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Laos on track with SEZ development

(By SomsackPongkhao)

Laos is on track with its plans for the development of special and specific economic zones (SEZs), which contribute greatly to the country's economic growth. Deputy Prime Minister and President of the Lao National Committee for Special Economic Zones (NCSEZ), Mr Somsavat Lengsavad, highlighted achievements in this sector when addressing a recent meeting in Vientiane attended by high-ranking officials from all the provinces. The meeting summed up the accomplishments made in SEZ development since the establishment of the NCSEZ in 2011 and discussed plans to further develop the sector. Mr Somsavat said SEZs still had strong potential for growth and called on the associated sectors to discuss detailed plans to advance the sector. The deputy PM said SEZs not only contribute to overall development but also help to boost the growth of the industry and service sectors. "Over 260 companies are now investing in these zones with a total registered capital of US\$6.4 billion. Of this, more than US\$1.27 billion has already been spent on development activities in the zones," he said. "We have found that the industry and service sectors represent 29 percent and 44 percent respectively of total investment in the 12 SEZs. This shows that Laos is on track to move towards industrialisation and modernisation." The value of goods exported from the 12 SEZs has reached over US\$41.5 million while the value of goods imported to the zones has exceeded US\$194.2 million. Deputy Minister and Head of the General Secretariat to the

Lao National Committee for Special Economic Zones, Ms Bouatha Khattiya, said "We are still in a stage of development so at present we import more than we export. But when many of the factories begin operation we will export more than we import." Laos is different from other countries when it comes to SEZs because it is landlocked and has limited funding to develop these zones. In contrast, other countries have access to sea ports and have the financial capital in place to build up these production zones. Between 2003 and 2010, the development of SEZs in Laos did not progress as anticipated due to a number of problems including the slow process of approving investment. During this period, only 20 companies invested in these zones. However, more companies expressed interest in setting up operations following the establishment of the Lao National Committee for Special Economic Zones in 2011. This enabled the provision of one-stop services to facilitate investment. One of the main challenges is that the NCSEZ lacks sufficient legislation concerning the government of SEZs. A law regulating the sector was agreed on by the government in 2015, but has yet to be submitted to the National Assembly for approval. Another challenge is the provision of compensation for people whose land has been appropriated for the industrial zones, and in some areas this has not been paid out in full. In addition, some companies have registered to invest in SEZs but their projects have not yet materialised.

(Vientiane Times 18 April 2016)

National Assembly to debate leadership changes

(By Times Reporters)

Changes in the leadership of the government, National Assembly, and judicial bodies will be discussed at the inauguration session of the Assembly's Eighth Legislature this week. Member of the Assembly's Standing Committee, Dr Koukeo Akkhamouy, represented the National Election Committee (NEC) last week to inform the media about the agenda at the inauguration session. The session will be led by the President of the National Assembly's Seventh Legislature, Ms Pany Yathotou, who will oversee the appointment of the President of the Eighth Legislature. Referring to the content of the inauguration session, Dr Koukeo said it followed the constitution and the law concerning the role, rights and duties of the National Assembly as the representative body of the Lao people. "This session is considered to be extremely important because it will decide on and adopt key changes," he said. The main focus will be the consideration and approval of the organisational and personnel structure and new members of the National Assembly, appointment of the president and vice president of the Lao PDR as well as the prime minister and deputy prime ministers and the organisational structure of the government. The session will also consider the appointment of the Head of Office of the Supreme People's Prosecutor and President of the Supreme People's Court, whose candidature will be raised by the Head of State. Also tabled are approval of the 8th Five-Year National Socio-Economic Development Plan, Vision 2030, national strategy

for the next 10 years, the National Assembly's report on the vision towards 2030, strategy towards 2025, and the National Assembly's Eighth Legislature five-year general plan, along with the Assembly's five-year plan on the enactment and amendment of laws. The session will also hear reports from the NEC on the election of members to the Eighth Legislature and members of provincial people's councils. Under the Law on the National Assembly, the Assembly's inaugural session should take place within 60 days of the election of new Assembly members. The election of members to the Eighth Legislature took place earlier than usual this year. In the past the election has occurred in April, followed by the first session of the Assembly in June or July. This year's National Assembly election took place on March 20, with the body's first session to be held just 30 days afterwards. All 149 members of the National Assembly's Eighth Legislature will attend the session, which will run from April 20 to 23. Invited guests include members of the Politburo, Secretary General of the Party, ministers, heads of organisations, Lao Front for National Construction and other mass organisations, former National Assembly members, eminent persons and retired officials, representatives of various National Assembly departments, secretariat and provincial offices, heads of business and state and private enterprises, ambassadors and representative of the diplomatic corps.

(Vientiane Times 18 April 2016)

Turbine upgrade delivers more power

(By Times Reporters)

Installation of a new turbine at the Theun-Hinboun Powerhouse in Khammuan province is allowing THPC to generate more electricity from the water it uses. The new 120-megawatt turbine has begun operating and recent tests show the unit is delivering power at higher efficiency than was previously possible. According to THPC Operations Manager Mr Khonsavath Mounpak, the turbine replaces a 110-megawatt turbine installed for the original Theun-Hinboun project in 1997. Mr Khonsavath said the new machinery would increase production. "This is an important consideration for hydropower operators," he said "especially at a time when rainfall is becoming less predictable than in the past." Low levels of rainfall in 2015 have hampered the ability of hydropower operators to run at full capacity, and improved technology can help to ease this problem. "At THPC we prefer to run our turbines at best efficiency rather than maximum output, and under that regime this new turbine will generate 10 megawatts of extra power from the same amount of water," said Mr Khonsavath. Work on the turbine began in December last year, through a major over-

haul team comprising staff from THPC alongside specialist engineers from the Rainpower and Alstom companies in Norway. The job was completed ahead of schedule, with the Lao team impressing their foreign counterparts. Alf Steiner Jensen, site manager for Rainpower, said the THPC team worked quickly, efficiently and safely, enabling the work to be achieved in good time with excellent results and zero accidents. The second of the original TH turbines will be replaced at the end of this year, allowing THPC to catch up on some of the production lost to last year's poor wet season. "With good rains this year, we will quickly be able to return to full production," said the company's Deputy General Manager, Mr Soulideth Baomanikhoth. "Despite low water levels we have been able to fulfill all our financial obligations to the government and our lenders, while also maintaining support to local communities." "At full production we are able to make higher payments to our partners and contribute more to national development," he said. "The new turbines will increase this even further."

(Vientiane Times 18 April 2016)

Banana exports increase tenfold to US\$40m

(By Times Reporters)

Exports of Lao bananas have grown tenfold from more than 30.8 billion kip (US\$3.8 million) in 2011-12 to more than 324.8 billion kip (US\$40 million) in 2014-15, a recent report revealed. The main markets for Lao bananas are China and Thailand, according to the latest report from the Ministry of Industry and Commerce. Banana exports to China have increased rapidly, resulting in a change in market structure from a Thailand-oriented export market to the present day China-oriented export mar-

ket. Banana exports to China increased from 42 percent of total banana exports in 2011-12 to 88 percent in 2014-15 and are expected to continue to increase. Chinese investors have actively supported banana production by Lao farmers in northern provinces such as Bokeo, Luang Namtha and Oudomxay in the form of contract farming, according to the report, which was compiled by Sithanonxay Suvannaphakdy of the Department of Import and Export. However, although the economic benefits from banana production

are substantial, the benefits are unevenly distributed. According to preliminary research findings by the National Agriculture and Forestry Research Institute (NAFRI) on the commercial production of bananas in 2016, there are three parties involved in the production process, namely the Chinese investor, the land owner, and labourers. In Luang Namtha province, for example, the net economic return to the investor is 20 million kip/hectare/year or about US\$2,500 per hectare per year. The economic return from the land lease by the land owner is 15 million kip/hectare/year or about US\$1,875 per hectare per year, while the economic return for labourers is 780,000 kip/hectare/year or about US\$97 per hectare per year. Overall, the research findings indicate that the net economic return is much higher for the investor than for the Lao nationals who contribute their land and labour. In addition, the income gap among stakeholders from banana production becomes larger if social and environmental costs are included in the cost-benefit analysis. In particular, the NAFRI research findings indicate that there has been an intensive use of herbicides and pesticides in banana production which has negative impacts on the quality of life of farmers and people liv-

ing around banana plantations, and on soil fertility. If the cost of soil recovery is added to the cost-benefit analysis, the land owner will have a lower net economic return for the lease of his land. Similarly, if the cost of health treatment is added to the cost-benefit analysis, labourers will have a lower net economic return for their labour. The report stated that the commercial production of bananas can be an important source of income towards poverty reduction in rural areas if banana cultivation is managed in line with the following recommendations. First is strengthening legal enforcement for investment approval in line with the Investment Promotion Law, and the monitoring and evaluation of investment projects for banana production in line with the Plantation Protection Law and relevant regulations on the management of pesticides, herbicides, and fertilisers. The recommendation also suggests initiating Lao-Chinese investment partnerships to exchange information on accessing Chinese markets for agricultural products and to facilitate trade and investment in Laos, especially concerning the procedures involved in investment approval, procedures for the importation of agricultural inputs, and labour market characteristics.

(Vientiane Times 19 April 2016)

Funding boost fortifies child nutrition project

(By Times Reporters)

Following the successful implementation of the first phase of the “1000 Day Project” in Laos, MMG LXML Sepon yesterday provided US\$1.39 million in funding for a second phase. This announcement reinforces MMG's support for this important maternal and child health partnership with the Ministry of Health, Lao Women's Union and UNICEF. Yesterday's announcement brings MMG's total support of this crucial child nutrition partnership to almost US\$3 million to date. The 1000 Day Project recognises the



Lao officials and partners launch the second phase of the 1000 Day Project yesterday in Vientiane.

critical window of the first 1000 days of life - from pregnancy until the child is two years old, on supporting intellectual and physical development. It aims to reduce stunting and iron-deficiency anaemia in children under two through community outreach programmes and distribution of “Superkid” branded zinc micronutrient powder supplements. Stunting and anaemia are major public health problems affecting more than 170 million children worldwide, and more than 40 percent of children in Laos. The impact is irreversible and associated with impaired cognitive ability and reduced school and work performance. More than 120,000 children and their families in Laos have benefited from a package of nutrition services, including 94,560 children who received Superkid supplements, with over 2.5 million sachets distributed. The second phase of the project will leverage existing gains and expand provision of nutrition services, including the distribution of micronutrients through health outreach services to nearly 270,000 children across 22 districts in the provinces of Savannakhet, Saravan, Attapeu and Huaphan. MMG CEO Mr Andrew Michelmore emphasised the advantages of partnerships in delivering sustainable community health and development outcomes in line with the Sustainable Development Goals of nutrition and good health. Deputy Minister of

Health Associate Prof. Dr Phouthone Meuangpak said “The first phase of the 1000 Day Project has helped thousands of children combat malnutrition. As we move into the second phase, we will capitalise on those gains and broaden our reach to many more children through expanded distribution. The integration of micronutrients in the form of powder into existing public health and nutrition programmes is proving one of the effective ways to reach children and reduce malnutrition.” UNICEF Representative in Laos Ms Hongwei Gao said “This project ensures Laos has a solid foundation to sustain nutritional interventions in selected provinces.” UNICEF has also trained over 1,600 Lao Women's Union volunteers and health workers in remote rural areas to ensure the benefits are shared with ethnic groups and those most in need of nutritional and health outreach support. President of the Lao Women's Union, Dr Inlavanh Keobounphanh, stressed the importance of the work done at the community level. “The Lao Women's Union will continue to provide expertise and support to the 1000 Day Project on the ground. Our role as nutrition counsellors explains the significant nutrition benefits of micronutrient supplements to mothers and provides a critical link in how best they can integrate the nutritious powder into the diet of their children.”

(Vientiane Times 20 April 2016)

Parliament to elect new leaders today

(By Times Reporters)

The National Assembly (NA)'s 8th Legislature is set to hold its inaugural session today when it will elect the country's new leaders including the president, vice president and prime minister. The election, which will be televised live nationwide, comes after the election of members of the NA's 8th Legislature and Provincial Assemblies, which took place on March 20. Shortly after the official opening in the morning, the NA members

are scheduled to consider and approve the election of the President of the NA's 8th Legislature, and the vice presidents and standing committee of the Assembly. The session will also consider appointments to other positions to fill posts on various NA committees. NA members will consider and approve the election of the new president, vice president and prime minister of Laos as well as the new cabinet for the next five-year

term. President Choummaly Sayasone is set to retire after completing two consecutive presidential terms. The amended Article 66 of the Constitution states that the president of the Lao PDR may hold office for no more than two consecutive terms. The expected change in state leadership comes after the change in the Party leadership that took place during the 10th Party Congress in January this year. President Choummaly, who was the former Party Secretary General and a Politburo member, retired from the posts during the congress. Other former Politburo members who retired from the Party during the 10th Party Congress were Prime Minister Thongsing Thammavong and Deputy Prime Ministers Somsavat Lengsavad and Asang Laoly. The four-day session will also consider and approve the election of the People's Supreme Prosecutor and President of the

People's Supreme Court. In addition, the session will consider and approve the draft development vision until 2030, the draft development strategy until 2025, and the draft 8th five-year National Socio-economic Development Plan (2016-2020), as well as the draft five-year budget. During the four-day sitting, the session will hear reports on the leadership performances of the outgoing Lao President, NA President and Prime Minister over the past five years. The National Assembly's Standing Committee will also present their five-year plan on law making and amending. On the last day of the session, Secretary General of the Lao People's Revolutionary Party's Central Committee, Mr Bounnhang Vorachit, is scheduled to address the session and give guidance to the new leadership.

(Vientiane Times 20 April 2016)

New leaders take up their posts

(By Somxay Sengdara)

The National Assembly's (NA) 8th Legislature began its four-day inaugural session yesterday with members reelecting Ms Pany Yathotou to a second term as the Assembly's President and electing Party Secretary General Mr Bounnhang Vorachit as the head of state.



Laos' new President Bounnhang Vorachit (left) and former President Choummaly Sayasone wave during the inaugural session of the National Assembly's 8th Legislature yesterday. -- Photo Khamphan

Ms Pany, who was President of the NA's previous legislature, received votes from almost all Assembly members present at the

session. Referring to her suitability for the post, members said she was a longstanding and accomplished female member of the Assembly and possessed the necessary knowledge, skills and experience to lead the legislative body. She was also able to make clearcut decisions on the issues submitted for her consideration. Members also spoke of their pride that the country could elect a woman from an ethnic group to one of the Party's highest leadership positions. This demonstrated that the National Assembly was the highest state body and a true representative of the people. During their first session, National Assembly members reelected the vice president of the Seventh Legislature, Mr Somphanh Phengkhammy. Also elected as vice presidents were Lieutenant General Sengnuan Sayalath, Dr Bounpone Bouttanavong, and Ms Sisay Leudethmounsone. Party Secretary General Mr Bounnhang Vorachit was elected as President of the Lao PDR, and Permanent Member of the Party Central

Committee Secretariat MrPhankhamViphanh was elected Vice President, after they were nominated by the NA's Standing Committee. MrBounnhang and MrPhankham have been active participants in the lengthy revolution process and have years of experience in executive positions. MrBounnhang was a revolutionary activist for many years. He was formerly a commander in the Lao People's Army, provincial Party Secretary and Governor, minister, deputy prime minister, and Vice President. The National Assembly also approved the election of MrThonglounSisoulith as Prime Minister, and DrBounthongChitmany, DrSonexaySiphan-

Ministry heads are as follows:

1. Lieutenant General ChansamoneChanyalath is Minister of National Defence.
2. Major General SomkeoSilavong is Minister of Public Security.
3. MrKhammanhSounvileuth is Minister of Home Affairs.
4. MrChaleunYiapaoher is Minister to the Prime Minister's Office.
5. MrSommadPholsena is Minister of Natural Resources and Environment.
6. Prof. DrBosengkhamVongdara is Minister of Information, Culture and Tourism.
7. Dr Lien Thikeo is Minister of Agriculture and Forestry.
8. MrXaysiSantivong is Minister of Justice.
9. DrKhamphengSaysompheng is Minister of Labour and Social Welfare.
10. MrKhammeungPhongthady is Minister and Head of the Presidential Office.
11. DrKhammanyInthirath is Minister of Energy and Mines.
12. MsKhemmaniPholsena is Minister of Industry and Commerce.
13. Prof. DrBoviengkhamVongdara is Minister of Science and Technology.
14. MrSaleumxayKommasith is Minister of Foreign Affairs.
15. MsSengdeuanLachanthaboun is Minister of Education and Sports.
16. MrSomphaoPhaysith is Governor of the Bank of the Lao PDR.
17. MrThansamyKommasith is Minister of Posts and Telecommunications.
18. DrBounchanhSinthavong is Minister of Public Works and Transport.
19. DrPhetPhomphiphak is Minister and Head of the Prime Minister's Office.
20. DrSouphanhKeomixay is Minister of Planning and Investment.
21. DrBounkongSihavong is Minister of Health.
22. MrBounkeuthSangsomsak is Minister to the Prime Minister's Office.
23. MrAlounkeoKittikhoun is Minister to the Prime Minister's Office.
24. DrSouvanphengBouphanouvong is Minister to the Prime Minister's Office.

The National Assembly's Eighth Legislature has eight committees and a secretariat.

1. MrSaithongKeoduangdy is President of the Law Committee.
2. MrBounponeSisoulath is President of the Economics, Technology and Environment Committee.
3. DrVilayvongBouddakham is President of the Finance, Planning and Audit Committee.
4. DrSomphouDuangsavanh is President of the Cultural-Social Committee.
5. MsBuaphanhLikaiya is President of the Committee of Ethnicity.

done, and MrSomdyDuangdy as Deputy Prime Ministers. MrThongloun was previously Deputy Prime Minister and Minister of Foreign Affairs. DrBounthong is also Head of the Party and Government Inspection Authority and the Anti-Corruption Organisation. MrSomdy is also the Minister of Finance. In addition, MrKhamphanhSittidampha and MrKhamphanhSittidampha were re-elected as President and Head of Office of the Supreme People's Prosecutor and President of the Supreme People's Court respectively. The structure of the new government remains unchanged and comprises 18 ministries and three ministry-equivalent bodies.

6. DrBuakhamThipphavong is President of the Justice Committee.
7. Khamsouk Vi-inthavong is President of the National Defence and Public Security Committee.
8. Prof. DrEksavangVongvichit is President of the Foreign Affairs Committee.
9. MsSuansavanhVignaket is Head of the Secretariat.

(Vientiane Times 21 April 2016)

Incoming president pledges to serve nation with integrity

(By SomsackPongkhao)

The inaugural session of the National Assembly yesterday approved MrBounnhang-Vorachit as the new President of the Lao PDR. As the new Head of State, MrBounnhang vowed to serve the nation and people with integrity, to ensure the country accomplishes greater achievements over the next five years. "It is my great honour and privilege that the inaugural session of the National Assembly has elected me as the new President of the Lao PDR. On this occasion, I'd like to express my sincere thanks to the Assembly members for placing their trust in me. I consider it a great responsibility and privilege to hold this post," he said. "In response to the trust given to me, I vow that I will be honest towards the nation and the multi-ethnic Lao people. I will respect and strictly follow the Constitution and laws of the Lao PDR." "I will drive forward the implementation of the Party's renovation policy and foreign policy of peace, independence, friendship and cooperation," he added. MrBounnhang said "I will dedicate all of my efforts and knowledge, in cooperation

with other Party and government leaders, to oversee national development to ensure that the country is prosperous and strong, that people become richer, and society enjoys justice." The National Assembly approved MrBounnhang as the new President of the Lao PDR by a majority vote based on a proposal by the Assembly's Standing Committee. MrBounnhang is also Secretary General of the Lao People's Revolutionary Party after being elected to the post by the 10th Party Congress in January. He was previously the Governor of Savannakhet province before becoming the Mayor of Vientiane, then Deputy Prime Minister, Prime Minister, and Vice President of the Lao PDR. The inaugural session of the National Assembly also approved the new leadership of the government, National Assembly, and judicial bodies. These new leaders will continue to direct the implementation of the Resolution of the 10th Party Congress that was approved in January this year. Their goal is to ensure that Laos graduates from Least Developed Country status by 2020.

(Vientiane Times 21 April 2016)

Elected PM pledges to serve the nation

(By SomsackPongkhao)

Newly elected Prime Minister ThonglounSisoulith has vowed to dedicate himself to serving the nation, saying that despite the challenges he is determined to work tirelessly to improve social and economic development. "I know that it's a great honour for me to be the Prime Minister of the Lao PDR, but it's also a great responsibility and I have been entrusted with challenges that cannot

be avoided in implementing the country's tasks," MrThongloun said. "As the head of government, I vow that I will strengthen my revolutionary endeavours more than at any time in previous years in order to carry out the tasks of the nation." "I will dedicate my efforts and knowledge to implement the work with which I have been entrusted, with great responsibility. I will make sacrifices in

cooperation with other leaders to implement the Resolution of the 10th Party Congress and the Resolution of the National Assembly of the Eighth Legislature,” he added. Mr Thongloun was previously Deputy Prime Minister and Minister of Foreign Affairs. Over the past years, he has served in various divisions of the Party, National Assembly, and government. He was formerly Minister of Labour and Social Welfare and President of the Committee for Planning and Cooperation (now the Ministry of Planning and Investment) and a standing member of the National Assembly before becoming Deputy Prime Minister and Minister of Foreign Affairs. Educated in Russia, Mr Thongloun was approved as Prime Minister of the Lao PDR by the National Assembly yesterday. National Assembly members attending the legislative body's inaugural session approved Mr Thongloun's appointment as Prime Minister by a majority vote based on the proposal of the newly elected President of the Lao PDR Mr Bounnhang Vorachit. Mr Thongloun thanked the National Assembly members for the trust they placed in him

by voting him into office. He called on members to make constructive comments so the government could continue to make firm strides in development, as required by the nation and people. He said the ultimate goal of the government was to ensure that Laos graduates from Least Developed Country status by 2020 and that poverty is alleviated nationwide, bringing prosperity to the nation along with social justice. The Prime Minister said the government was committed to ensure that Laos can withstand all challenges and pursue a stronger development path. During yesterday morning's National Assembly session, Mr Thongloun asked the Assembly to approve the government structure in response to the changing needs of the nation in the new era. The government comprises 18 ministries and three ministry-equivalent bodies. This structure is sound and has been developed in response to the country's needs in modern times. Mr Thongloun also named new ministers and asked the National Assembly to approve them. The Assembly members complied with his request.

(Vientiane Times 21 April 2016)

Laos enjoys political stability, strong economic growth, parliament told

(By Times Reporters)

Laos has enjoyed political stability, social order, and high-level economic growth over the past five years, outgoing Prime Minister Thongsing Thammavong told the National Assembly (NA) yesterday. Mr Thongsing was summarising the government's performance under his leadership over the past five years from 2011-2015 at the inaugural session of the NA's 8th Legislature, which opened yesterday. The outgoing prime minister, who announced his retirement at yesterday's session, told the NA that Laos, under his administration, had been able to assiduously protect its territorial integrity and sovereignty and enjoyed strong political stability. Se-

curity and order had also prevailed throughout society as a whole. In addition, Laos has experienced continuous high-level economic growth averaging 7.9 percent annually over the past five years. Average income per capita has increased to more than 16 million kip (US\$1,970). Mr Thongsing told the NA that the government had been able to collect revenue equal to 24.6 percent of the country's gross domestic product (GDP), which exceeded the target. The number of families officially classified as poor has declined to just 6.59 percent of all families across the country. “Transportation and telecommunication infrastructure has been widely ex-

panded,” he told the session. Mr Thongsing said the road network now accessed all regions of the country and also provided access to neighbouring countries, while people in all parts of Laos could benefit from telecommunication networks including telephone connections. Remarkably, Laos sent its first telecommunication satellite into orbit last year and held a groundbreaking ceremony for the start of construction of a railway linking Vientiane to the Chinese border, which marked the 40th anniversary of the founding of the Lao PDR, Mr Thongsing added. He told the session that the government had placed great importance on the development of the socio-cultural sector. In addition, up to 17 percent of state investment had gone into education development, while healthcare infrastructure had been expanded to rural communities. The government has also focused on enhancing good governance procedures and mechanisms, and made every effort to ensure Laos is governed by the rule of law, recognising this is conducive to attracting investment. Efforts have also been made to tackle social problems. Mr Thongsing said the role and profile of Laos had been raised in the regional and international arenas, thanks to the active engagement of the government in implementing Laos' foreign policy. With Laos having made more friends, Mr Thongsing said the country had been able to inspire greater cooperation with foreign countries. Notably, Laos was granted membership of the World Trade Organisation in 2013. Laos also joined forces with other Asean nations to form the

Asean Community at the end of last year. Laos has also hosted a number of international conferences. “Our country has actively participated in protecting peace and stability, and promoting friendship and cooperation towards development in the region and the world,” he told the session. These achievements were made possible thanks to the Party's guidance and leadership, the efforts of the government, participation by all stakeholders, and assistance and support from the international community and friends. Mr Thongsing also highlighted the shortcomings and challenges that Laos has faced in recent years, saying the country's economic foundations were not as solid because revenue streams still heavily rely on the exploitation of natural resources and the export of raw materials. In addition, the development gap between urban and rural communities remains large. Some development and revenue collection targets called for by the National Assembly have not been achieved, the outgoing prime minister said. He also said the management of state investment projects had not been sufficiently effective and financial and planning disciplines had not been strictly observed. These issues have led to the accumulation of considerable public debt, which it is difficult for the government to repay. Mr Thongsing admitted that more work needed to be done to strengthen Lao businesses and improve their competitive edge. He also stressed the need to strictly enforce laws and regulations in order to suppress corruption, which is known to occur, as well as curb the proliferation of social ills.

(Vientiane Times 21 April 2016)

Phongsaly capital development continues despite budget issues

(By Phetphoxay Sengpaseuth)

Authorities in Phongsaly province have confirmed they are continuing with construction of the new provincial capital despite the government's budgetary constraints. The government has planned to develop the town

since 2008 moving the provincial capital 40 km from Phongsaly district to Bounneua district. The overall budget for the major construction project has been estimated between 3 to 4 trillion kip. Bounneua district

will become the province's urban centre, as well as administrative, trade, business, residential, sport, tourism, and investment hub, an official confirmed. Head of Phongsaly Planning and Investment Department, Mr Khamleck Chai-esane spoke to *Vientiane Times* yesterday about the new capital project's progress. "We expect that construction will be completed so that all government offices can be moved from Phongsaly to Bounneua district by 2020," he said. Mr Khamleck said provincial authorities expected construction to run until 2025 but at this stage the overall construction of government offices was 50 percent complete. Some of the facilities already in place in the new capital include main roads, a power grid, water supply, and government offices. The project also involved creating stable resettlement areas and livelihoods with Bounneua district having a better location for future socio-economic development and the province bordering the two neighbouring countries of China and Vietnam, he added. Mr Khamleck also explained financial

constraints in the country had resulted in budget deficits in recent years, which had affected the government's priority projects. The government had budgeted only 11 billion kip for the province for both the 2013 and 2014 fiscal years and about 15 billion kip for both 2015 and 2016. However, provincial authorities had requested about 20 billion kip per fiscal year. Mr Khamleck explained the government would have to raise additional funding for the new town development, with borrowing US\$200 million from the Chinese government an option. However, because of financial constraints the government would have to carefully consider borrowing for any project and provincial authorities would therefore have to work with the available budget. About 3,000 people live in the new provincial capital, which should be able to accommodate about 10,000 people when development is complete. Phongsaly Province is one of the remotest of Laos' provinces, dominated by rugged, mountainous terrain and an abundance of thick forests.

(Vientiane Times 21 April 2016)

Project priority, law enforcement top NA debates

By Somxay Sengdara



National Assembly members debate the Vision 2030, Strategy 2025, eighth five-year National Socio-Economic Development Plan, and the five-year State Budget yesterday.

Prioritising development projects for the best use of resources, along with tough law enforcement, topped debates at the National Assembly yesterday as members sought to pave the way for future growth. They identified the unregulated use of resources and disrespect for financial discipline as ob-

stacles to the country's development. Members expressed these opinions when debating the draft eighth five-year National Socio-Economic Development Plan, and the five-year State Budget during the Assembly's inaugural session. In introducing the development vision and strategy for the country, Prime Minister Thongloun-Sisoulith made mention of the challenges to be addressed. He highlighted planning and financial discipline, the promotion of small and medium-sized enterprises, improvement of services, transparency, heartfelt devotion to the nation, inspections and audits, the stricter enforcement of laws, and the promotion of research. Giving her opinion on these issues, member for Savannakhet province

DrSouvanphengBouphanouvong supported the government's initiatives but was concerned about how the resolution of these problems would be prioritised. "We have limited resources so we have to prioritise what we need to do first," she said. She pointed to the need for research, an integrated and improved legal system, and the translation of laws into concrete measures that were enforceable in a standardised manner throughout the country. DrSouvanpheng said it was important that people knew what the government was doing for them and participated in activities encouraged by the government such as adopting a thrifty lifestyle. "People have complained about the fact that the government talks about budget constraints when they see government agencies holding extravagant dinner parties and spending lavishly on guests," she said. National Assembly member for Vientiane DrBuakhamThippavong mentioned the government's reports about a fall in revenue while expenditure was on the rise. She also highlighted poor law enforcement, especially in the case of financial of-

fences. DrBuakham said budgets for projects approved after superficial analysis by only one person meant that often a worthless and unfulfilled project was given the go ahead, but funding for projects that were completed was not reimbursed. "If this situation continues, the promotion of SMEs will fail and the country's financial difficulties will continue," she added. DrBuakham also expressed her concern about the government's debt to unapproved investment projects, which she said had not undergone a bidding process or in-depth inspections. She suggested that stricter law enforcement would mean that laws were respected and that more decisions should be made by groups rather than one influential person. Member for Savannakhet province DrKhampheuyPhanthachone suggested that clear measures be laid down to penalise all officials and leaders who violated financial rules. He referred to a casino in Savannakhet province that owed millions of dollars to the government, saying strict measures should be enforced to ensure businesses paid the taxes they owed.

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PM announces seven measures to address nation's challenges

(By Somsack Pongkhao)

The newly elected Prime Minister ThonglounSisoulith has announced seven key measures the government will focus on to address challenges facing the country. MrThongloun highlighted measures to address the economy, investment climate, government oversight, law and order, as well as scientific research while speaking at the ongoing National Assembly (NA) session yesterday. In his address, the PM outlined the seven key measures at the inaugural session of NA Eighth Legislature: 1. "We will have to improve mechanisms and stabilise the national macro-economy to create resilience

and protect the country from the risk of economic setbacks. We will have to enhance efforts to systemise financial planning based on sound principles, ensuring transparency and accountability." 2. "We will have to expand productivity and markets while moving towards modernisation and industrialisation. In addition, we have to strongly promote SMEs, creating favourable conditions for people and farmers in local areas to have access to funding and markets." "We have had a lot of problems regarding this matter in recent years. The new government will have to work harder in developing moderni-

sedustrialisation in association with the stronger promotion of the SME sector.”³. “We will have to promote domestic and foreign investment by launching breakthrough approaches in addressing inappropriate mechanisms.”“We have good investment promotion laws, but it's still not enough. We have to improve administrative mechanisms, ensuring quick, transparent and accountable services for entrepreneurs. If we fail to do this, we will not be able to attract investment to our country in the era of economic competitiveness and integration.”“Asean is establishing free trade areas with other countries in the world, and if we cannot address this issue, foreign investors will not come to our country. In contrast, they will move to other countries.”⁴. “We will have to try to address bureaucracy and irresponsibility in government officials and build a spirit of serving the nation and people among officials and ensure that most people get involved in national development.”⁵. “We have to pay attention to regular and effective

inspection affairs and focus on transferring knowledge and lessons to one another so that our society becomes a caring society with people willing to strengthen unity and cooperation.”⁶. “We have to strictly follow the constitution and laws. The National Assembly assessed that in recent years law enforcement in our country was still weak. If we don't pay attention to this matter, justice will not occur in our society. The new government will have to work in cooperation with the National Assembly to ensure laws are properly enforced in our country.”“If we still don't have enough appropriate legislation with loopholes in some laws, we have to come together and discuss and enact or amend laws so that we have the legislation to develop the nation.”⁷. “We will have to set up a scientific research institute to promote research aiming to provide in-depth, analysed and credible information to the Party and government organisations so that they can use it in issuing policies and legislation.”

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Govt salaries expected to rise next fiscal year

(By Times Reporters)

A welcome increase in the salary paid to civil servants is expected to kick in next fiscal year, based on a hike of 500 kip per salary index, the government told the National Assembly on Wednesday. Deputy Prime Minister and Minister of Finance Somdy Duangdy highlighted the pay rise when presenting the draft five-year budget for 2016-2020 at the National Assembly's inaugural session. Over the next five years, the government aims to collect 149,600 billion kip in revenue, representing 19-20 percent of gross domestic product (GDP) and ensuring the government can cover expenditure. The target figure is double that of the last five years, Mr Somdy said. Expenditure on salaries is set to reach 8 percent of GDP amounting to more than 60,000 billion kip, an increase of 85 percent compared to salary spending

over the past five years. Mr Somdy said that when calculating the new salary rate, the percentage increase would not be less than the annual economic growth rate, which has been set at not less than 7.5 percent over the next five years. This means salaries will be increased by 500 kip per salary index. To ensure the pay rise does not cause budgetary constraints as happened in the past, the minister told the National Assembly the government would allocate funding for salaries over the next five years so that it did not exceed 45 percent of internal income. He recalled that in fiscal year 2012-13, salaries ate up 58 percent of the budget as a result of a significant pay rise awarded that year along with living allowances for civil servants. The government was forced to suspend the salary increase and to cut some

living allowances in the following years. Mr Somdy also told parliament it was unlikely that revenue collection would meet the target this fiscal year and asked National Assembly members to approve a government proposal to adjust the budget. It is estimated the government will be able to collect only 23,700 billion kip or 90.6 percent of the

amount planned. Representing the government, the finance minister asked the National Assembly to consider and approve the government's proposal to cut the revenue target from the planned 26,159 billion kip to 23,700 billion kip and to cut planned expenditure from 31,946 billion to 31,118 billion kip.

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