



Recommendations:

The Lao Government has embraced foreign investment following years of relative economic isolation that left it one of the least developed countries in Asia. Laos remains a difficult operating environment, but companies appreciate its GDP growth and low-cost manufacturing opportunities. ****Good for risk-tolerant manufacturers looking for long-term potential****

- (+) High GDP growth over the past decade
- (+) Low cost of labor and cost of living
- (+) Strong future connectivity when planned railroad lines provide access to foreign ports

- (-) Complex regulatory climate with high corruption despite government efforts to attract investors
- (-) Poorly educated and mainly rural labor
- (-) High costs to move products to ports

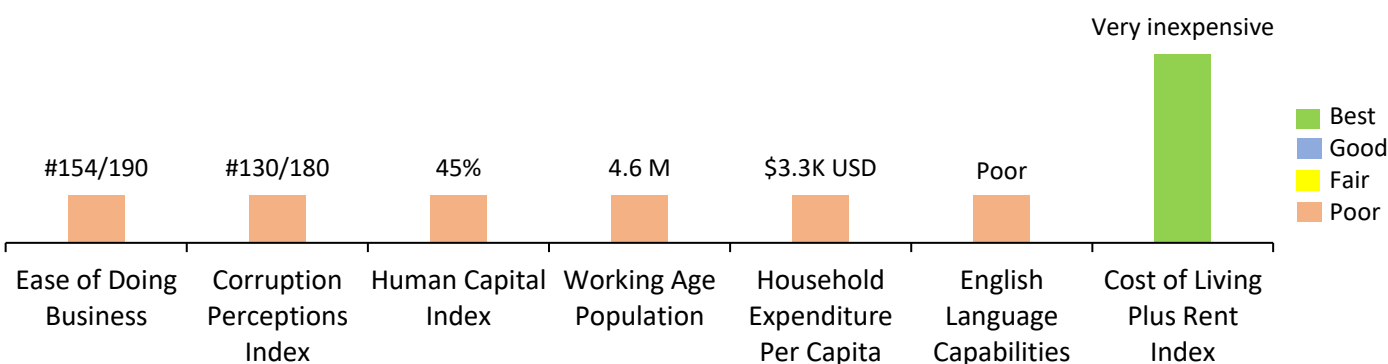
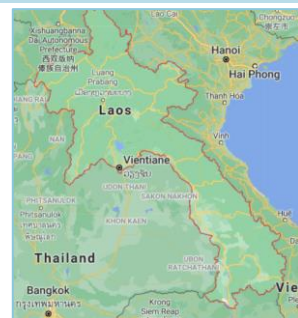
Highlights:

- Special Economic Zones (SEZs) offer low-tax, low-cost areas for manufacturing and distribution
- Easy land access to China, Vietnam, and Thailand
- Consistently strong GDP growth, new infrastructure, and concerted efforts by the Lao government to improve the climate for foreign investors
- Rising tourist numbers, especially to Luang Prabang

“Interested in doing business in Laos, one of the **fastest growing economies in ASEAN**? Let me personally welcome you, and assure you that for Americans and American companies there has **never been a better time** to explore business opportunities in Laos.” U.S. Ambassador Rena Bitter

Country Facts:

Population: 7.06 million, 1.5% growth in 2019
 GDP: \$18.17 billion USD, 4.7% growth
 GNI per capita: \$2,460 USD, 0.7% inflation, lower middle-income country
 Industries: Tourism, mining, textile manufacturing, agriculture (especially rice), timber, hydropower
 Tourism: 3.8 million tourists per year, growing at 15%
 Investment: Foreign investment remains challenging, but the Lao government is committed to moving the economy away from resource exploitation to more inclusive economic growth.



Marketing:

Per capita expenditure: \$3,337 USD
 Internet penetration: 39% (Southeast Asia 63%)
 Shop online: 7.1%
 Mobile ownership: 81%
 Primary messaging: WhatsApp
 Primary website: Facebook

Average Labor:

Annual Labor Productivity: \$13,000
 Prof. Salary: \$746
 Worker Salary: \$690

Infrastructure:

Ports: None
 Roads: Fair
 Airfields: Poor
 Railroads: None

Opening a Business:

Relevant Laws: Law on Investment Promotion of 2016
 Time to Incorporate: 60 days to incorporate in a non-sensitive sector
 Remittance Taxes: Business taxes range from 5% (education, health care, and innovation) to 20% (most industries), with 35% for mining
 Restrictions: Multiple restrictions, including laws requiring government involvement in business “sensitive to national security, public order, national fine tradition, and socio-environmental impact.” Foreigners can lease but now own land. Foreign currencies are officially banned for domestic transactions.
 Trends: The Lao government has worked for over a decade to make the climate more favorable for foreign investors, and it is likely to get easier in future years.

BBA Services:

BBA can help your business navigate the complex Lao regulatory, political, and cultural environment. Although BBA has no resident staff in Laos, members of the BBA team have lived and worked in the Lao capital of Vientiane, speak the Lao language, and have many local connections. <https://businessbridgeasia.com>