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Govt offers permanent residency to foreign investors

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The Lao government is allowing foreign businesspeople to apply for permanent resident status as part of efforts to boost foreign investment in the country.

According to a prime ministerial decree on the permanent resident status of foreigners living in Laos, which the cabinet endorsed at the end of 2011, foreign businesspeople can apply for a permanent resident card if they have an investment project in Laos with registered capital of at least US$500,000.

They must also have operated a business in Laos for at least five years and fulfill tax obligations before they can apply for a permanent resident card, which enables them to live in Laos.

Foreigners with permanent resident status do not need to extend a visa to live in Laos. Currently, visa extensions cost a lot of money and consume a lot of time.

The decree also allows foreign experts and those who have contributed to Lao national liberation, protection and development to apply for the status. People of Lao ethnicity who are now nationals of other countries can also apply for the card.

Those who wish to attain permanent residency must make a commitment to respect Laos' constitution and laws. The government can revoke the residency status if a permit holder is found to have broken the law or is sentenced to jail for up to five years. Anyone who threatens national security and interests may also have their residency revoked, according to the decree.

In 2009, the government revised the Foreign Investment Promotion Law, allowing non-nationals who invested US$500,000 or more in Laos to purchase a plot of land up to 800 square metres in size for residential purposes.

This is an important consideration because it allows foreign businesspeople to buy land on which offices and houses can be built.

Policy makers believe that giving foreign nationals the option to own land and obtain permanent residency will attract money into the country and bolster efforts to boost economic growth.

At present, the main foreign investors in Laos come from Vietnam, China and Thailand. Most of the investment is in natural resource extraction such as mining and hydropower. The government now wants foreign businesses to work within the non resource sector.

The government abolished the centrally planned economy in 1986, allowing the private sector to take part in socio-economic development. Over 27 years after this policy reform, private enterprise now plays a significant role in driving economic growth in Laos.

At present, domestic and foreign private enterprise contributes about 16 percent of the GDP, while state and semi-state ventures contribute just 8 and 7.3 percent to GDP respectively.

Laos, Malaysia to promote trade, investment collaboration

Ms Valy Vetsapong shakes hands with the President of MEXPA, Mr Abdul Kabur Ibrahim, after signing the MOU.

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Malaysian and Lao business associations plan to collaborate in promoting trade and investment and to further enhance and strengthen ties for the mutual benefit of the two countries.

The Malaysian Exporters Association (MEXPA) and the Young Entrepreneur Association of Laos (YEAL) signed a memorandum of understanding for the collaboration in Vientiane yesterday.

"The MOU is a framework agreement to drive trade and investment between our two nations to greater heights," the Malaysian Ambassador to Laos, Mr Dato Than Tai Hing, said at the Business Meeting and MOU signing ceremony.

The MOU between the two parties and the presence of Lao National Chamber of Commerce and Industry (LNCCI) members at the ceremony reflected a firm commitment from both YEAL and the LNCCI to work together to explore business, trade and investment partnership opportunities with MEXPA members on a trade mission to Laos.

YEAL President Ms Valy Vetsapong said the MOU was a very important milestone for YEAL and MEXPA in promoting trade and investment between Laos and Malaysia by organising an annual 'Malaysia-Laos Business Forum', arranging appointments with government officials and the local business community, arranging business to business contacts, and developing a joint website and Facebook fan page for greater interaction between members of the two parties.

"We hope that we will be able to have joint investments in the near future," Ms Valy said.

Participating members of MEXPA came from a diversity of business sectors ranging from mining, manufacturing, education, human resource development, construction and the service industry.

Mr Dato Than Tai Hing said the members of MEXPA, YEAL, LNCCI and private individuals and companies who responded to advertising in the local media would be able to build friendships and establish strong partnerships that will help to increase trade and investment cooperation between Malaysia and Laos.

He said this strategic partnership will not only lead to increased bilateral trade and investment between Malaysia and Laos but also contribute towards narrowing the development gap between both countries and, within the context of Asean collaboration and solidarity, will work towards the building of the Asean Community in general and the Asean Economic Community (AEC) by 2015.

"The members of MEXPA, YEAL and LNCCI and other Lao business entities will be able to continue this cooperation for many years to come and be able to share experiences and ideas that will help to build a fast growing and sustainable economy for both nations towards the creation of the AEC," he said.

Ms Valy said "Laos, together with all the Asean member countries, will enter the AEC in 2015, which will present us with great opportunities and also challenges."

"We are preparing for the many new opportunities, and signing this MOU between our two associations is one of those opportunities," she said.

She added that in order to accelerate the transition from an MOU into a successful outcome, the two associations must work hard together and appoint a team to carry out the action plan and fully implement it.

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Exchange rates as of May 16, 2013
Banque pour le Commerce Exterieur Lao

Foreign Currencies	Buying	Selling
US Dollar 50-100	7,652	7,689
Thai Baht	258.05	259.35
Euro 50-500	9,846	9,894