

3. Plan of Operation (PO)

Plan of Operations(PO):

Project Title:"Project on Support to Trade Promotion "

Duration : First-quarter of 2009 ~ First-quarter of 2012 (3 years)

Target Groups: Exproters, Business Associations and DPTP Officials

Implementation Agency : DPTP, MoIC, Lao PDR

Appendix III

Version 1 (March 2008)

Calendar Year Japanese Fiscal Year	2008				2009				2010				2011				2012
	2008				2009				2010				2011				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I
Duration of Technical Cooperation	Signing of the R/D																
<Strengthen the linkages with the private sector>	▼																
1-1. Set up a meeting for exchanging opinions with the private sector.																	
1-2. List up and brief activities of the private sector such as business associations and groups.																	
1-3. Reflect the needs of the private sector into the activities of DPTP.																	
<Strengthen the coordination with related departments in MoIC and other ministries>																	
1-4. Set up a kick-off meeting with related departments in MoIC and other ministries.																	
1-5. Clarify the division of labor between DPTP and the related departments, and hold meetings regularly to strengthen the coordination.																	
1-6. Reflect the results of the meetings into the activities of DPTP.																	
<Planning, implementation and review of a DPTP action plan>																	
2-1. Assign a person in each division in charge of formulating a DPTP action plan																	
2-2. Collect information necessary for formulating a DPTP action plan.																	
2-3. Write a draft DPTP action plan.																	
2-4. Consult with related departments in MoIC and other ministries.																	
2-5. Implement and review the DPTP action plan (in alignment with the National Export Strategy)).																	
<DPTP grasps the activities of the private sector>																	
3-1. DPTP staff visits business associations and enterprises in order to understand the current situation.																	
3-2. DPTP analyzes the current situation and shares the results within DPTP.																	
<The capacity of DPTP staff for trade promotion is strengthened>																	
3-3. Identify and specify necessary skills for DPTP staff for promoting trade.																	
3-4. Prepare and implement activity plans (on the job (OJT) training, seminars, workshops, etc) for capacity building.																	
3-5. Evaluate the activities (Reflection to daily operations, feedback to future activities).																	
<The capacity of the private sector for trade promotion is strengthened>																	
3-6. Conduct a needs assessment of the private sector.																	
3-7. Prepare and implement activity plans for strengthening the capacity of the private sector based on the needs assessment.																	
3-8. Evaluate the activities.																	
<Collect and analyze information necessary for trade promotion (information on domestic production and overseas market)>																	
4-1. Identify necessary information and data sources.																	
4-2. Collect information from the identified data sources.																	
4-3. Analyze and process the collected information and data.																	
<Provision of information>																	
4-4. Create effective media for providing information (i.e. newsletters, directory of exporters and products catalogues).																	
4-5. Provide information using the various effective media (i.e. Website, library, computers and a showroom).																	
4-6. Review the activities of information provision.																	
<Organize and participate in trade fairs/exhibitions>																	
5-1. Select Participants of trade fairs /exhibitions strategically based on the needs of the private sector.																	
5-2. Provide consulting and business matching services to participants in trade fairs/exhibitions.																	
5-3. Share outcomes of trade fairs/exhibitions with other related organizations for follow-ups.																	
<Assistance to buying missions and incoming business inquiries>																	
5-4. Receive and support buying missions/business inquiries in cooperation with related organizations.																	
5-5. Follow-up the results of buying missions/business inquiries.																	



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity



National Export Strategy 2006 – 2008
Project of the Government of Lao PDR

Finance by a Grant from the Government of Switzerland

Support to Trade Promotion and Export Development
LAO/61/89

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Abbreviations

ADB	Asian Development Bank
AFD	Agence Française de Développement
ALGI	Association of the Lao Garment Industry
ASEAN	Association of the South East Asian Nations
ASYCUDA	Automated System for Customs Data
ATC	Agreement on Textiles and Clothing
BoL	Bank of Lao PDR
DDP	Direct Dealing Provider
EU	European Union
FDI	Foreign Direct Investment
FOB	Free On Board
GDP	Gross Development Products
GSP	Generalized System of Preference
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH
ILO	International Labor Organization
IMF	International Monetary Fund
IT	Information Technologies
ITC	International Trade Center
JETRO	Japan External Trade Organization
JICA	Japan International Development Agency
JV	Joint Venture
L/C	Letter of Credit
Lao PDR	Lao People's Democratic Republic
LNCCI	Lao National Chamber of Commerce and Industry
LTPC	Lao Trade Promotion Center
MCTPC	Ministry of Communication, Transport, Post and Construction
MFA	Multi Fiber Agreement
MLSW	Ministry of Labor and Social Welfare
MoC	Ministry of Commerce
MoE	Ministry of Education
MoF	Ministry of Finance
MoIH	Ministry of Industry and Handicraft
MoJ	Ministry of Justice
NES	National Export Strategy
NGO	Non – Government Organization
NTR	Normal Trade Relation
OECD	Organization for Economic Co-operation and Development
OEM	Original Equipment Manufacturing
QUAD countries	Canada, EU, Japan, USA
SIDA	Swedish International Development Agency
SMEPDO	SME Promotion and Development Office
SNV	Schweizerische Normen - Vereinigung
SSEZ	Savan – Seno Special Economic Zone
SSI	Single Service Inspection
SWOT	Strength, Weaknesses, Opportunities and Threats
T&C	Textile and Clothing
TA	Technical Assistance
TRTA/CB	Trade-Related Technical Assistance and Capacity Building

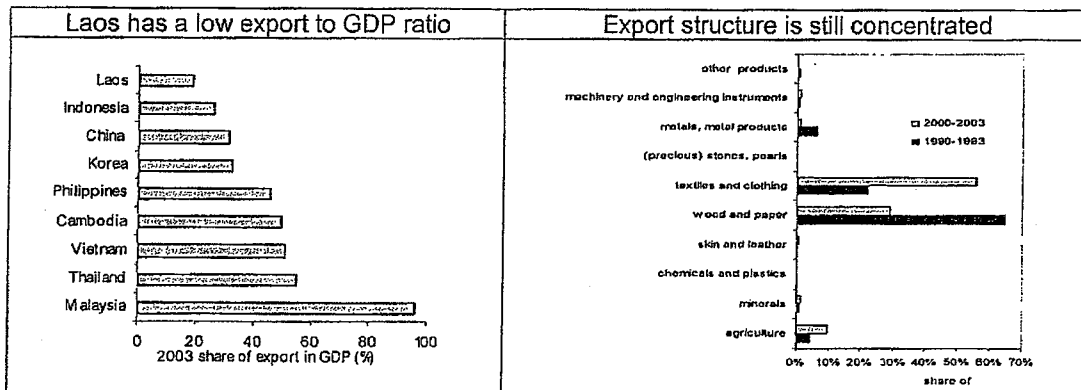
UNIDO	United Nations for Industrial Development Organization
USD	United States Dollar
VEDC	Vocational Education and Development Center
WB	World Bank
WTO	World Trade Organization

Executive Summary

1 Following examples from China in late 1970s and Vietnam in early 1980s, the Government of Lao PDR (GOL) committed itself to pro-market reforms under the structural New Economic Mechanism (NEM) policies in mid 1980s. The strategic objective of these policies was and remains shifting of resource allocation in the economy away from Government and towards market mechanisms, with increased reliance in international trade and foreign investment. Some so-called 'strategic sectors', most notably timber, still remain tightly controlled by GOL, but by and large, market liberalization and increased reliance on private sector for economic growth is the hallmark of the current economic structure in Lao.

2 Lao PDR has gone a long way in moving from a centrally planned to a market economy. The remarkable economic performance of the 1990s, with real GDP growing at more than 6 percent a year, was led by strong exports, which grew at a high rate of 15 percent during 1991-2003 even if from a low base. Throughout this period, Laos successfully managed to reduce its dependence on timber export – which is constrained by availability and sustainability of forests—and to increase its garment exports by taking advantage of opportunities offered by the MFA quotas. Exports of minerals and hydropower continued to be important sources of much needed foreign exchange. The growth performance of the 1990s brought about impressive progress in reducing poverty. While Lao PDR remains one of the poorest countries in the world, with a per capita GDP of around US\$310, the share of the population below the national poverty line decreased from 39 percent in 1997/98 to 33 percent in 2002/03.

3 In its Sixth National Socio-Economic Development Plan (2006-2010), the Government sets an ambitious growth target at about 7 percent per year, with the objective of graduating from Least Developed Countries by 2020. Export is a main element driving this growth, and is targeted to grow at about 12 percent per year. Achieving these goals will not be an easy task. Lao PDR's share of export in GDP remains very low, at 19 percent in 2003. Exports are still concentrated in a few products—mainly commodities that are subject to fluctuating world prices, unprocessed agriculture products, and low-value manufacturing. The strategy is rightly seeking to boost exports in labor-intensive and higher value-added production, but it recognizes that labor productivity is low, entrepreneurship skills are weak, and technology use not up to date. Nevertheless, the process of moving to the second generation of exports has started – new exports with high potential are emerging.



Part I: Introduction and Rationale

A. Background

4 In December 2004, a process of consultation between the Government and the enterprise sector was initiated in Lao PDR. The process, which is championed by the Ministry of Commerce, has led to the formulation of a national export strategy for the country – a strategy that is aligned with Government's overall developmental objectives and that maximizes the linkages between trade and poverty reduction.

In designing this strategy, full importance and consideration was given to the following issues:

- **the macroeconomic or policy level,**
5 The analysis takes into account the macroeconomic framework of Lao PDR, notably the trade policy formulation and implementation regime, the economic impact of further trade liberalisation within the context of eventual accession to the WTO, the impact of bilateral, regional and multilateral preferential market access on export performance, as well as gaps in, or lack of enforcement of, existing policy.
- **the meso or institutional level,**
6 The analysis explores the role and effectiveness of the trade support network. Particular emphasis is put on reforming the strategy support network and the services delivery network to create an operationally business – friendly environment and to ensure that the trade support network can respond to the needs of enterprises.
- **the microeconomic level**
7 This paper considers the “exporting / business” environment from a practical point of view, being the point of view of those actually engaged in export. Considerations in the analysis include the level of entrepreneurship, value-addition and value-retention, as well as capacity and competency of Lao enterprises.

The consultation and analysis provides a strong basis for the elaboration of a national export strategy that is relevant, realistic and that can be realized.

B. A Truly Integrated Initiative

8 In March 2005, the Integrated Framework (IF) initiative was launched in Lao PDR. The Minister of Commerce and the Director of the Foreign Trade Department emphasized that this national export strategy provides an essential framework for enhanced international competitiveness of Lao industry. It is a process that will result in a national export strategy designed by Lao people for Lao people. The Minister further stressed that interventions by the donor community within the IF initiative should be aligned with the national export strategy to the extent possible.

9 Moreover, Government has expressed its intention that the National Export Strategy be integrated in the 5-year plan (2006-2010) of the Ministry of Commerce. It is also expected that the key strategic priorities being pointed out in the NES will be reflected in Lao WTO negotiation process.

C. The international context: Challenges to be Addressed

10 Lao PDR is increasing its integration, both regionally and globally. Sub-regionally, Lao PDR is an active partner in the emerging Greater Mekong Sub-region (GMS) Economic Cooperation Program. The GMS program has strategic importance in terms of potential exports to neighbouring countries, the development of transport corridors and the sustainable development and management of the Mekong River. Given that most trade and foreign investment relations are with these countries, including the sale of hydropower, ongoing GMS initiatives are supported strongly by Lao PDR. Lao PDR also participates in the Mekong River Commission (MRC), which explores opportunities for regional cooperation in the Mekong River Basin. On a broader regional and global level, Lao PDR joined the Association of Southeast Asian Nations (ASEAN) and the ASEAN Free Trade Area (AFTA) in 1998. A range of global trade concessions and agreements (discussed in the Country Common Assessment – CCA trade section) are in place or under negotiation, significantly expanding export opportunities for Lao PDR. Foreign Direct Investment (FDI) levels are variable but substantial (relative to the size of the economy).

11 The Government is seeking ways to diversify the Lao economy and reduce the economic vulnerability of the country. Policies and platforms include an Integrated Framework for co-operative trade practices. Currently, nearly 70 percent of official Lao exports of goods remain concentrated in wood products, garments, mining and electricity. Lao PDR has access to several preferential treatments in many countries. Lao PDR's exports receive preferences from industrial countries and from the original members of ASEAN. The country has GSP access to the EU under the Everything But Arms (EBA) arrangement and also has a special textile agreement that exempts exports from EU quotas. Since July 2003, all exports to Australia and New Zealand are admitted free of duties and quotas. Lao PDR signed a bilateral trade agreement with the US in 2003 and was granted Normal Trade Relations (NTR) in November 2004, opening the door for extensive import/export relations with the US market. The country is yet to take full advantage of these assistance schemes and arrangements. WTO membership could offer an opportunity to quickly accelerate the economic reform process as being a major event from the standpoint of future competitiveness (border-in) and capability (from the standpoint of becoming a more recognized destination of foreign direct investment). Lao PDR applied for WTO accession in 1997 and the Working Party met for the first time in October 2004. Therefore, accession to WTO is just in the year to come.

D. Where do we want to be?

12 For the successful elaboration and implementation of the National Export Strategy it is important that all stakeholders – the strategy design team, the strategy management team, the implementing organizations, the business sector (i.e. the clients) and civil society – share a common vision.

The following recommended "Progressing Strategic Vision Statement" is intended to capture the spirit of Lao PDR's National Export Strategy whilst reflecting existing national efforts and objectives:

The Vision

"The alleviation of poverty through the creation of employment and an improved standard of living for all citizens led by sustained growth in export performance, spurred by a competitive, innovative and consensual national business environment that stimulates development, encourages entrepreneurship and integrates Lao PDR within the global marketplace."

13 For Lao PDR to realize the full benefits from trade in the global market place of the 21st century, it is necessary to have a comprehensive National Export Strategy and a healthy business environment whereby barriers to growth are usually lie in the policy and regulatory environment which shall be eradicated.

Part II: Where Are We Now? – An Assessment

1. Export Performance (National and Sectoral)

14 Lao PDR is a small, landlocked, least developed economy in South East Asia. As such, it displays a number of characteristics that render its socio-economic situation difficult. As a landlocked country remote from major world markets, Lao PDR suffers from transportation costs that are significantly higher than those of many of its competitors. As a result, Lao PDR's enterprises are disadvantaged in processing inputs and producing goods that are heavy or voluminous, or for which delivery time is a major issue. In addition, given the small domestic market, enterprises in Lao PDR tend to produce small volumes and are thus disadvantaged in sectors based on economies of scale. The following table 1 summarizes the export trend between 1998 – 20003.

Table 1: Export trend between 1998 – 2003 (in USD)

Product	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003
Timber and wood products	62,271,712	71,270,000	80,193,611	77,799,706	69,950,205
Coffee beans	31,164,000	29,030,000	15,303,833	9,773,938	10,915,964
Gypsum, tin and gold ores	767,000	5,993,248	4,890,667	3,903,928	46,502,906
Non-timber forest products	2,548,709	4,163,165	6,617,544	8,223,654	5,722,816
Other agricultural products	11,234,100	5,092,457	5,706,247	7,661,796	11,123,119
Handicraft products	3,008,000	5,100,199	3,850,480	2,736,431	12,492,600
Garment products	80,500,000	94,370,000	100,139,447	99,937,863	87,115,268
Electricity	57,102,000	107,000,000	91,312,939	92,694,000	97,360,000
Other industrial products & miscellaneous	22,464,155	1,955,533	16,871,067	19,887,444	11,441,409
TOTAL	271,059,676	323,974,602	324,885,835	322,618,760	352,624,287

Source: Ministry of Commerce, Lao PDR

15 Lao's current export performance index gauges how successful its enterprises perform in the international markets for the selected product groups. It reveals Lao's comparative advantages and how successful the various industries are in terms of international trade. Well-performing sectors have already proven their export capacity and can thus be considered as also having high potential for future exports. The composite index is made up of two sub indices that can show such capacity: (1) Lao's world market share by sector and (2) the industry's trade balance.

16 In total, the index for Lao's export performance is highest for tin ores and concentrates and gum, followed by rattan, medicinal herbs, coal, wood products, coffee, wood, cardamom, tea, clothing, zinc ores and concentrates, handicrafts, live bovine animals, and vegetables. In contrast, Lao's export performance is particularly unfavorable for rice, beer, bamboo products and wine and other alcohol. The table 3 illustrates Trading Partners of Lao communities 1998 – 2003.

Table 2: Trading Partners of Lao communities 1998 – 2003 (in '000 USD)

No.	Country	Year					
		1998	1999	2000	2001	2002	2003
1	Austria		1,068	1,104	1,593	1,523	3,334
2	Belgium		14,590	15,054	854	14,896	20,550
3	Bulgaria		53	151	14	177	9
4	Canada		1,951	1,450	1,848	2,156	4,332
5	China		9,553	6,421	7,457	9,648	11,201
6	Cuba			2	0.70		
7	Czech Rep.		1,358	792	534	365	822
8	Denmark		657	1,158	625	667	545
9	Finland		2,774	2,071	2,450	1,213	1,030
10	France		23,940	36,426	43,873	45,637	47,400
11	Germany		29,381	22,940	27,852	23,360	26,259
12	Greece	283	351	175	454	337	
13	Hongkong (China)		64	455	122	69	146
14	Hungary		1,081	1,375	1,429	879	760
15	Iceland		18	48	88	28	54
16	India				38	148	
17	Indonesia		111	1,159	203	177	3,321
18	Ireland	429	518	1,847	1,181	1,400	
19	Italy		6,485	9,885	11,876	11,268	11,445
20	Japan		13,607	11,959	6,932	6,722	7,413
21	Luxembourg			16	0.70	156	
No.	Country	Year					
		1998	1999	2000	2001	2002	2003
22	Malaysia		45	50	312	386	169
23	Netherlands	5,849	9,472	11,651	9,874	10,884	
24	New Zealand		19	14	38	22	148
25	Norway		2,955	2,688	2,979	2,695	1,686
26	Pakistan						342
27	Philippines			6	25		
28	Poland			65	686	1,608	4,299
29	Portugal		469	116	198	180	
30	Rep. of Korea		1,650	572	480	109	150
31	Romania		37	12	53	60	121
32	Russian Federation		51	42	33	160	154
33	Slovakia		118	452	295	143	60
34	Slovenia		102	128	115	191	160
35	Spain		7,454	6,695	4,807	5,863	5,258
36	Sri Lanka		7				
37	Sweden		575	821	1,005	743	4,060
38	Switzerland		2,864	4,514	2,472	1,679	2,837
39	Thailand		56,451	74,819	89,057		103,784
40	Turkey		297	604	42	238	464
41	Ukraine			14	24		
42	United Kingdom		13,777	7,783	10,215	15,104	21,199
43	USA		13,311	10,349	4,049	2,751	4,449
44	Viet Nam	47,877	197,384	59,073	68,028	62,582	

Lao's world market share

17 This sub-index calculates Lao's world market share in each individual product group against Lao's overall world market share. In 2003, Lao PDR represented 0.004% of total world trade. A product group with a world market share above that number represents an "over-performer", suggesting a competitive sector. Those below 0.004% are considered to be relative "under-performers".

18 Complete results are presented in Table 2 and are summarized below. Lao PDR has a substantial world market share in tin ores and concentrates (2.2%), gum (0.6%), rattan and coffee (0.2% each), medicinal herbs, wood products, and coal. Lao's world market share is below the average of 0.004% of total world trade for beer, handicrafts, rice, wine and other alcohol, and bamboo products.

Lao's trade balance

19 The second sub-index for Lao's current export performance uses the trade balance as an indicator to gauge the efficiency of the productive capacity of industries. The trade balance for a product group is calculated as the difference between exports (X) and imports (M). If exports exceed imports representing a trade surplus, national production exceeds national consumption. All things being equal, this suggests that the industry has efficient productive capacity and can be considered competitive. In contrast, if exports are lower than imports, representing a trade deficit, national production is not sufficient to cover national consumption. Rather than presenting the trade balance (X-M) in absolute terms (e.g. US dollar), it is presented relative to the industry's total trade (X+M). This reduces bias against large industries, which tend to have either strong deficits or surpluses.

20 The following industries are almost exclusively exported and not imported at all: tin ores and concentrates, rattan, medicinal herbs, coal, wood, cardamom, tea, zinc ores and concentrates, handicrafts, wood products, gum, coffee, and clothing (Table 2). On the other hand, available statistics suggest that Lao is a net importer for rice, beer, bamboo products, and wine and other alcohol.

Table 3: Underlying indicators for the composite index "Lao's export performance"

	Export value** (USD million)	Export value growth** (% p.a.)	Export volume growth** (% p.a.)	Import value** (USD million)	Net export value** (USD million)	Country's world market share, %	Sub-index* Lao's world market share	Relative trade balance (X-M) / (X+M) in %	Sub-index* Relative trade balance	Index* Export performance
Tin ores and concentrates	1.9			0.0	1.9	2.17	5.0	100	5.0	5.0
Gum	1.3	0.0	-2.6	0.0	1.3	0.65	2.2	98	4.9	3.6
Rattan	0.1	82.0	10.4	0.0	0.1	0.20	1.4	100	5.0	3.2
Medicinal herbs	1.4	-24.0	-1.0	0.0	1.4	0.15	1.3	100	5.0	3.1
Coal	2.0			0.0	2.0	0.14	1.3	100	5.0	3.1
Wood products	91.0	21.4		0.5	90.5	0.15	1.3	99	5.0	3.1
Coffee	12.2	-22.0	-8.6	0.3	11.9	0.17	1.3	95	4.9	3.1
Wood	6.7	-15.3		0.0	6.7	0.08	1.1	100	5.0	3.1
Cardamom	0.0			0.0	0.0	0.02	1.0	100	5.0	3.0
Tea	0.1	91.1	6.0	0.0	0.1	0.01	1.0	100	5.0	3.0
Clothing	148.0	16.5		4.7	143.3	0.08	1.2	94	4.9	3.0
Zinc ores and concentrates	0.1			0.0	0.1	0.01	1.0	100	5.0	3.0
Handicrafts	0.1			0.0	0.1	0.00	1.0	100	5.0	3.0
Live bovine animals	2.1			0.1	2.0	0.06	1.1	90	4.8	2.9
Vegetables	2.0			0.1	1.9	0.05	1.1	89	4.8	2.9
Processed fruits and vegetables	1.0	118.0	94.4	0.2	0.8	0.02	1.0	64	4.2	2.6
Other agricultural products	3.2		22.6	1.2	2.1	0.01	1.0	46	3.8	2.4
Wine and other alcohol	0.1			0.4	-0.2	0.00	1.0	-49	1.7	1.4
Bamboo products	0.0			0.1	-0.1	0.00	1.0	-50	1.7	1.4
Beer	0.1	-4.0		0.5	-0.5	0.00	1.0	-78	1.1	1.0
Rice	0.1	14.0	8.8	1.3	-1.1	0.00	1.0	-82	1.0	1.0

* Indices range between 1 (lowest ranking) and 5 (best ranking).

** For information only

Source: TradeMap, calculations by ITC.

Given these features, broadening the industrial basis and diversifying the export base is a major issue for Lao PDR.

2. Assessment of National Competitiveness and Constraints

21 In assessing Lao PDR's international competitiveness, greater importance has, in Lao PDR's case, been attached to its ability to adopt/absorb imported technologies, rather than its ability to innovate new technologies. Turning Comparative into Competitive advantages is more and more important for LDCs to develop their export capacity given the trends of world trade. Increasingly, success in export markets is, determined not by factor and resource-based advantages but through competitive advantages at the national, sectoral and enterprise levels.

22 In Lao PDR, the performance of the key sectors is based on factors of comparative advantage, mainly low labour costs (e.g. garment industry) and raw materials (e.g. wood, electricity). In fact, a major share of formal export trade is generated by the labour and natural resource-intensive industries. These are typically low value-added products requiring low technology content that depend on low cost labour (often with low capacity to adapt to new skills) and imported materials.

23 Whilst Laos still needs such bases of comparative advantage, the country must start gearing itself to developing niche s of competitiveness. To achieve this, focus has to be put on improving the productivity of the labour force (e.g. through vocational training), the use of incentive systems that reward productivity, upgrading of production, and quality assurance systems that build quality into each production process.

24 The future sustainable competitiveness of Laos will come from improving the productivity of its people through education, training, and capacity building. There is an urgent need to invest in more language training, computer training and basic business skills. Apart from this, it will be necessary to invest in more specific areas such as marketing training, design and industry specific schools such as tourism and hospitality.

25 **National Business Environment.** Despite these reforms and despite that the trade and industrial trade policy regime is gearing toward export orientation, economic growth can at best be described as sluggish. The economy is weighed down under two digit inflation rates (14.5% in the year 2002-2003, 12.2% in the year 2003 – 2004), budget deficits and high interest rates. One of the effects of this has been rising production costs, rendering Lao industry less competitive. Moreover, the business operational environment is still not deemed as supportive to industry. Limited market access coupled with complex and costly official procedure, dampen entrepreneurship and curb the export growth potential. Certain sectors are still heavily protected. Some producers are recipients of import control protection. As a consequence, these sectors are the least likely to engage in export, are inefficient and uncompetitive and have low quality criteria (such as the Lao Cement industry). Companies must eventually be prepared to operate under conditions of competition.

26 FDI has a growing impact on world trade and plays an important role in transferring know-how and competences. While the capital it provides could be replaced from domestic sources, market knowledge and presence and potential role in transferring technology and competences (through a demonstration effect) are hard to obtain from domestic sources. In October 2004, Lao PDR passed new legislation relating to FDI promotion. It is essential that such promotion focus particularly on sectors that are considered as priorities. Although improvements have been made to the package of incentives offered, the investment–approval process needs to be further streamlined so as not to discourage potential investors. In 2003 – 2004, foreign direct investment exceeded USD 502 million – a 94.7% increase over the previous year. More than half (USD 303.7 million) went into the mining industries. Whilst this provides employment opportunities, only few value-addition and value-retention activities are carried out in Lao PDR. Other notable sectors that attracted FDI include agriculture (USD 75.6 million), industry and handicraft (USD 28.7 million), telecommunications (USD 25 million)

and services (USD 7.5 million)¹. To date, investment has not necessarily ensured maximum benefit for the export sector. More coordination with the trade promotion agencies and with overseas representatives is necessary to obtain maximum impact and to attract investment in the priority sectors.

27 Policy and Institutional environment: Most of the available support is of a generic nature and there are significant gaps in meeting the needs of current exporters, aspiring exporters and potential exporters. Whilst the Ministry of Commerce has the mandate of Government to oversee all matters related to foreign trade and has branches in all eighteen provinces, it is clear that more effective coordination and more consultation with the business sector is required.

28 Competitiveness and export development arise from a complex and dynamic interaction between the state, enterprises and intermediate institutions, along with the ability of industry to organize itself. This means that ultimately, national economic performance is influenced by the aggregate institutional framework in the nation. International trade requires the direct or indirect input of an extensive network of players (such as banks, insurance companies, freight agencies, certification and standards bodies, customs authority, information providers, etc). One or more weak links in the chain of institutions involved in the trading cycle can lead to national competitive disadvantages and can create difficulties for existing exporters, aspiring exporters and potential exporters alike.

29 Economic Diversification and Innovation: Given the Lao context, economic diversification and innovation can be fostered by focusing on the natural trends and opportunities of Lao producers to target niche markets, such as organic products, cultural handicrafts, medicinal herbs, but particularly through extending the national components of the value chains of existing sectors.

30 Further diversification is essential for Lao PDR to reduce risk, capture and retain more value in the country, and to broaden the country's opportunities. In this context, sectors such as tourism, organic agro-products, medicinal herbs, logistics and furniture manufacturing provide significant potential. This must be accompanied by a re-evaluation of resources (natural, cultural, products, etc.) is necessary, especially at village level in order to build awareness on the importance of rationalizing exploitation of resources for enhancing economic diversification and innovation.

3. Current Government Policy and Strategy in Support of Export Development

31 During the past few years, the Lao Government has been proactively introducing policies and strategies to strengthen industrialization, develop exports and develop a better legislative and administrative environment. Amongst the more notable ones are:

32 Industrialization and Modernization Strategy 2001 – 2020 proposes the set up of policy and regulations to:

- promote export trade, border trade, free trade areas,
- protect market access,
- address anti-dumping,
- enhance quality control of goods and services
- strengthen consumer protection.

Several cross-sectoral initiatives are identified in this strategy, with particular emphasis on trade and market information and electronic trade.

33 National Growth and Poverty Eradication Strategy (NGPES) 2004 emphasises the role of international trade, the development of the export sector and the fostering of an operational environment which is business-friendly.

¹ Department of Domestic and Foreign Investment (2004)

34 FDI Promotion Legislation 2004 introduces improvements to the package of incentives offered and targets export-oriented sectors, such as:

- agriculture, forestry and handicrafts,
- manufacturing, especially technology sectors,
- tourism and transshipment.

4. Budgets, Resources and the Trade Support Network: Capacity and Coordination

Resources of existing institutions under the Services Delivery Network in Lao PDR are summarized below:

35 FINANCE: All public institutions are financed through government budget, which is usually not sufficient. There are a few institutions that receive grants from international donors. Whilst regular government budget needs to be strengthened, it is pertinent to note that private institutions are financially autonomous and have a certain level of sustainability. Public institutions they need to generate their income by providing better services to the business community.

36 FACILITIES: Due to financial constraints, needed supportive facilities of public institutions are not sufficient in terms of space and physical infrastructure. Necessary office equipment (computers, telecommunication, internet access) is absent, particularly in the provinces. In certain instances, better management (usage, maintenance) of existing trade related facilities is essential e.g. exhibition hall of the Ministry of Commerce, websites of LTPC with regular updated information, national library, NERI's data center, business meeting facilities, etc.

37 PROGRAMMES: Few government support programmes are available. Those programmes are usually too generic to be useful. There is an acute need for improving coordination between different assistance programs.

38 PERSONNEL: Most institutions have insufficient numbers of adequately trained staff. There is a general lack of expertise and experience in providing advisory support and services to enterprises.

39 There is urgent need in training and capacity building to deliver trade support services to exporters, particularly in the area of trade information, export / import procedures, marketing advisory services, trade finance, standards and quality, branding and packaging, business opportunities and information on market access.

40 Similarly, most ministries/agencies lack the necessary resources (financial, facilities, programmes, expertise). This has an impact on the performance and efficiency of their work.

5. Recapitulation: National SWOT Analysis

<p>Strengths</p> <ol style="list-style-type: none"> 1. member of ASEAN 2. political stability 3. low labor costs 4. low electricity cost (US\$US\$0.06/kwhr) and low raw water cost (US\$0.015/m3) 5. diligent workers with good attitude 6. no labor issues, good relationship between management and workforce 7. some companies are well organized and have good working system 8. <u>no restrictions on expatriates working in Lao</u> 9. Large and productive arable land with low population density (24 inhabitants per square km) 10. Market access, e.g. EU and other GSP granting countries 11. extensive under-utilized capacity to add value e.g. organic products, agro-business, eco-tourism, sericulture, etc. 	<p>Weakness</p> <ol style="list-style-type: none"> 1. <u>poor banking services</u> 2. <u>lack of technical and management personnel</u> 3. Lao is a landlocked country with no seaport, thus Lao has to pay high transit costs to seaport. 4. low literacy rate (despite primary education) 5. low productivity rate 6. <u>low marketing and branding skills</u> 7. <u>lack of training-institutions to provide necessary technical knowledge</u> 8. <u>no formalized knowledge-transfer from expatriate</u> 9. poor education system and course provided are not aligned with industry needs 10. no management and dissemination on global market information 11. <u>few knowledge about competitors</u>
<p>Opportunities</p> <ol style="list-style-type: none"> 1. product diversification 2. new job creation 3. NTR status for market access to USA. 4. enjoy GSP benefits for exports to Canada, Australia/NewZealand, Japan, South Korea and EU 5. <u>technology and knowledge transfer from the more developed industry in ASEAN and neighboring countries</u> 6. to attract foreign investors through a more attractive investment environment 7. to encourage foreign investors to transfer knowledge and skills via formalized <u>training</u> agreements 8. to encourage investors to build the infrastructure through creative investment strategies 9. to have dialogue with/encourage existing investors on expansion plans and EPZs development 10. Investment and development in backward linkages and clustering 	<p>Threats</p> <ol style="list-style-type: none"> 1. Lao has a small population, thus it is hard to compete with <u>China's</u> massive labor market. 2. there are many <u>highly skilled</u> competitors in the world 3. importation of <u>equipment and spare parts</u> is subject to approval from various government agencies (DDFI, Customs Dept, Commercial Dept, Industry Dept) An average of two weeks for customs clearance is expected 4. inadequate <u>banking services</u> in terms of finance and letter of credit facilitation 5. <u>Lao exports</u> do not have <u>trademark or intellectual property rights</u> are weak 6. Lack of <u>incentive</u> to develop and support <u>domestic</u> industry 7. Monopolist of the few major state enterprises players.

Part III: The Strategy Design Process and Paradigms

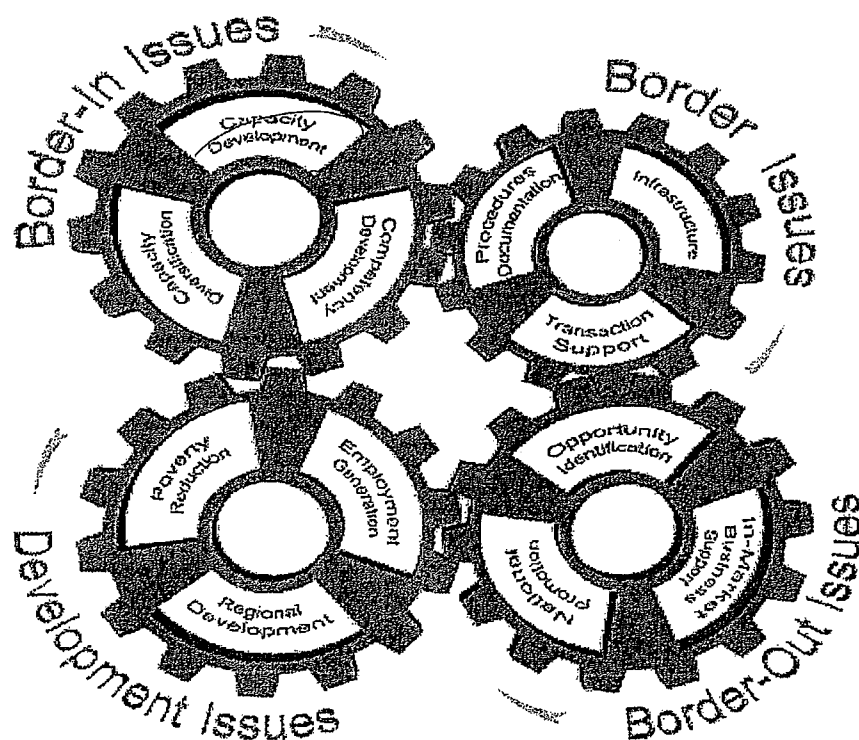
1. Scope of the Analysis – The Four Gears of Strategy

41 To become more internationally competitive, and to stimulate the development of the export sector, requires a comprehensive approach – one that addresses the impediments to competitiveness and that takes advantage of opportunities for enhanced export performance.

42 The Lao's National Export Strategy 2006 – 2008 adopts ITC's 4 – Gears of National Export Strategy model (Figure 1) as a basis for its strategic scope i.e.:

- "Border-in" (supply-side issues): focusing on production capacity, productivity, quality, technology development, management and export marketing competencies, and competency within the trade support network to assist enterprises in supply-side matters;
- "Border" (operational issues): focusing on a developing a business environment that is internationally competitive, on reducing the costs of the trade transaction, on streamlining official procedures and documentation, and on infrastructure;
- "Border-out" (demand-side issues): focusing on identifying commercial opportunities abroad, provision of in-market support, promotion of the country and its sectors, promoting export-oriented foreign direct investment and technology/know-how-transfer; and
- "Development": focusing on employment generation, poverty reduction and regional development.

Figure 1: The NES 4 – Gears



43 Apart from developing strategies to improve the competitiveness of the various product and service sectors, the strategy must also address cross – sectoral issues such as:

- Trade Information,
- Trade-Finance,
- Quality management,
- Competency Development, and
- Trade Support Network.

44 Simultaneously, related trade policy measures and the investment promotion regime must be attuned to the national export strategy.

2. The Public – Private Partnership – Balancing Top Down with Bottom Up

45 In order to make the NES relevant to the needs of the industry and realistic in terms of resources available (finance/human resources) a consultative process between the public sector and private sector as well as the relevant NGOs was initiated and maintain throughout the strategy design processes. It is strongly recommended that this process of consultation be maintained and strengthen through the implementation and monitoring phases.

46 While the Ministry of Commerce has assumed the role of coordinator, this consultative process has enable working group to identify competitiveness constraint and to come up with the agreed possible solution. In short a process has enable structure dialogue that combines a top down with a bottom up approach. Best practice suggested that the public sector set strategic priority among sectors while the private sector set strategic priority within each sector. This combines the private sector short-term commercial objectives with the public sector long-term development objectives and address issues at the macro, meso, and micro level simultaneously.

3. Application of the Value Chain

47 Sector level strategy is at the heart of the National Export Strategy. In this respect, sectoral value chains provide the basis for determining the focus of sector-level strategy. The ultimate objective is to:

- Improve efficiency within the national component of the value chain (thereby enhancing the sector's competitiveness);
- Retain and add value by adjusting and reducing leakage from, the national component of the value chain;
- Increase value-addition and create value by entering new value chains within the sector, or related sectors, and
- Improve the sector's direct contribution to such national development goals as employment generation, poverty reduction, rural and regional development, gender issues and sustainability of the environment.

48 These value-related considerations are the drivers of the sector's future orientation. The following are assessed:

- Compliance with the market's critical success factors;
- Bottlenecks to competitiveness and export growth;
- Opportunities to retain, add, add create value; and
- Adequacy of trade support services.

49 The value-chain is applied to identify opportunities for the sector (see Figure 2).

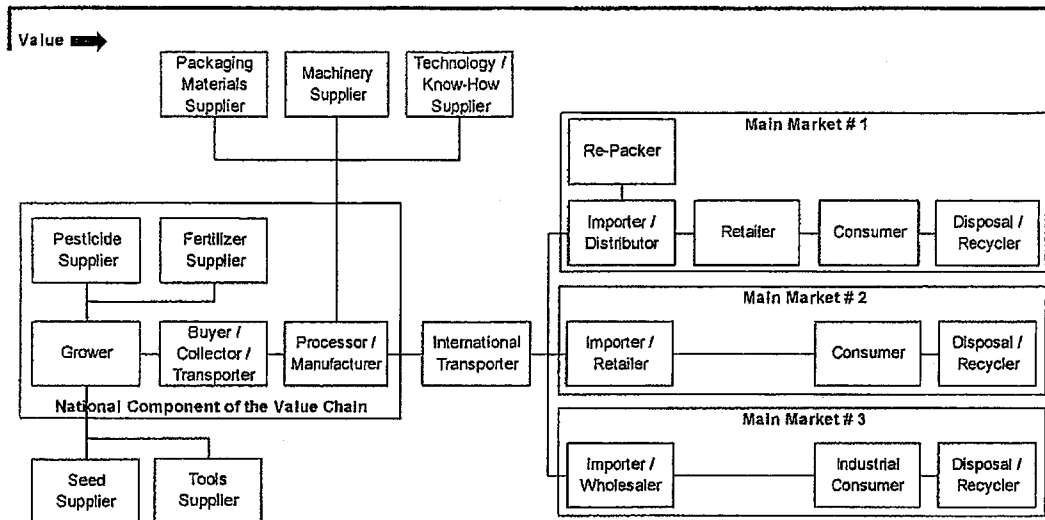


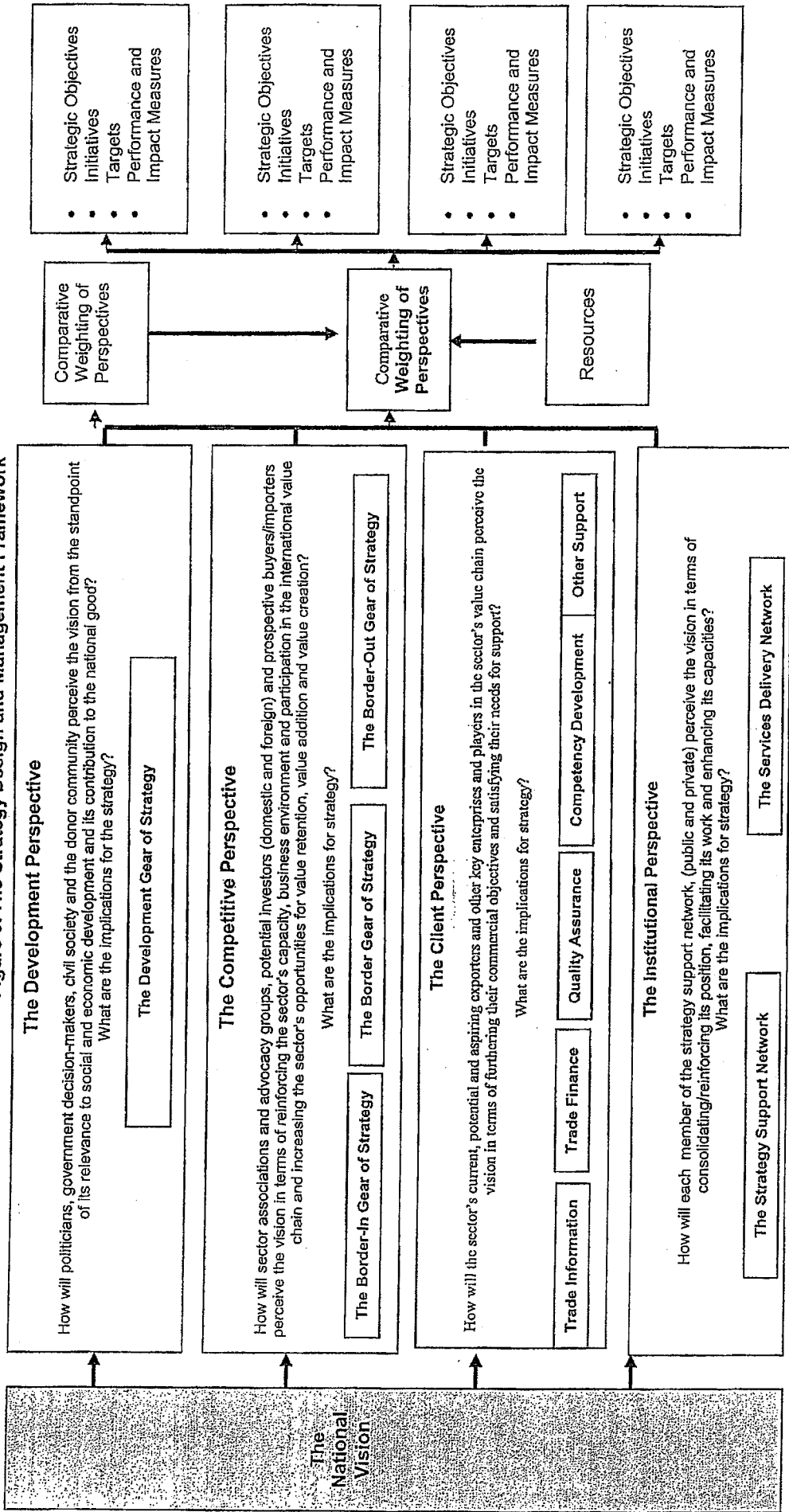
Figure 2: Generic Value-Chain

Detail elaborated value – chain of each sector proposed in the NES is attached in annex with their respective sectoral strategy.

4. Strategy Management Framework (Perspective Weighting, Prioritization and Impact Measurement)

50 The recommended framework for managing the strategy's implementation is based on the ITC's proposed outline (see Figure 3).

Figure 3: The Strategy Design and Management Framework

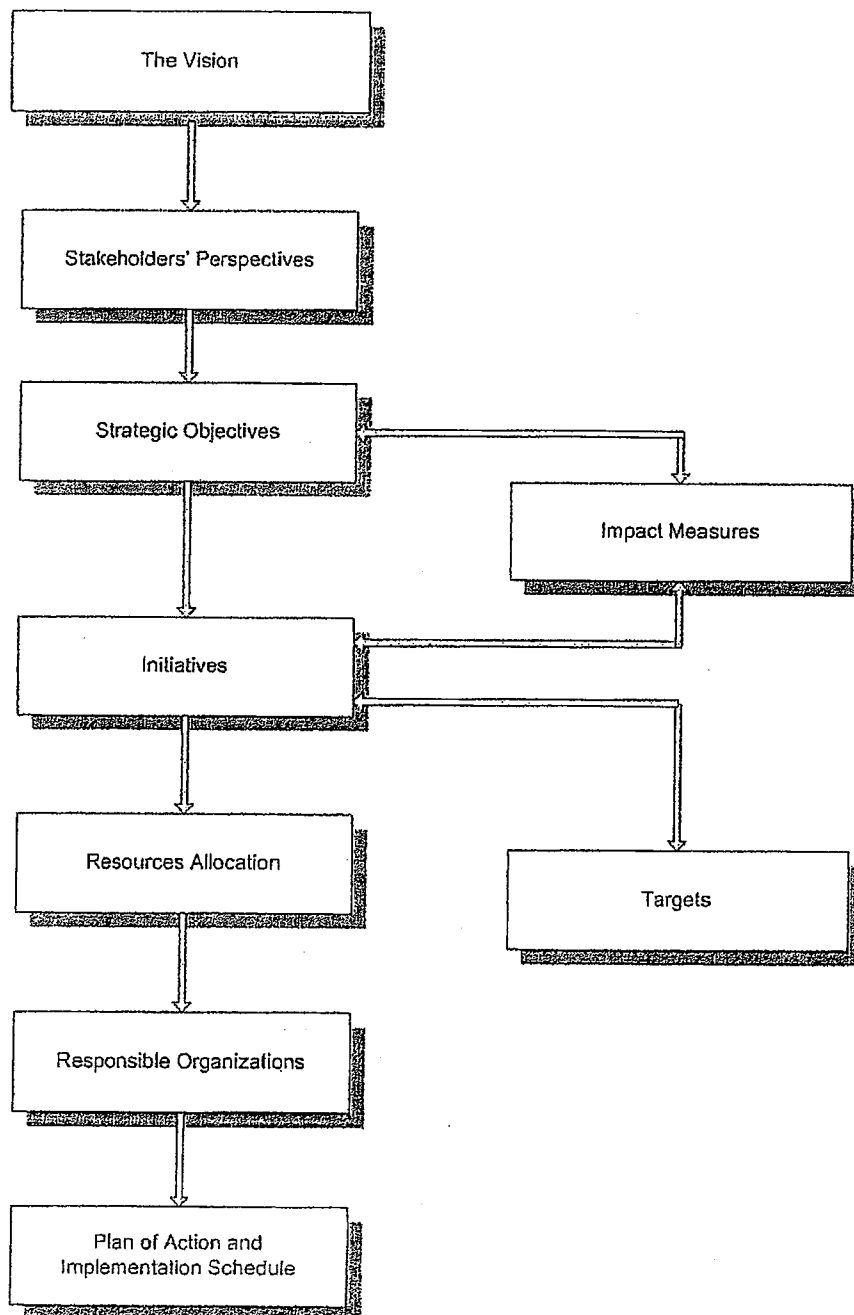


51 The strategy design and management framework involves:

- Ensuring that all major stakeholders relate to the strategy, and share ownership of the strategic vision;
- Assigning a relevant weighting to each stakeholders' Perspective proportional to its importance (as agreed by the Team); and
- Ensuring that Targets are set for each Strategic Initiative, and that Measures are specified by which these Targets will be monitored and the Impact of Strategy assessed. The next section will elaborate more in detail the weighting of each perspective.

The logical framework applied to develop the National Export Strategy is shown in Figure 4.

Figure 4: The Logical Process of Designing NES



Part IV: The Way Forward – The 2006 – 2008 Export Development Strategy

A. A Three Years Rolling Strategy:

52 In light of the resources (finance) constraints to implement the strategy, this strategy is designed as a three years rolling strategy which will provide flexibility to adapt to changing economic and political environment within and outside Lao PDR. Further, the NES needs to be incorporated in the next five years NSEDP currently being prepared by the Lao government.

B. The Development Perspective (weighted 35/100)

Strategic Consideration # 1: The Development Gear of Strategy - Maximizing the Direct Contribution to Overall Economic and Social Development

53 The NES is a strategy for all Lao citizens. The main objective of the NES, behind Export Development, remains in contributing to the development of Lao PDR from a socio economic point of view.

54 Export development through better competitiveness is a proven way to reduce economic gaps. Indeed, it is seen here as a way to ensure sustainable development.

55 The main objectives of the strategy considering the development issue remain in improving the condition of living of the people in remote areas and more generally in the provinces; in contributing to employment and income generation; in encouraging the participation of women entrepreneurs.

56 To achieve those objectives, it is crucial that all stakeholders, including government decision makers, private sector and donor community work together within an agreed and accepted framework. This strategy will provide such framework.

a) Provincial and remote areas development:

- Upgrade regional physical infrastructures to support emerging sectors such as Tourism, and strengthen existing sectors such as Agriculture, handicraft...
- Establish clusters in provincial areas to develop capacity
- Implement export oriented projects in remote and provincials areas.
- Encourage business alliance at local level
- Improve the cross provincial networks

b) Contribution to employment and income generation:

- Support and strengthen the key employing sectors (Garment, tourism and wood).
- Following the value chain approach, further develop the processing industry for already produced goods.

c) Contribution of women:

- Encourage and strengthen women entrepreneurship
- Enhance women role by linking the cottage production at village level with export industries.

C. The Competitive Perspective (weighted 25/100)

57 Currently, Lao PDR competitiveness mainly depends on preferential market access in some countries and comparative advantages due to its low level of development (cheap labor) or to its abundant natural resources.

Given the international environment and the quick development of the neighboring countries, new sources of growth have to be developed and the existing base (even narrow) have to be strengthen.

58 Moreover, given the yet limited capacity of both exporters and government officials in export related issues, the NES can not only be designed around export promotion for market access, but needs to incorporate a comprehensive approach which incorporate the "4 Gears" e.g. competency development, diversification and quality.

Strategic Consideration # 2: The Border-In Gear of Strategy - Developing the Supply Side

59 In order to urgently fill the gap between the supply side capacity and the demand of the markets destinations, the NES calls for action plans at sectoral level to be taken by all stakeholders. This includes:

- Developing the production capacity: this involves upgrading the skills of the workers, the production techniques, the use of upgraded technology and the product design capacity.
- Rationalizing and strengthening the business associations with the objective to allow small scale producer to participate directly and actively in the international trade.
- Continuing to promote investment with a stronger focus on the processing side
- Linking the academic institutions to the private sector in order to ensure that the newly graduated students have the relevant skills to respond to the needs of the companies.

Strategic Consideration # 3: The Border Gear of Strategy - Improving the Business Environment and Minimizing the Cost of Doing Business

60 Trade Facilitation in Lao PDR is still an issue for exporters. In order to ease the export procedures and facilitate the export process, the strategy is considering the following:

- Improve the infrastructures at border point in order to offer relevant export services (warehousing...)
- Align export regulations to the neighboring countries
- Lower the number of export procedures
- Rationalize the custom classification and tax schemes

Strategic Consideration # 4: The Border-Out Gear of Strategy - Improving Market Access and Exploiting Commercial Opportunity

61 Lao PDR, even not being yet a member of WTO, has adequate market access conditions. Nevertheless, it is essential to consider export promotion as a key issue of the NES, in order to improve the image of Lao products and to create new market opportunities. In this regard, the strategy is aiming at:

- Strengthen the standardization body with the objective to later have a comprehensive certification scheme for Lao products (Made in Laos)
- Strengthen the capacity of the companies in Trade Fair participation.
- Continue the efforts made to set up an e-commerce portal in Lao PDR.

Strategic Consideration # 5: Prioritization of Export Sectors - Maximizing Value-Retention, Value Addition and Value Creation

62 While the NES is aiming at benefiting to all sectors in the economy, the focus is principally put on these six priorities. This prioritization is the result of a consultation with all stakeholders at the initial launch of the strategy design. These priority sectors are:

- Garment
- Handicraft
- Medicinal Plants and Spices
- Organic Agricultural Products
- Wood and Wood Products
- Tourism

63 These sectors are the main engines for employment generation and poverty alleviation, and offer the best export potential. The detailed studies for these sectors can be found in the annexes.

D. The Client Perspective (weighted 20/100)

Strategic Consideration # 6: Prioritization of Clients (national and sectoral)

64 The enterprises in Lao PDR have different level of development and sophistication. Thus, they have different needs to engage in export or strengthen their export orientation. The NES consider different level of "clients" and propose a comprehensive approach.

- For the Current Exporters:
 - o Improvement of their capacity to meet foreign market requirements
 - o Assistance to upgrade their products
 - o Access to affordable trade counseling
 - o Improvement of trade formalities
 - o Improved accessibility to cheap inputs

- For Aspiring and Potential Exporters:
 - o Creating awareness on benefits of export
 - o Stimulating entrepreneurship
 - o Facilitate linkages with international market
 - o Provision of information and guideline to go for export

Strategic Consideration # 7: Trade Information/Commercial Intelligence

65 Trade information shortage is identified as a major constraint to export by Lao entrepreneurs. Indeed, timely commercial information is a must in order to be able to make wise commercial choices and take accurate decisions. Focus will be put on:

- Strengthen the capacity of Government organizations to collect and manage Trade Information
- Set up formal distribution channels
- Strengthen the capacity of the companies to identify their needs in terms of Trade Information
- Strengthen the capacity of the companies to efficiently manage and treat the Trade Information
- Consider the role of overseas commercial attaché and rationalize their contribution
- Later deliver value added services by professional staffs

Strategic Consideration # 8: Trade Finance

66 In order to expand export capacity and enhance skills to engage in export the enterprises need financing support. Currently, there are several constraints and focus will be put on:

- Building competency within the Banking sector in Risk analysis to rationalize the credit delivery
- Improve skills of the entrepreneurs to build up business plans
- Increase access to microfinance for small and medium enterprises

Strategic Consideration # 9: Quality Assurance and Conformity

67 Quality certification and standards are key issues for exporting. Indeed, this sector being at an infant stage in Lao PDR, the following actions are foreseen:

- Provide sufficient equipment and laboratory facilities
- Upgrade skills and know how in the area of Quality
- Establish domestic certification programs to meet international standards
- Conduct awareness programs and training on quality management directly aiming at exporters/producers.
- Encourage the implementation of ISO standards
- Adopt and implement of CODEX Alimentarius Food Standard for the Agricultural sector.

Strategic Consideration # 10: Competency Development

68 Human Resource development is a must to ensure a sustainable development. Indeed, it is essential to develop specific competency at the enterprise level to ensure that they can operate successfully and competitively in the international marketplace, and better meet the demand of buyers. The needs are critical in the following areas:

- Production quality to comply with international regulations
- Proper handling of product (agriculture)
- Product design
- Labeling and packaging
- Logistic management to assist exporters to bring products to the international market
- Networking, strategic alliance and negotiation skills
- Management skills (market research, use of information, marketing, export management)

E. The Institutional Perspective (weighted 20/100)

69 Developing export requires putting in place a range of trade support services (trade information, trade promotion, etc.) to assist the exporters.

70 The "trade support network" (TSN) in Lao PDR is not yet formally established and thus, not carrying out its duty properly.

71 This trade support network has to be structured and acquires new competencies. Duplications have to be avoided thanks to stronger coordination among line ministries.

72 To be properly implemented and ran, the TSN has to be lead by a formalized "leader" having the responsibility to follow up and link ministries activities together with private sector initiatives.

73 Moreover, the NES process must be coordinated at the implementation stage. This calls for a partnership between the public and the business sectors involving all key stakeholders in such a TSN. Such a partnership must be formalized to ensure a formal commitment from all actors. ITC, based on its experience, recommend the establishment of a National Export Council that has a legal mandate to:

- Coordinate the implementation of the strategy
- Insure that resources for the implementation of the public sector contribution to the strategy are available
- Monitor strategy implementation and assess performance and impact
- Review and adapt the strategy according to the progress made and the evolution of the national and international contexts.

74 The strategy, apart from the establishment of a proposed NEC, will undertake the following:

- Strengthening existing trade support institutions at national and provincial levels
- Strengthen the current trade information capacity
- Establish or strengthen an operational trade support network at the national level between government, trade support institutions, business associations and exporters

Part V: Strategy Management

1. Institutional Approach

75 The National Export Strategy implementation requires an on-going and effective public-private sector partnership. It is therefore essential that leadership be confirmed, neutral, and sustained. A National Export Council as previously mentioned in Part IV appears to be the best solution in this regard.

76 A National Export Council shall be given a formal mandate to insure stature and credibility and shall be held responsible and accountable with line ministries, and be tasked to:

- Ensure a consistent and consensual business sector 'Voice' – the Government must respond to business sector's willingness to support its strategy, it must reciprocate the offer of collaboration –
- Ensure the Government live up to the responsibility and accountability of paying heed to the private sector and of ensuring that the available support and related regulation correspond to those needs of the private sector;
- Refocus the role of the Lao Trade Promotion Center – strengthen the role of LTPC at the operational, not the strategic, level. LTPC should therefore focus on its core business – that of pro-active and responding to the demands and needs of enterprises. Its most important role is to coordinate the services delivery network, i.e., coordinating the delivery of those trade support services upon which national competitiveness is dependent. It must also be given the authority to coordinate such relationship;
- Ensure the NES developmental objectives of the public sector tight-knit with the commercial objectives of the private sector, and that the strategy is relevant, realistic, and ultimately realized; and
- Financing the NEC – one of the greatest constraints to sustaining the partnership is lack of funding. Partnership implies joint action; joint action involves joint expenditure of resources – resources mean money. 'Best practice' suggests that joint action is best here, as well. A variety of schemes have been used to generate funds to finance the partnership's activities, including import/export levies, matching grants and import/export banks. The Response Paper suggested 100% funding from the donors at the inception, thereafter 50% of the operating costs from the private sector through taxes and/or levies and 50% from customer services.

2. Monitoring and Impact Measurement

77 To ensure that the implementation of the National Export Strategy remains coherent, the document calls for the following to be specified clearly, and be used as the basis for regular monitoring by the NEC:

- Strategic Objectives (what we want to achieve);
- Initiatives (how we will achieve our objectives);
- Responsible Institutions Public/Private (who's the driver/navigator);
- Resources to be Allocated (finance and human capital/political capital);
- Additional Resources Required (TA, soft loans, grants, IDA programs, etc.);
- Implementation Timeframe (by when we will launch and for how long);
- Targets (by when and how much); and
- Impact Measures (how we will know we are achieving our objectives).

78 In order to make the NES / "Balanced Scorecard" approach fully operative, a weighting were applied to each Perspectives and the appropriate Impact Measures has been determined for each strategic objectives under considerations addressed (following table).

The Weighting of the Perspectives and Impact Measures

Perspectives	Weighting	Impact Measures
Development	35/100	0
Competitiveness	25/100	0
Client	20/100	0
Institutional	20/100	0

79 The NES arrived at the weighting and measures from the results of the consultative processes with stakeholders during the first symposium (Response Paper) on May 12, 2005. Country's circumstances and competitiveness constraint were the main focus of the strategy Response Paper.

80 For simplicity and accuracy of measuring the strategy impact, a simple checklist is shown on Tables 1.1 and 1.2.

Table 1.1: Simple Scoring Checklist

0 =	Didn't Start	1 =	Below Target
2 =	Meet Target	3 =	Exceeded Target

Table 1.2: Impact Measures Checklist

The Development Perspective (weighting = 35, measures = 0)		
Strategic Consideration	Measures	Score
Development Issues		
1. Provincial Development	1.	0
2. Employment Generation	2.	0
3. Gender Issue	3.	0
Sub-Total (max. score = 3 x 3 = 9)		0
Score for this perspective (0/9 = 0) (0 of 35)		0

The Competitiveness Perspective (weighting = 25, measures = 0)		
Strategic Consideration	Measures	Score
Border-in Issues		
1. Developing Supply Side	1.	0
Border Issues		
1. Improving the Business Environment / Minimizing the Cost of Doing Business	1.	0
Border-out		
1. Improving Market Access and Exploiting Commercial Opportunity	1.	0
Targeted Sector		
1. Maximizing Value-Retention, Value Addition, and Value Creation	1.	0
Sub-Total (max. score = 4 x 3 = 12)		0
Score for this perspective (0/12 = 0) (0 of 25)		0

The Client Perspective (weighting = 20, measures = 0)		
Strategic Consideration	Measures	Score
Prioritization of Clients (national / sectoral)	1. 2.	0 0
Trade Information / Commercial Intelligence	1.	0
Trade Finance	1.	0
Quality Assurance	1.	0
Competency Development	1.	0
Sub-Total (max. score = 6 x 3 = 18)		0
Score for this perspective (X/18 = 0) (0 of 20)		0

The Institutional Perspective (weighting = 20, measures = 0)		
Strategic Consideration	Measures	Score
Strategy Support Network	1. 2.	0 0
Sub-Total (max. score = 2 x 3 = 6)		0
Score for this perspective (X/6 = 0) (0 of 20)		0

81 The recommended checklists suggest two (2) to three (3) measures (3 max.) for each strategic consideration. Considering the availability of resources (finance and human capital), it is unrealistic and undesirable to have higher number of measures, as the NEC may become over burdened with too much initiatives to coordinate.

82 The hypothetical example for measuring the overall assessment of the strategy implementation is shown on Table 1.3 below.

Table 1.4: Sample Overall Assessment of Strategy Implementation

Scores	Impact Assessment	Weighting
Development Perspective	(Score/max score) x weighting	35
Competitiveness Perspective	(Score/max score) x weighting	25
Client Perspective	(Score/max score) x weighting	20
Institutional Perspective	(Score/max score) x weighting	20
Total		100

• **Overall Assessment – Between**

- 80 to 100 – We're generally exceeding expectations, keep the momentum going
- 66 to 80 – The strategy is just about meeting or slightly exceeding expectations we need to work harder
- 33 to 66 – We're simply not implementing the strategy, we need to take step back and take a long, hard look at ourselves

83 It is utterly important to recognize and be reminded that ultimately **National Export Strategy DO NOT** implement itself. It must be formulated and implemented by institutions and organizations (public/private) that are comprised of people of virtue and integrity. At the heart of the NES' approach is the development of a public-private sector partnership in the formulation, implementation, monitoring, and refinement of the Lao National Export Strategy under the leadership of an autonomous organization, such as the National Export Council (recommended), Myriad institutions from public and private sector, international development agencies, donor countries, NGOs, as well as support agencies must have/play a role in its ultimate success.

Part VI: Resource Mobilization

1. Priorities

84 Given the Government limited resources (finance and human) and reflecting on sectors competitive and comparative advantage, NES will be [initially] focus on limited numbers of sectors (i.e., Garment, Organic Agricultural Products, Wood Products, Medicinal Plants and Spices, Silk Handicraft, and Tourism). Eventually all other productive sectors in the economy will be dovetailed into the NES, e.g., rubber, cashew, beans, etc. The primary reason these sectors were selected as priorities now, because they are the main engine for employment generation and poverty alleviation (rural/urban). Moreover they offer the best potential to be further developed for value addition, creation, and retention. Further these sectors will usher in the development of cluster which is greatly needed for Lao small-scale producer/exporter to be part of the intra- and inter-regional supply chain.

85 National budget allocations for export development are limited to payment of salaries for ministerial staffs. It is therefore fair to assume that sources of funding for implementation of the Strategic Objectives must be coming from the donors' communities and international development agencies.

86 Commitment and concerted effort from the, combined with appropriate and coordinated technical assistance (e.g., country strategy) from the international donor community such as: EU, WB, IMF, JEC/MPDF, AFD, ADB, UNDP, ITC, AusAID, NZAID, GTZ, etc. is prerequisite to launch and implement the National Export Strategy.

Part V: The Detailed Plan of Action

Work Plan and Management Framework for the National Export Strategy

Vision	<i>"The alleviation of poverty through the creation of employment and an improved standard of living for all citizens led by sustained growth in export performance, spurred by a competitive, innovative and consensual national business environment that stimulates development, encourages entrepreneurship and integrates Lao PDR within the global marketplace."</i>
Perspective Strategic Objective:	The Development Perspective Maximizing the Direct Contribution to Overall Economic and Social Development

Initiatives:	Responsible Institutions (Pub/Private):	Resources to be Allocated:	Additional Resources Required:	Implementation Timeframe:	Targets:	Impact Measures:
1) Provincial Development 2) Employment Generation 3) Gender Issue	NEC responsible and accountable with line ministries and to coordinate all TA with donors and private sector	HR resources and political capital	1) Financial 2) Country Strategy Programmes (EU, WB, IMF, IFC/MPDF, AFD, ADB, UNDP, ITC, AusAID, NZAID, GTZ, etc.)	First quarter 2006		

Work Plan and Management Framework for the National Export Strategy

<p>Vision</p>	<p><i>"The alleviation of poverty through the creation of employment and an improved standard of living for all citizens led by sustained growth in export performance, spurred by a competitive, innovative and consensual national business environment that stimulates development, encourages entrepreneurship and integrates Lao PDR within the global marketplace."</i></p>								
<p>Perspective</p>	<p align="center">The Competitiveness Perspective</p>								
<p>Strategic Objective:</p>	<p align="center">Capacity Development, Diversification, Reduce Cost of Doing Business</p>								
<p>Initiatives:</p>	<p>1) Developing the Supply Side</p>	<p>2) Improving the Business Environment and Minimizing the Cost of Doing Business</p>	<p>3) Maximizing Value-Retention, Value Addition and Value Creation</p>	<p>Responsible Institutions (Pub/Private):</p> <p>NEC responsible and accountable with line ministries and to coordinate all TA with donors and private sector</p>	<p>Resources to be Allocated:</p> <p>HR resources and political capital</p>	<p>Additional Resources Required:</p> <p>1) Financial</p> <p>2) Country Strategy Programmes (EU, WB, IMF, IFC/MPDF, AFD, ADB, UNDP, ITC, AusAID, NZAID, GTZ, etc.)</p>	<p>Implementation Timeframe:</p> <p>First quarter 2006</p>	<p>Targets:</p>	<p>Impact Measures:</p>

Work Plan and Management Framework for the National Export Strategy

Vision	<i>"The alleviation of poverty through the creation of employment and an improved standard of living for all citizens led by sustained growth in export performance, spurred by a competitive, innovative and consensual national business environment that stimulates development, encourages entrepreneurship and integrates Lao PDR within the global marketplace."</i>
Perspective	The Client Perspective
Strategic Objective:	Enhance the Efficiency and Competency by Focusing on Current Exporter and Potential/Aspire Exporter

Initiatives:	Responsible Institutions (Pub/ Private):	Resources to be Allocated:	Additional Resources Required:	Implementation Timeframe:	Targets:	Impact Measures:
<ul style="list-style-type: none"> 1) Trade Information 2) Trade Finance 3) Quality Assurance and Conformity 5) Competency Development 	<p>NEC responsible and accountable with line ministries and to coordinate all TA with donors and private sector</p>	<p>HR resources and political capital</p>	<ul style="list-style-type: none"> 1) Financial 2) Country Strategy Programmes (EU, WB, IMF, IFC/MPDF, AFD, ADB, UNDP, ITC, AusAID, NZAID, GTZ, etc.) 	<p>First quarter 2006</p>		

Work Plan and Management Framework for the National Export Strategy

Vision	<i>"The alleviation of poverty through the creation of employment and an improved standard of living for all citizens led by sustained growth in export performance, spurred by a competitive, innovative and consensual national business environment that stimulates development, encourages entrepreneurship and integrates Lao PDR within the global marketplace."</i>
Perspective	The Institutional Perspective
Strategic Objective:	Operational Trade Support Network

Initiatives:	Responsible Institutions (Pub/Private):	Resources to be Allocated:	Additional Resources Required:	Implementation Timeframe:	Targets:	Impact Measures:
1) Export Strategy Support Network 2) Trade Support Delivery Network	NEC responsible and accountable with line ministries and to coordinate all TA with donors and private sector	HR resources and political capital	1) Financial 2) Country Strategy Programmes (EU, WB, IMF, IFC/MPDF, AFD, ADB, UNDP, ITC, AusAID, NZAID, GTZ, etc.)	First quarter 2006		

5. Summary Report “Activity Implementation in the first six months of 2006–2007 and future direction for the final six months of 2007–2008” [DPTPの実行計画書 (案)]

Lao People’s Democratic Republic
Peace Independence Democracy Unity Prosperity
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Ministry of Industry and Commerce
Department of Production and Trade Promotion

No _____/PTP
Vientiane Capital, Date _____

Summary Report
Activity Implementation in the first six months of 2006 – 2007
and future direction for the final six months of 2007 – 2008

According to the Cabinet’s announcement of Industry and Trade Ministry no. 3063/CIT, dated 25 September 2007,

Followings are the summary report of the activities in the first six months of 2006 – 2007 implemented by the Production and Trade Promotion Department, its expected activities for the final sixth months of 2006 – 2007 and its future directions of 2007 – 2008.

Part I
Summary of Activities Implemented
During the first six months of 2006 – 2007 (from October 2006 – March 2007)

I. General Situation:

In order to achieve the VI National Social – Economic Development Plan of the VIII Party Congress, including implementation of 11 activity plans and 111 projects outlined by the government; to moving from natural based production into domestic product consumption to replace importation; and to step forward towards a wider network of international export markets in line with the government’s direction and plan for poverty reduction of multi ethnic people throughout the country to gradually moving out from underdevelopment status by 2020;

The Department of Production and Trade Promotion has previously implemented comprehensive activities and focused specifically on promoting processing industry, handicraft, agriculture and forestry. In addition to this, different forms of trade and export promotions have been carried out according to the roles and responsibilities of the Department. The promotion can be noticed through the continuous goods production with quality and quantity to response to the demand of domestic markets as well as to export to the international market such as: hydro power, rice, wheat, coffee, beans, industry and handicraft products, wood, and garment products, etc.

II. Political Views and Human Resource:

Under the leadership and guidance of the party and government, the Department’s leadership has paid close attention to develop and build confidence for technical staff in

the department to trust in the leadership of the party. The trust of staff in leadership of the party and government reflects on the active performance to complete the roles and plans of each section.

To ensure the implementation of the Department's activities, the International Trade Centre (ITC) has supported the Department by paying salary to the Department's contract staff, especially administration and IT staff.

III. Technical Activities

A. Achievements:

1. Research - Summary:

- Provided comments on the Draft Agreement on the organization and activities of the District Industry and Trade Offices or municipalities.
- Requested for approval from the Cabinet of the Prime Minister Office to import vehicle to be used in the construction project of Lao Trade Centre in Nanning, China.
- Coordinated with Small Holder Development Project, in February 2007, to support and monitor local agricultural production in 4 provinces such as Vientiane, Khammoun, Savannakhet and Champasack provinces.
- Organized meeting on agriculture business and trade promotion on 23-24 May 2007 at the National Cultural Hall; held workshop on market of agriculture products at the Trade and Economic Research Institute in March 2007; lessons learned on agricultural goods production on 16-17 August 2007 at the meeting room of Camgnum Guesthouse, Vientiane Province; and organized workshop on information learning on agricultural marketing on 28 September 2007 at the National Economic Research Institute Km 7, Vientiane capital. In addition to these, activities for 2007 – 2008 have been planned.
- Summarized the Lao-Vietnam Cooperation Plan of 2006-2010 and 2015.
- Submitted proposal for Concrete Project as a member of Mekong sub-regional country of CLMV to attract donor's assistance.
- Provided comments on the strategic plans to the Blueprint for ASEAN Economic Community.
- Summarized the previous implementation of the state investment projects; project evaluation and planning for 2007 – 2008.
- Coordinate with ITC project in the Department of Production and Trade Promotion to request for approval in bringing experts from the International Trade Centre (ITC) in Geneva, Switzerland for conducting research and drafting regulations of export promotion fund implementing in Lao PDR.
- Studied technical assistance project on trade promotion and export development of the Lao garment industry through the support of IF project.
- Summarized trade cooperation with Russia for the Commission Meeting on Economic – Trade Cooperation Project and the 7th Lao – Russia Technological Science.

- Cooperated with Luangnamtha Industry and Trade Office to organize training under the support of Hansaider Foundation of Germany on “Improvement of capacity and silk product quality” between 19 and 20 July 2007 in Luangnamtha province.
- Cooperated with ITC project to conduct a survey on the potential products geography in the three target provinces such as Saravanh, Oudomxay, and Xayabouly and organized training on train the trainer on market research, export market and quality management on 11, 12, 26, 27, 28 September 2007 at the meeting room of the National Chamber of Industry and Commerce.
- Collected information on promotion of big and small salt production business in Vientiane and Xayabouly provinces under the Iodine Salt Production Project between 12th and 18th August through UNICEF’s support.
- Coordinated with Lao – Vietnam TAXI company on the progress of Lao Trade Centre construction in Nanning.
- Cooperated with Ministry of Foreign Affairs in organizing a meeting between Lao-Swiss businesses on “Lao Swiss Business Forum” which will be held on 14 October 2007 at Lao Plaza Hotel, Vientiane capital in collaboration with Swiss Embassy in Bangkok, Thailand and Coordination Centre for Swiss business hub ASEAN Singapore.
- Participated in discussion meeting on the progress of ACMECS implementation and presented cooperation plan for the preparation to attend the ACMECS leader summit which will be held on 23-26 October 2007.
- Reported on the implementation of activities related to rural development and poverty reduction between 2001 and 2005 and identified direction for 2006-2010.
- Reported on the result of 12th Lao-Thai Technical Cooperation Meeting and prepared future cooperation plan.
- Summarized report on the implementation of development and management plans on industry and trade of 2006-2007 and plan for 2007-2008.

2. Trade Promotion Activity:

- Cooperated with Lao World Company to organize 13 national trade exhibitions and trade fairs with participations of about 3,406 businesses.
- Cooperated with the Export Promotion Department of Thai Commerce Ministry organizing Thailand Exhibition at ITECC with the participations of 249 Lao and Thailand businesses.
- Cooperated with the Department of Trade Promotion of Vietnam Industry and Trade Ministry organizing an exhibition with participation of 3,595 businesses, valued 4,451,507 Thai baht or 7,527,937,863 kips, created about 407,499,500 kips for state budget income tax.

A. Cooperation with ASEAN-Japan Centre:

Under the cooperation framework between Lao PDR and ASEAN-Japan, the 2006 and 2007 activities of Trade Promotion section as a coordinator this work can be summarized as following:

- Cooperated with the National Chamber of Industry and Commerce to encourage businesses to participate in the exhibition on different occasions in Japan such as Interior Lifestyle, ASEAN Food & Beverage, and ASEAN Gifts & Fashion Accessories. Companies, and business people from 11 business sectors participated in these events.
- Sent technical staff, and business people to participate in the workshop on preparation to select ASEAN designers twice.
- Cooperated with ASEAN-Japan Centre in organizing training for ASEAN Countries on "Increase Export Capacity for small and medium manufacturers". More than 40 participants, four from each of 9 ASEAN countries attended this training, in which fourteen business participants to this training were from Laos. (Myanmar did not attend)

B. Participation in International Exhibition

- Coordinated with the National Chamber of Industry and Commerce to encourage and lead the Lao business people to participate in the exhibition in Thailand under the assistance to CLMV from the Thai government through the Export Promotion Department of the Thai Commerce Ministry. In 2007, 48 Lao business people participated in eight exhibitions with goods values of about US\$ 959,147 and 58,550,000 Baht. Through this participation, customers' order valued US\$ 16,500 and others were identified. Most of the ordered products are Lao silk handicraft, cotton materials from Thonglahasin Company, wood products of SMP Company, silver and other Lao vegetables and agricultural products.
- Coordinated with the National Chamber of Industry and Commerce and other related sectors to prepare for Lao PDR to participate in the CAXPO 2007 in China under ASEAN-China cooperation framework.

In addition to these, 3 meetings between Lao and international businesses were held three times. Pre-departure technical workshops to prepare the Lao business people to participate in the exhibition abroad were organized. More than 25 discussion workshops were also held.

3. Information on Production and Trade:

- Published Business Directory 2006 and re-categorized products into catalogue for Trade Map Compass.
- Participated in the meeting on SMEs promotion policy development in Vietnam on 14-16 March 2007 through the support of JICA.
- Studied export market in Thailand to export plywood and Pakewood and market to export bean in Malaysia.

- Cooperated with UNESCAP in Bangkok to discuss on the Trade Development Cooperation for production and trade promotion through Electronic Project.
- Completed survey report on product indicator geography from the staff training in Champasak, Savanakheth, Saravan, Louangprabang, Xayabouly and Oudomxay provinces.
- Cooperated with the Cabinet of Industry and Commerce Ministry and Nortuk Company on Trade through Electronic Project in order to set up server and design website.
- Submitted project proposal to publish and copy CD Priority Exporting Products of Lao PDR to ASEAN-Japan Centre.
- Studied and presented project on Forest Connected Products Promotion to business sectors.
- Coordinated with ITC project to conduct field market research domestically and internationally.
- Discussed and consulted with ADB's experts of the Small Holder Development Project to help improve and develop MIS system on production and trade information for two months.
- Collected market information in four provinces of the South: Vientiane, Attapue, Sekong and Saravan to draft research report on market and database for production and trade.
- Organized a meeting on "Learning on market information system" under the support of Small Holder Development Project on 28 September 2007 in the National Economic Research Institute Km 7, Vientiane Capital.
- Requested for technical assistance from UNESCAP.
- Completed examination for server setting up system of Sayberlia Company in the Cabinet of Industry and Commerce Ministry on 5th September 2007.
- Submitted a 4 province visit report on the IT improvement and setting up system project in Attapue, Saravan, and Sekong provinces to link to the Departments' IT system in Vientiane,.
- Participated in the meeting on "Website development for ASEAN trade promotion agencies to become a communication website for businesses" in Indonesia on 4-6 September 2007.
- Drafted IT development proposal for the Department to request for assistance from the ASEAN-Japan Centre.

4. **Promotion of Goods Production:**

- Studied policy documents on interest subsidiary for 8 production projects which loans are provided by the government and banks with valued of 823,456,358.90 million kips and cooperated with concerned sectors to monitoring production projects in 6 provinces of Borikhamxay, Khammoun, Savannakhet, Sanhkhong and Houphan.
- Cooperated with ADB project to collect information on chemical free agricultural products in Luangnamtha province and to monitoring local cooperation projects.

- Cooperated with Ministry of Agriculture and Forestry (Promotion Department) to visit the local areas on 14-23 February 2007 for the promotion of agricultural product development in the South.
- Studied policy to subsidize interests for 3 projects of production, planting and animal raising, valued 37,800,000 kips.
- Followed the Standing Deputy Prime Minister to promote goods production in 4 districts of Thongmyxay, Bortan, Khanethao and Paklai.
- Studied to comment on the investment projects of Mark Yao plantation and bio- diesel production of Kolao Farm Company and to provide technical comment on the draft implementation plan of ASEAN Economic Association.
- Provided technical comments on the Memorandum of Understanding on Cooperation in the Promotion of Contract farming.
- Studied investment cooperation projects and propose to the ministry for technical assistance request from Vietnam on modern clean salt production project for Lao salt production group and to consider to include this request into the Lao-Vietnam cooperation plan of 2007 – 2008
- Participated in the discussion workshop with Chinese experts from the Economic and Trade Research Institute on draft development master plan of 9 North provinces
- Received the visit of delegation from Vanbing Co., Ltd to discuss and introduce on investment in comprehensive pig raising sector in Lao PDR. Participated in this meeting was staff from concerned departments such as Department of Production and Trade Promotion, Department of Domestic Trade, Foreign Trade Policy Department, Department of Import-Export and the Cabinet of the ministry.
- Studied ODOP model project in Khammoun province.
- Cooperated and discussed with the Cooperation Department of Foreign Affairs Ministry on assistance from the Belgium government to the local business promotion project.
- Participated and lectured on production and trade promotion in the 2nd training for district staff throughout the country on “micro management on industry and trade held at the Research Institute of Economy and Trade on 18-22 June 2007.
- Cooperated with delegation from Vietnam on trade relation development between Laos-Vietnam in the period of 2008 – 2015.
- Participated in the project meeting on product indicator Geography by selecting 5 Lao products such as Borevain Coffee, Khaokainoy (little chicken rice) of Houaphan province, Paksong tea, Lao silk and Luangprabang’s riverweed.
- Studied on the ODOP model process in Khammoun and produced project document to request for technical assistance from LIDCO Company.
- Studied and requested for direction from the Industry and Commerce Minister on activities and problem solving on raw material shortage of the Lao Industry and Agriculture factory (canned factory).

- 4 projects to be requested for assistance from Vietnam during the period of 2008-2010 are as followings:
 1. Production and Trade Centre promotion project in the North, Central and the South with budget of US\$ 350,000 and 1,500,000,000 kips from the contribution of the government.
 2. A project to study and develop master plan for processing industry and handicraft throughout the country with a total budget of 2,000,000,000 Vietnamese Dongs.
 3. A construction project of the Product Testing Centre with a budget of US\$ 330,000 and 500,000,000 kips from the government's contribution.
 4. Training and study tour project on the promotion of industrial processing and handicraft with a total budget of US\$ 120,000.

- Studied and commented on the organization and implementation of the Decision on prioritizing import exemption tax for Lao-Vietnam products to submit to the Foreign Policy Department.
- Participated in discussion and consideration on the list of Lao products for cooperation framework of the Free Trade Area between ASEAN-Australia-New Zealand and ASEAN-India.
- Improved economic studied report of green bean plantation project to export to China as the direction given by the Standing Deputy Prime Minister.
- Participated in the discussion meeting on the final report of the garment project and studied its impacts on the Lao garment sectors in the end of quotas & guard system of China.
- Reported success of working in collaboration with Khumming Souwell Biotechnology company of China in conducting survey on Khang plantation project in Luangprabang and Xayabouly provinces to the Standing Deputy Prime Minister and Industry and Commerce Minister for further direction of the implementation process.
- Planning for competition capacity of agriculture product and light industry to export (ongoing project 2007-2008).
- Summarized on production project of 2007 and planned for ODOP implementation policy of 2007-2008.

III. Evaluation:

1. Strengths:

Through the implementation of production and trade promotion activities, it can be summarized as followings:

The Department's staff have paid attention to study, upgrading ability and knowledge to complete their technical tasks and responsibilities as assigned.

Through participation in national and international trade exhibitions, Lao businesses have been provided opportunities to meet and share lessons and experiences with others which could lead to the improvement of their products to meet the needs of the domestic and foreign markets in quality and quantity. In addition to these, they were chances to attract foreign investors to increase investment

in Laos. Particularly, trade promotion projects show cost effective and the implementation could reach their goals and objectives.

Monitoring and implementation of two types of funding promotion policy such as the implementation of 35 government approved projects which loans are provided from banks with value of 36,134,6070,000 kips are generally satisfied. This results on the expansion of domestic products and replace importation from foreign countries. In particular, agriculture and handicraft production has created employment for Lao multi ethnic people and improved their livelihood in line with the government policy.

For the smooth running activities, the Department received assistance from different international organizations, mainly ITC project of UNESCAP, AJC project on production and trade information in creating trade service system through electronic system, which is basically completed now. Different services and services through E-Business start to advertise Lao products through the websites of the Department of Production and Trade Promotion. Many business and interested people enter to use the services which are more comfortable and faster.

2. Weaknesses and Constraints:

- In parallel with strengths, there are weaknesses and constraints. Technical implementation has not yet properly fulfilled the tasks as needed due to inadequate technical staff to fill the needed positions. Some staff lack experiences and foreign language.
- Market searching mostly focuses on exhibitions, but no researches are conducted to find and increase foreign markets for the Lao products.
- Promotion activity of goods production has not been paid enough attention as mostly production is only enough for domestic use.
- Information on production and trade is not properly available due to specialized staff on this field have no experiences and knowledge. Particularly, information provision on production and trade for both domestic and foreign manufacturers is inconsistent.

3. Lessons learned:

- Through experiences of different trade fairs and exhibitions, the achievement is quite satisfied. This reflects on the opportunities provided to the business sectors to meet and share lessons with domestic and foreign investors leading to the improvement of ability and knowledge for producing and developing good quality products as well as signing contract for a wider market for their products.
- Through taking parts in the international exhibitions, Lao products are become well known and accepted in the Japanese market, especially Lao silk handicraft. This leads to further improvement and development of the Lao businesses in providing better quality of their products to meet customer's needs.
- Implementation of policy on moving from natural production economy to goods production through two systems of providing loans and interest subsidiary contributing to the rural development and poverty alleviation for multi ethnic people. Some projects are successful and strengthened

resulting in continuous production to provide to domestic and foreign market, increased GDP and livelihood of people.

Part II
Activity Plan for 2007-2008

I. Political view on the implementation:

Educate staff of the Department of Production and Trade Promotion on political view to trust in the leadership of the party and government, to focus on completing their technical tasks and responsibilities as assigned, to maintain solidarity among staff and non staff, to upgrade technical knowledge through national and international trainings and workshops, to adopt working system in accordance with the actual situation and to allocate staff to the positions according to their areas of specialties.

II. Technical Activities:

1. Research and Summary:

- Continue cooperation with ITC project to produce survey report on product indicator geography potential for exporting in six target provinces of Champasak, Savannakhet, Saravan, Luangprabang, Oudomxay, and Xayabouly. Continue to produce market research report on export market and quality management for export to domestic and foreign markets.
- Continue coordinate with Small Holder Development Project to encouraging and monitoring agriculture production in four provinces of Vientiane, Khammoun, Savannakhet and Champasak and work together to plan for implementation in 2007-2008.
- Coordinate with the National Chamber of Industry and Commerce and the Embassy of Indonesia to prepare for a training on wood crafting which will be held in November 2007 in Vientiane capital.
- Plan for local visit to encourage goods production and develop exportation in four focal points (two points in the North, 1 in the Central and 1 in the South)
- Provide comments on the draft MOU on trade cooperation framework between Laos and Thailand
- Listing investment projects to attract investment from Vietnam.
- Summarize report on the activity implementation related to rural development and poverty alleviation between 2001 and 2005 and identify future direction plan for 2006 – 2010.
- Cooperate with Lao-Viet TAXI Company to use the Lao Trade Centre in Nanning, China.
- Prepare training on “Trade Promotion and Export Development” in Luangprabang province.

2. Trade Promotion

- Implementation of market development plan, e.g cooperate with ASEAN-Japan Centre and prepare for excellent product contest 2007 and implement other activities according to the annual plan to select Lao business units to participate in 4 trade exhibitions in Japan.

- Cooperate with the National Chamber of Industry and Commerce on participation in the Hanoi International Trade Fair 2007 which will be held on 8-13 October 2007 in Hanoi, Vietnam.
- Prepare businesses to participate in CAEXPO 2007 which will be organized on 28-31 October 2007 in Nanning, China.
- Prepare Lao businesses to participate in ASEAN Food & Beverage Exhibition 2007 which will be held on 25 September to 30 November 2007 in Tokyo, Japan and participate in ASEAN Gift & Fashion Accessories Exhibition 2007 which will be organized from 10 December – 22 February 2008 in Tokyo, Japan.
- Coordinate with the National Chamber of Industry and Commerce on participation of all countries in trade fair on 14 – 17 November 2007 in India and Trade Expo Indonesia, the 22nd Resource Indonesia 2007 on 23-27 November 2007 in Jakarta, Indonesia.
- Prepare to participate in BIG on 16-19 October 2007 in Bangkok, Thailand.
- Planning for local visit for lesson learned on the cooperation in the contract.
- Prepare target businesses to participate in Bangkok International Gift Fair 2007 on 19-21 October 2007 in Thailand.

3. Information on Production and Trade:

- Report on market research on peanut and prepare questions to ask business sector and concerned agencies in Malaysia on 22-25 October 2007.
- Prepare content and pictures for advertising market information system.
- Coordinate with consultants from UNESCAP to help in developing strategy and activities on trade promotion.
- Propose estimated cost on website development for the Department under financial assistance from AJC.
- Report on assistance projects on forest connected products promotion for business sector through the cooperation of FAO.
- Planning for IT development for the Department and submit to AJC for assistance.
- Prepare to work with ADB under Small Holder Development Project on development activities of ICT to serve agricultural production.
- Study to comment on investment handbook in Lao PDR.

4. Promotion on Goods Production

- Study to draft 4 project documents on Lao-Vietnam Cooperation of 2008-2010 and submit to Vietnam Embassy.
- Improve draft to set up project Steering Committee at central level for Khung (forest connected) product.
- Planning competition capacity project for agriculture product and light industry for export (ongoing project 2007-2008)
- Planning for local visit (Khammoun province) to promote handicraft production in line with goods production promotion policy.

- Summarize 2007 goods production projects and plan for ODOP policy implementation in 2007-2008
- Contribute to the 6th five year development plan on production and trade promotion (2005-2010) and improve strategic plan for 2020 to get approval from the ministry.
- Study to propose to the leadership the implementation of interest subsidized policy of goods production project which loans are provided from the banks, including monitoring, examining and evaluating those subsidized projects and which loans are provided directly.
- Study to draft policy on Quality Award or Industry Award as a tool for production promotion, competition and to be able to finally identify potential of Laos as well as study planning, measures and method of implementation.
- Study to draft policy to promote technical training and upgrading knowledge and ability to manufacturers to be able to expand investment agriculture, industry processing and handicraft production.
- Study and implement policy on ODOP products piloting in some provinces where favorable condition on market, production, investment and management are provided and sustainable. This can be firstly piloting in Khammoun province through the cooperation with the provincial authority and LIDCO Company of Japan.
- Collect and study information on agricultural production, handicraft and processing industry to analyze and plan to upgrading labor skills, improving product quality to be able to create income for multi ethnic people and gradually graduate from poverty.
- Continue to improve Decision of the minister on Trade Fair and Exhibition management to submit to the minister for declaration of official use.
- Improve draft Decision of the minister on the structure and activities of Export Promotion Fund.
- Prepare planning for lesson learned in Champasak province on contract cooperation to collect information for developing forms of contract cooperation which can be used nationwide.
- Planning to improve technical project for 2007-2008 with the government budget of 40,000,000 kips.
- Implementation of trade promotion plan under Small Holder development project in collaboration with agriculture promotion unit.
- Coordinate with ASEAN-China secretariat to prepare for the 5th CAEXPO 2008 in China.
- Cooperate with Export Promotion Department of the Thai Commerce Ministry to encourage business people to attend 8 exhibitions in Thailand.
- Cooperate with AJC to prepare for participating in 4 exhibitions in Japan under the assistance of Japan.
- Develop activity plan for domestic trade promotion under the National Activities Fund 2008.
- Organize 13 trade exhibitions and fairs at Lao-ITEC

- Cooperate with Provincial Offices of Industry and Commerce to organize trade exhibitions and fairs in Champasak, Savannakhet, Khammoun, Luangprabang and Xiengkhoung provinces.
- Cooperate with Trade Promotion Department of Vietnam to organize Lao-Vietnam Trade Cooperation Exhibition.
- Cooperate with Export Promotion Department of the Thai Commerce ministry to organize trade fair under title "Thailand Exhibition"
- Continue to prepare for excellent goods contest.

Part III

Directions and Measures on the implementation 2007-2008

I. Direction:

To implement and develop content of VIII Party Congress and Decisions and to implement the 5 year national socio-economic development plan from 2006-2010 as well as industry and commerce development plan on goods production to use domestically to replace importation from foreign country, Department of Production and Trade Promotion has identified 11 following projects:

1. Trade promotion project in the national and international product exhibitions to open market widely and to find investment partners for exportation such as:
 - cooperate with the Lao World Company for trade exhibition on the occasion of National day, other traditional festivals at the central and local levels. Also participate in the lesson sharing in organizing trade fair in the international market, particularly CAEXPO 2007 which will be held on 28-31 October 2007 in Nanning, Khouangsy province of China, in Spain in 2008, Trade fair in Shanghai of China and participate in the exhibition under the obligation of AJC in Japan and assistance project of Export Promotion Department of Thailand in the cooperation framework of ACMECC.
2. Agricultural processing project for exportation such as produce wheat from corn to export, produce cassava powder to export or produce alcohol from powder etc.
3. Trade promotion and export development project of garment industry. Changing from CMT to FOB to ensure quality and efficiency and to be able to compete in international market.
4. Wood processing project for exportation by cooperation with wood export business to upgrade wood quality to meet international standard and to be able to compete in foreign market.
5. Plant processing project for exportation through cooperation with pharmaceutical factory No.2, 3 and other processing companies to conduct research and identify drug types to able to produce as goods for exportation.
6. Silk product project for exportation through cooperation with local areas where there are traditional potential, lessons in silk worms raising and weaving existing because Lao silk product is a popular and expensive product in foreign markets. This project will be focused in Houphan, Xiengkhoung, Borikhamxay, Khammoun, Vietiane, Savannakhet, Champasak, and others.

7. Chemical free agricultural products project. This project is potential because of favorable weather and environment of the country to do natural farming and animal raising.
8. Assistant project to promote Khang (forest connected) plantation for exportation to China.
9. Tourism promotion project. This project is to develop handicraft villages such as local people with handicraft skills, service ability, create linkage between tourism and other economic sectors, develop food products for health in the tourist destination
10. A project to set up production and trade promotion centre in the North, Central and the South to develop them as a focal point for lesson learned, meeting with customers, and suppliers, and as a technical and information service centre to promote more convenient and effective production and trade.
11. A project to improve information in order to provide information services domestically and internationally on advertising products through website in the country and for sending and receiving information on trade, investment, and market for encouraging production process and trade.

II Measures in implementation:

To achieve the goals of the final 6 months implementation of 2006-2007 and direction of 2007-2008 of the Department of Production and Trade Promotion, the following measures must be applied:

1. Focus on development of focal activities of the Department such as implementation of Decree No. 34/PMO on export promotion fund; cooperate with International Trade Centre to request for consultant to help in conducting research on the fund's regulations, and draft a plan to propose to the government to set up security fund responsible by the Ministry of Industry and Commerce.
2. Focus on working closely with the areas where production process are available for produce export products, and discussed with export production business, finding methods and measures by starting from the actual capacity to ensuring that the export achieve 3 following goals:
 - a. What are strength and weaknesses of business which exported before
 - b. Those who have potential to export, but do not know how to
 - c. Those who have purpose to do business for export

When strengths, weaknesses and constraints are found in the above 3 goals, we will research to outline policy to promote and provide favorable condition according to the actual situation.

3. Changing from program to project and detail activities to find financial sources and human resource to responsible for the implementation and then summarize strengths and improve weaknesses found.
4. Focus on promoting goods which can be produced and where market is available in order to increase quantity and improve quality of product to remain in the market for a long time. In addition, it is to move from production into cooperation with foreign investors for investment initiative to ensure sustainable markets are available

5. Staff will be improved, assigned, upgraded, and allocated responsibility appropriately to their knowledge and ability. Potential positions will be identified and presented to the leadership for consideration to approve staff quotas to fill the empty positions to ensure the success of the department's tasks and responsibilities.

Therefore, this summary is submitted to you for your consideration.

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Industry and Commerce

No. 1446/IC.PD
Vientiane Capital, 16 October 2005

**Agreement on
Organization and Activities of
Department of Production and Trade Promotion**

- According to the Prime Minister's Decree No. 188/PO, dated 17 August 2006 on the Organization and Activities of Ministry of Industry and Commerce;
- According to the comment and proposal of the Production and Trade Promotion Department through the agreement of the Personnel Department, Ministry of Industry and Commerce;

Minister of Industry and Commerce issues this Agreement

**Part I
General Provision**

Article 1. Objectives

This Agreement is issued to identify location, roles, functions, rights, structure and working system as legal identity for the organization and activities of the Department of Production and Trade Promotion to develop and promote production and trade, contributing to the social and economic development in line with the government policy.

Article 2. Location and Roles

Department of Production and Trade Promotion is written in short “ສຸຜຄ” in Lao language and “PTP” in English. It is one component of the machinery of the Ministry of Industry and Commerce. Its roles are to be a secretary to the Minister of Industry and Commerce on production and trade promotion; and to facilitate businesses to promote production and trade.

**Part II
Functions and Rights**

Article 3. Functions

Department of Production and Trade Promotion has following functions:

1. Study periodically to draft strategy, master plan for policy to develop production and trade promotion and to take leadership in the implementation of strategic plan and policy.
2. Study to draft Agreement, Order, Advice, Announcement, Regulations and Policy for the promotion in line with the production and trade policy and law.
3. Disseminate Laws, Decree, Regulation, and Policy to develop production and trade promotion.
4. Follow up, monitor, evaluate and support the implementation of production and trade promotion project.

5. Liaison and coordinate with national and international concerned sectors to develop and promote production and trade according to its scope of responsibilities basing on the regulation outlined by the government.
6. Study and propose to set up Industry and Trade Promotion Centre, Vocational Centre for different sub sectors in each locality in the future.
7. Provide advice on trade fairs and exhibitions domestically and internationally.
8. Perform a task as a secretary to manage Production and Trade Promotion Fund.
9. Provide technical advice on promotion to the provincial Offices of Industry and Commerce, district Offices of Industry and Commerce, and to Lao Economic and Trade Counselor of the Lao Embassy in abroad.
10. Coordinate with all sectors domestically and internationally to attract investment into the promotion on industry and modernization.
11. Implement international assistant project related to the Department's activities.
12. Study and set up database on production and trade for businesses.
13. Plan and manage budget expenditure and protect assets of the Department
14. Manage, educate, and take lead of political view and of the Department's staff in technical implementation.
15. Study to implement One District One Product policy and cooperation in contract
16. Implement other activities as assigned by the Minister of Industry and Commerce or as stated in the law

Article 4. Scope of Rights

Department of Industry and Trade obligates to the following rights:

1. Identify activities, domestic management regulation, inclusion, assignment, and allocation of activities and staff of the Department according to the roles and functions
2. Propose to improve organizational machinery, manage, use and implement policy to the Department's staff according to the regulation
3. Organize meetings, lesson learn workshops, information sharing, planning and create policy on production and trade promotion with businesses and domestic and international concerned agencies based on the agreement of the leadership
4. Provide technical comment on requesting for policy priority to promote production and trade
5. Liaison with domestic and international concerned sectors to encourage investment to develop and promote production and trade as assigned by the minister or based on the law
6. Propose plan and manage budget expenditure to manage administrative work of the Department, technical project and state investment project in the production and trade promotion as well as to manage the Department's assets.
7. Approve and sign official documents according to the rights of the Department
8. Study and identify measures and mechanism to promote production and trade
9. Manage and use international assistance funding basing on the projects approved from the government correctly to the project's goals.
10. Utilize other rights according to the appointment of the minister of Industry and Commerce or as stated in the law

Part III Organizational Structure

Article 5. Organizational Structure and Staff's Responsibility

Organizational structure of the Production and Trade Promotion Department consists of Director General, Deputy Director General, Directors and Deputy Directors of Divisions and technical staff. Their responsibilities are as followings:

- Director General of the Department is responsible for all and directly to the success and failure in the implementation of the department's roles, rights, and functions identified in article 2, 3 and 4 of this Agreement.
- Deputy Director General is to assist the Director General, responsible directly for the success and failures of the activities assigned by the Director General
- Directors and Deputy Directors of the Divisions and technical staff are responsible for the successes, and failures of their responsibilities
- Any appointment to act on behalf or to assist must be made in writing, except for short or urgent assignment.

Article 6. Organizational Structure

The organizational structure of the Department of Production and Trade Promotion consists of the following 4 divisions:

1. Research and Summary Division;
2. Production Promotion Division;
3. Trade Promotion Division;
4. Production and Trade Information Division.

Article 7. Main Functions of Each Division

A. Research and Summary Division

1. Summarize technical documents, project and legal documents of the Department;
2. Summarize weekly, quarterly and annual activity plans of the Department;
3. Perform as a coordinator for the divisions of the Department;
4. Manage administration, finance, account, and assets of the Department;
5. Perform human resource of the Department;
6. Manage, monitor, and evaluate implementation of plans, projects, and investments to update favorable situation and difficulties in the production and trade;
7. Perform other tasks as assigned by the Director General.

B. Trade Promotion Division

1. Study to draft, disseminate and implement policy, strategic and development plan to promote production;
2. Study and provide technical advice and comment on the production and trade related to the request for domestic and international investment approval.
3. Coordinate with other concerned agencies to study draft or improve regulations on management, management mechanism, and conflict resolution relating to the production promotion.
4. Organize product quality competition to propose for awarding and identifying potential products

5. Cooperate with foreign countries and international organizations to promote production development according to the approval of the leadership;
6. Organize technical trainings, workshops and discussions on business operation for staff and businesses.
7. Implementation of Production Promotion Fund of industry, handicraft and agriculture products
8. Study and be ownership in the implementation of One District One Product policy;
9. Perform other tasks as assigned by the Department management.

C. Trade Promotion Division

1. Create, disseminate, and implement policy, mechanism, measures to promote trade and export;
2. Create development plan and implement market development activities by searching for, access to and expand markets as well as advise on domestic and international trade fair and exhibitions;
3. Study management regulations on domestic and international exhibitions;
4. Organize workshop, business meeting and technical training on trade and export promotion;
5. Act as a coordinator for international trade exhibition and advise on cooperation in contract policy;
6. Implement activities of export promotion fund and select for awarding excellent works
7. Perform other tasks as assigned by the Department management.

D. Production and Trade Information Division.

1. Study and set up database and information link system on production and trade to locality and international;
2. Study, disseminate and apply advanced technology into the production and trade promotion;
3. Analyze information and study domestic and foreign market trends
4. Provide E-business service, manage IT system, library and the Department's exhibition hall;
5. Coordinate on cooperation with international organizations' projects on statistics and information;
6. Perform other tasks as assigned by the Department management.

**Part IV
Working System**

Article 8. Working System

All activities of the Department must be implemented according to the following working systems:

1. Implement based on principles of democracy, group leading, work allocation to individual, strengthening creativity of government staff and implement base on the principle of only one leader, when necessary;
2. Perform tasks according to the plans, projects and detail planning; deal with work in focus and achieve goals;

3. Perform tasks basing on strong coordination, and equality in the Department and between the Department and other sectors; target to work locally basing on using all potentials to complete the assigned tasks;
4. All activities must be surveyed, monitored, lesson learned, be able to evaluate success and failure and identified each cause in line with the actual situation; practice reporting system; request for comments and direction from the leadership.

Part V Implementation

Article 9. Implementation

Department of Production and Trade Promotion is assigned to implement this Agreement. Cabinet, Departments, Institute and concerned sectors of the Ministry must acknowledge and together implement this Agreement effectively.

Article 10. Stamp

Department has its Stamp to use for the official activity implementation.

Article 11. Effectiveness

This Agreement is effective from the date of signing.

Minister of Industry and Commerce

Original signature

Dr. Nam Viyakhet

7. PCMワークショップ結果

Core Problem
In Laos, services providing is limited and insufficient on trade promotion such as information, marketing development

Date: 17&18 March 2008

Main Component	In order to strengthen Lao trade promotion, what should we (DPTP & MoIC) do?		Core Problem				6	7	
	1	2	3	4	5	6			
Detail Component	1	2	3	4	5	6	8	9	
	<p>In Laos, it is insufficient Gov't policy, strategy and plan for trade promotion.</p> <p>Weak leadership in public and private sector</p> <p>No clear Gov't policy and lack of trade promotion strategy</p> <p>DPTP promotion strategy is not suitable.</p> <p>DPTP does not have a master plan for trade promotion.</p> <p>Weak implementation of action plan, rules and regulation</p>	<p>It is lacking on marketing information especially on overseas information.</p> <p>Lack of marketing information</p> <p>DPTP does not have marketing information and research</p> <p>Poor supply survey of exportable products in terms of quantity, quality, price and delivery.</p> <p>Poor market development</p>	<p>Private sector people don't know well on international trade.</p> <p>Poor promotion of potential exporters to become current exporters</p> <p>Lao businessmen are lacking in experiences of international trade</p> <p>Lack of training for trade promotion</p>	<p>Unqualified/insufficient knowledge of DPTP & MoIC staff</p> <p>Lack/Shortage of qualified staff in DPTP</p> <p>Lack of qualified staff in related departments</p> <p>Number of provincial staff is not enough for trade promotion</p>	<p>Public sector people don't know private sector people. (Shortage/insufficient knowledge on private sector)</p> <p>Gov't staff have no practical business experiences.</p> <p>Gov't does not collect private sector's voice</p> <p>Neither daily/ monthly visit nor meeting with private people.</p>	<p>Weak linkage/relationship among Gov't ministries & department as well as external organization</p> <p>No clear cooperation among departments in MOIC</p> <p>Export associations don't have real activities and cooperation with gov't.</p> <p>Limited alliance or partnership among enterprises, producers and exporters.</p>	<p>Shortage & Insufficient budget/facilities</p> <p>Not enough budget support, funding many steps</p> <p>Funding access limited</p> <p>Weak infrastructure, facility, port transportation, etc</p>	<p>Delay of process and slow responses</p> <p>Many step procedures for import and export</p> <p>Slow procedure for export and import</p>	<p>In Laos, it still not enough for exporting products.</p> <p>DPTP cannot identify specific products for potential export</p> <p>Lack of product cluster</p> <p>Weakness on higher competitiveness: design, quality products in international market</p> <p>Limited product development</p> <p>Lao products still not enough quality and quantity</p>

No. 1 insufficient policy, strategy, implementation plan			
1	Trade policies	weak leadership (top sales management)	Too general/ not clear
2	NES strategy	Lack of implementation people org	Not detail, specific
		Due to the not yet NES finalization, no implementation plan prepared	No budget
3	Not yet formulate/ prepare "implementation plan"/Action Plan		Not business matching plan and strategy
	Still not yet formulate all sectoral/ action plan		
	But DPTP prepared and started activities on	"pilot project" only on specific products	Only some "sectoral planning" was prepared
			Handicraft & Garment sector

No.2 Lack of capacity building for trade promotion		Insufficient knowledge and skills in Laos PDR	
1	Private sector Lao people don't know well on international trade	No export procedures training	Marketing, quality control, designers, transportation Lack of market access, market analysis
		Lack of business experiences with overseas	
2	Insufficient knowledge and skills of depth and moil	Not enough training on export promotion	No market access No school. Trade school
	Number of provincial staff is not enough		such as; export promotion, English, products design
3	Gov't people don't know well about Lao private sector	No meeting on Monthly quarterly	No cooperation network
		No visit to companies, no hear the requests	No enough counseling, coaching to entrepreneurs

No. 3	Weak linkage/relationship among gov. ministries & department as well as external organization		Internal relationship	
	1	2	3	4
	Not clear the role for works or activities	No regular meeting for export promotion among related depts.	Lack of personnel coordinator Update and new information has not yet provided on website	No govt organizations respond for e-commerce in Laos Poor e-government. As telecommunication infrastructure. No preparation of e-commerce-website ex: G-G, G-B, B-B. to www. Internet connection
			External relationship	
		No meeting with other ministries	No linkage with other trade promotion agency	Necessary information items are: <i>price</i> <i>quality</i> <i>quantity market shares</i>

No. 4	Trade information		
	Lack/insufficient targeted research' & Study	Lack of marketing data & information on international trade	Product/market information collecting
	No market research undertaken	Poor= Not accurate/reliable updata information	poor market information for private sector
	Poor supply survey report	Not clear basic data for trade oriented market economy	Lack of coordination between stakeholders, (limited) less role of consulting communication as service providers. Not ready providing services in business advisory and information
What kinds of "Services" must provide by DPTP and Gov't?			
	No good environment for DPTP visitors	showroom library and computer use	
		exporters directory	reliable/update data & Information
		exhibition, trade fairs	counselling/advisory services
		trade mission	govt regulation & policy
		no newsletter	etc

Output 1	Integrated & Clear policy/strategy/implementation plan
National trade (export promotion) policies will be clear indication and lead the national export more quickly.	NES Strategy will be finalized and utilized effectively
Establish trade institution as early as possible	Set up national export strategy (PPP)
Set up a watch dog Org. to supervise the respect of stable policies	Already existing "handicraft", "garments" action plan, but needs to implement according to the plan
Research policy report	Identify potential products for export
Revise & improve new policy paper	Drafting other sectoral "Action Plan" and also implementation
DPTP/committee institution to draft	Establish more SEZ/Special Economic Zone for export) in Laos
Long and short term policy for trade promotion and export by MOIC	Set up "one stop export service" like duty, phytosanitary, food & drug, comfortable location, etc
National trade (export promotion) policies will be clear indication and lead the national export more quickly.	Promotion of border trade, re-export
Establish trade institution as early as possible	It will be formulated /prepared implementation plan (IP) on export promotion
Set up a watch dog Org. to supervise the respect of stable policies	Pilot project on specific products (Potential products for export)
Research policy report	Business matching network
Revise & improve new policy paper	Collaborate MoIC and MOF committee to select main export products to undertake market research
DPTP/committee institution to draft	Joint implementation of project between MOIC and MAF
Long and short term policy for trade promotion and export by MOIC	Better communication and cooperation with other organization concerned
Revise & improve new policy paper	implementing people/org. (dept, MoIC, LNCCI, enough staff)
DPTP/committee institution to draft	Some IP need to conduct before NES approved by Gov. rather than currently
Long and short term policy for trade promotion and export by MOIC	Need to extend MIS in 18 provinces with MOIC and MAF
Establish trade institution as early as possible	MoIC and MAF committee to marketing products in poorest 47 districts
Set up a watch dog Org. to supervise the respect of stable policies	more information knowledge

Output 2

Strengthening & Enhancement of Capacity Building

	1	2	3
<p>Private people become to understand international trade</p> <p>MOIC-import-export Dept, Registration Divi, MOF- Customs Dept.Foreign trade policy dept (MOIC)</p> <p>Firstly, undertake needs assessment</p> <p>Undertake training on quality, export, export marketing, market research by "Experienced" business person as trainers</p> <p>Undertake training for entrepreneurs-Marketing & Management</p> <p>Intra-trade info analysis to create their export strategy & plan</p> <p>Undertake workshop/training for private sector: subject such as "marketing access (to neighboring countries & Regional and Inter Market)", "trade promotion & participation the exhibition"</p> <p>Field visit to the main export destination</p> <p>And after visits, disseminate the current/real data information to private sector</p>	<p>Upgrading knowledge and skills pu DPTP&MoIC staff</p> <p>Capacity building, training on trade promotion</p> <p>Training of trainers (TOT) by overseas and internal trainers</p> <p>TOC (training of counselor) both levels</p> <p>Set up training on policy makers for key staffs who concerned on trade policy</p> <p>Study tour with other TPOs New Zealand, Japan, Singapore</p>	<p>Government people become to recognize the private people</p> <p>Meeting on clear exchange and transfer info. held meeting every 3 months</p> <p>Visit export company regularly</p> <p>Make survey reports opinion</p> <p>Better linkage & cooperation with provincial promotion unit/section</p> <p>Good relationship with private sector</p>	<p>3 levels: IT staff, Chief of info, High level officials</p>

Output 3

<p><Activity 3> Strong Linkages & Coordination</p>		<p>Break down necessary</p>
<p><Activity 3>Strong Linkages & Coordination</p>	<p>Clear/detail/step-by-step activities</p>	<p>Break down necessary</p>
	<p>Improve the appropriate rule</p>	<p>Staff(know-how, skill)</p>
<p>Each organization follow their role and function</p>	<p>Strengthening and facilitation to promote for private sectors</p>	<p>Attractive Infrastructures (office, Equipment)</p>
<p>Better linkage& coordination with other provincial promotion unit/private sector</p>	<p>Networking Gov.and Private</p>	<p>Network system to communicate</p>
<p>Exchanging information on Activities between Public and Private sectors</p>	<p>Organize public session</p>	<p>Promotion center in the 3 parts of Lao PDR</p>
<p>Incentive (business people)</p>	<p>Setting up personnel coordinator by Gov.(MOIC)</p>	
<p>Motivation (Gov.People)</p>	<p>Regular meeting with LNCCI(private sector)</p>	

Output 4

Availability of Information, data		<Activity 4>				
Human resources	Time set-up (when will it be started)	Educate IT personnel with OJT Public & Private sector	Market research			
Update Information for Trade	Study and compare <ul style="list-style-type: none"> Product information Market information why Lao product can't be sell at very high demand in the world market	Study the information about unit, expecting				
Linkage with private sector's needs & analysis		Set up Advertising & Consulting service companies		Potential Products for export research		
Data Information	Business-match purpose information delivery	Set up Show Rooms		Study demand of market		
Specific Information	Good image of Laos	Exhibition's Organizers creates Web-Site about participant's data	IT center (updated data) to train MIS	Domestic information		
No Priority for providing services		Update Biz directory	Training of Trainer for preparation of IT :target is MoIC			
How to collect information	(Origin& Resources)	Creation of Web-site for every Exhibition (trade fair)				
		Internet	Commercial Attaché	Embassy in Lao		
		Export Businessmen	LNCCI, Association . . .			
		Collect information during visiting	Other Export Agency (TPO)			

