloudy |
| 09/07/2013 | 24 | 33 | ☁ | Isolated showers |
| 10/07/2013 | 25 | 35 | ☁ | Partly cloudy |