

# Comité de Coopération avec le Laos

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# Furniture makers will have plenty of wood, PM assures

By Times Reporters

Lao wood processing businesses making furniture and other wood products for domestic supply and export will have sufficient raw materials, Prime Minister Thongloun Sisoulith has confirmed. Speaking at the 40th Lao Business Awards in Vientiane last week after the new government strictly implemented forestry management plans for green development and sustainability by banning logging and timber exports, Mr Thongloun said large quantities of logs and timber have been seized.



Timber exports have stopped since a government clampdown involving regular inspections.

The numbers in relation to illegal logging are not yet clear but the Prime Minister believed that illegally felled wood that had been impounded could be passed on to furniture makers for the next seven to eight years. But ensuring the prevention of illegal logging and forestry protection will require strong support from every sector of government and privately owned businesses, Mr Thongloun stressed. The government will direct the relevant sectors to crack down on wrongdoers, he added. Some businesses have

received export quotas from local authorities but this permission has not been scrutinised by the central government."If we declare that we have banned logging and timber exports until the country secures the highest benefits, then we should uphold this ban," Mr Thongloun said.He stressed that no logs or trees that have been felled should be removed from forests or other land after they have been cut up for sale. The move has been welcomed by furniture makers, who were worried about a lack of raw materials, but after the recent confiscations they are confident they will have plenty of wood to work with for some time to come. The confiscated wood is expected to be put up for bidding by the government. Every piece of wood should be turned into finished products such as furniture or wood carvings to maximise their value for the benefit of Laos, Mr Thongloun said.In previous years, the government collected only about US\$20 million in taxes from timber exports but Laos has actually sold wood products to neighbouring countries worth hundreds of millions of dollars a year. The issue caused the government to lose large amounts of revenue, which has impacted on socio-economic development. The new government believes that encouraging the manufacture of furniture products and wood carvings will bring in more revenue and create more employment opportunities. The Lao Furniture Association has asked for 30 percent of the government's annual wood quota to sustain its members' operations but this has yet to be approved.

(Vientiane Times 01August 2016)

# WHO extends support for health sector

By Phetphoxay Sengpaseuth

The World Health Organisation (WHO) has reaffirmed its continuing support for the nation's health sector for 2017-2021, pledging to work with the government for the benefit of Lao people. That was the message at a consultation workshop in Vientiane on Friday co-chaired by Minister of Health Associate Professor Dr Bounkong Syhavong and WHO Representative to Laos Dr Juliet Fleischl, and attended by provincial health officials from around the country. The meeting noted recent successes such as WHO support to end the current polio outbreak, developing a regulatory framework to improve the quality of and access to health services, strengthening the capacity of national laboratories, and convening development partners in the health sector to support ministry representatives to participate in international meetings under the previous country strategy. Associate Professor Dr Bounkong Syhavong spoke on the renewal of the Country Cooperation Strategy for 2017-2021 between the Ministry of Health and WHO, noting it was a forward thinking document which would need to be constantly adapted to the changing health challenges and needs of the countryHe said the strategy provided the framework for collaboration between Laos and WHO for the next five years by identifying strategic priorities and approaches that would enable WHO to support Laos on its way to achieving universal health coverage by 2030. The meeting discussed joint priorities as identified through a consultative process involving the govern-

ment, WHO and other major stakeholders."The Country Cooperation Strategy reaffirms the strong partnership between the Ministry of Health and WHO in supporting the reform of the health sector and in improving the health and development of the Lao people. Based on current challenges and needs in the health sector, five strategic priority directions have been identified," he said. These include the implementation of priority public health programmes, strengthening of resilience of the Lao health system, increasing capacities to ensure health security, improving development effectiveness in the health sector in line with the Vientiane Declaration II and supporting Laos' engagement in Greater Mekong sub-regional initiatives, he added. Under these strategic directions, WHO will build on and further strengthen its ongoing successful programme of activities."We have been supporting the Lao government and more specifically the Ministry of Health for more than 50 years in various areas such as the development of health policies and strategies, identifying and responding to disease outbreaks, training health officials at various levels, and collecting information on the health sector," Dr Fleischl said. She thanked the Minister, the Ministry of Health Cabinet, and the Department of Planning and International Cooperation as well as colleagues from other line ministries for their active support and called on all participants to provide open and critical comments.

(Vientiane Times 01 August 2016)

# EU's aid programme to Laos not changing despite Brexit

By Somsack Pongkhao

Although the United Kingdom will leave the European Union, the union's development assistance to Laos will not change, an EU diplomat has confirmed.EU Delegation Chargé d'Affaires Mr Michel Goffin clarified the union's aid prospects when speaking to Vientiane Times during an annual meeting with the former EU Erasmus Plus scholarship recipients, which also bid farewell to 12 new awardees in Vientiane last Friday."There will not be any change in EU development strategy for Laos until 2020 as it falls in our current programming period 2014-2020," Mr Goffin said."But after 2020 we will have to see what achievements we reach in terms of country development and then work closely with the government to determine where the needs are in order to decide our next assistance programme."The EU said the aid programme for Laos over this period has already been allocated and will not be changed. In the meantime, the amount of the EU's aid for least developed countries will not decrease even after 2020, given that the number of Least Developed Countries (LDCs) will decline. According to the EU Delegation in Vientiane, the union will cut aid to countries that are above the poverty line and shift it to the LDC countries. Despite the global economic slowdown, EU assistance to Laos continues to increase. The main bilateral programmes that are implemented in Laos aim to reduce poverty by supporting the government's objective to graduate from LDC status by

2020. From 2007-2013, the funding provided by the EU amounted to more than 69 million euros. The current programming period of 2014-2020 has witnessed a substantial increase with a total amount of 207 million euros. In line with the 8th National Socioeconomic Development Plan, Millennium Development Goals, and the recent Sustainable Development Goals, EU development cooperation mainly targets three key sectors - nutrition, education and governance - while maintaining its support to the areas of trade and private sector assistance, agriculture and rural development, health, environment and natural resources, and UXO assistance. The relations between Laos and the EU stretch beyond development assistance. Both sides are enjoying a more mature relationship on other levels such as political dialogue, in particular a genuine discourse on human rights every year. Laos and the EU have enjoyed a continuing and fruitful relationship since both sides signed the 1997 Cooperation Agreement. The signing paved the way f or the two sides to further consolidate their cooperation including areas related to trade and investment. Beyond the EU's bilateral cooperation with Laos, Lao civil society organisations as well as international nongovernmental actors play an important role and continue to receive support notably through regional and thematic programmes to ensure efficient service delivery and community participation throughout the country.

#### **NUOL** boosts relationship with francophone universities

By Phetphoxay Sengpaseuth

The National University of Laos (NUOL) will look to increase its cooperation with francophone universities (universities whose primary language is French) with the aim of strengthening its own French language courses. The increased cooperation hopes to promote the French language at the university level and enhance the attractiveness of French courses offered in Southeast Asia with the support and guidance of the Agence Universitaire de la Francophonie (AUF). Deputy Director of the Department of French at the Faculty of Letters at NUOL, Ms Souvannapha Vongxay, last week welcomed francophone summer school students from Laos, Thailand, Cambodia, Vietnam and China and encouraged them to enjoy themselves learning French in Laos and to share aspects of their own cultural heritage while here. The summer school students are part of a project conducted by the AUF in collaboration with French embassies in South East Asia since 2008. The project's main objective has been to strengthen university level French courses and departments in universities throughout the region. Each year students from universities around South East Asia have had a cultural exchange with francophone universities of countries involved in the AUF project depending on the topics they are studying."This year five institutions in the region have hosted summer schools. Laos and more specifically, NUOL,

has worked closely with the AUF, the Embassy of France and the Centre of Francophone Activities to launch the first edition of its summer school gathering 40 francophone students from Cambodia, China, Thailand, Vietnam and Laos," Ms Souvannapha said."The theme chosen this year was "Lao Cultural Heritage" with the objective of improving students' knowledge of the French language while promoting the discovery of regional cultures," she added. For five days starting on July 25, students participated in educational activities and cultural outings to write a detailed report at the end of the intensive course on cultural awareness, being open to other ways of living, and Lao heritage, all in French.Ms Souvannapha said the "...gave students the opportunity to view a moment together and interpret their impressions in French, and these are the expected results of this course". During the week the students enjoyed both educational and cultural experiences, which allowed them to improve their knowledge of French and to traditions.According Lao discover NUOL's Department of French, French is one of the most spoken languages in the world and the only one, along with English, to be spoken on five continents, so France fully supports the work of the Agence Universitaire de la Francophonie to which the country is a main contributor, especially in their educational missions and training.

(Vientiane Times 02 August 2016)

# Govt announces a halt on fuel tariff exemptions

By Somsack Pongkhao

The government made an official announcement in Vientiane on Thursday to completely halt fuel tariff exemptions in a move to close loopholes in illegal oil imports. The move is part of the government's efforts to ensure that fuel importation is in line with the country's laws and to close all gaps that allow investors or project developers to take advantage of fuel tariff exemptions. Minister to the Prime Minister's Office, Dr Chaleun Yiapaoher.Minister to the Prime Minister's Office and Government Spokesman Dr Chaleun Yiapaoher spoke at a press conference yesterday highlighting the government's decision to stop oil tariff exemptions.He said that the new move will help the government ensure more revenue can be generated from this sector and transparently included in the national budget."As of May 2016, about 1.49 billion litres of fuel worth over 1.49 trillion kip (at the current oil price) have been granted fuel tariff exemptions," Dr Chaleun said. He also said that over the past year investors or project developers have imported more fuel than the figure approved by the government and had sold it to local markets. For instance, a road construction project needs 100,000 litres of petrol so the developer requests the government to grant 1 million litres tariff free and then sells the excess. Financial officials have said the tariff free fuel and other imported materials are part of the cause contributing to revenue shortfall over the last few fiscal years.Dr Chaleun said "We have lost a huge

amount of revenue from loopholes that have emerged in the tariff exemptions on imported fuel.""From now on our government will no longer grant oil tariff exemptions to any companies or projects across the country," he added. The government also announced that it will inspect projects which have been awarded tariff free oil imports over the past several years to ensure all projects had followed the law in this regard. Over the past three years National Assembly members have often raised concerns about the loopholes related to regulating tariff free imports for development projects at its' sessions, saying that the loopholes have impacted on state revenue. The government says the tariff free import of fuel was mainly granted to investment projects in sectors or regions that the government promoted, projects funded through loans or aid from foreign countries as well as projects which were linked to national defense and public security. Given that Laos is one of the least developed countries in Asia, the tariff free oil imports aimed to expedite development in the country particularly in infrastructure development. After this scheme has been carried out for several years, the government found that loopholes had emerged from the fuel tariff exemptions and that they had lost significant revenue from these gaps.A meeting held between Prime Minister Thongloun Sisoulith and his Deputy Prime Ministers in Vientiane recently came to the decision to halt fuel tariff exemptions.

(Vientiane Times 05 August 2016)

# Laos, China want better synergy in development

By Times Reporters

Laos and China are aiming to achieve better synergy in development with the relevant sectors from both countries to work together to merge Laos' Eighth five-year National Socio-Economic Development Plan (NSEDP) with China's 13th five year NSEDP. The willingness to make the move was signalled during the meeting between Lao Minister of Foreign Affairs, Mr Saleumxay Kommasith and his Chinese counterpart, Wang Yi in Beijing, China on Wednesday.Minister Saleumxay Kommasith ( left ) and Minister Wang Yi ( right ) join together for a press conference after their bilateral meeting in Beijing.Mr Saleum xay and his delegation visited China from August 2-4 at the invitation of the Chinese minister to enhance the comprehensive strategic partnership between the two countries. The two sides were pleased and highly valued the cooperation ties between the two Parties, governments and people over the past years, which they said have been persistently expanded and realised in many activities. They also noted the mutual visits by high-level delegations of the two countries, especially the recent visit of the Lao People's Revolutionary Party Secretary General and Lao President, Bounnhang Vorachit to China.Laos and China agreed on strengthening their economic cooperation in trade, investment, tourism, as well as cooperation in other sectors.Bilateral trade volumes between the two countries have reached US\$3 billion. while Chinese investment in Laos is ranked as the highest by any country with 760 projects being operated in the country valued at some US\$6 billion.More than one million Chinese have visited Laos, while the number of Lao people visiting China is also on the rise, according to a press release from the Ministry of Foreign Affairs. The most outstanding cooperation projects between the two countries are Lao Sat-1 and the Laos-China Railway. The two sides will continue organising various activities to mark this year's 55th anniversary of the establishment of diplomatic relations between the two countries."This year is of great importance in the history of bilateral relations as it marks the 55th anniversary of diplomatic ties between Laos and China," the Lao minister was quoted by Xinhua as saying. The Lao and Chinese diplomats agreed for the relevant sectors from both countries to work together to merge Laos' eighth NSEDP and China's thirteenth NSEDP around the Chinese One Belt, One Road strategy and the Lao policy of transforming from a landlocked into a land linked country. The two sides also intended to cooperate closely in addressing illegal drug trafficking, illegal migration, and human trafficking.Mr Saleumxay said Laos welcomed the high leaders of China to visit and attend the Asean Summit and other related meetings in the country, while Mr Wang also said China was willing to work with Laos to prepare for the attendance of Lao President Bounnhang Vorachit at the G20 Hangzhou Summit in September.

# Vice president lauds EU support for Lao development

By Times Reporters

Vice President Phankham Viphavanh has highly valued the substantial contribution made by the European Union (EU) to boost development and assist poverty reduction efforts in Laos. Mr Phankham highlighted the union's assistance and the growing ties between Laos and the EU while speaking to the out-going EU Chargé d'Affaires to Laos Mr Michel Goffin, who paid a farewell call on the Vice President in Vientiane on Wednesday. The EU has long enjoyed a close relationship with Laos since the arrival of Mr Goffin in early 2012, actively contributing to Laos' successful hosting of the ASEM 9 Summit in 2012, during which highest leaders of the EU also took part. Through substantial development assistance, support to the national reform agenda and a commitment to open markets, the EU has helped Laos in its efforts to build a brighter future for its population and to play an active role on the regional and international stages. The Vice President praised the EU's significant support towards Laos' development over the past years and conveyed his deep gratitude to the Chargé d'Affaires for his service to the country during his tenure.Meanwhile Mr Goffin requested the vice president continue offering his close attention and guidance to the education and health sectors, which the EU has invested considerably in."I feel sad to leave a country with full tolerance and friendly smiling faces, which are very rare in today's world, but I am very happy to see that the Party and the

government are very committed to solving the country's problems in order to ensure that Laos graduates from least development country status as planned," Mr Goffin said. The EU is one of Laos' biggest development partners in terms of grant aid for development cooperation and humanitarian assistance, and also an important trade partner.The EU programme for Laos 2014-2020 (207 million euros) focuses on the sectors of nutrition, education and governance, while also tackling horizontal issues such as UXO decontamination, gender equality and climate change.Starting from 2016, European partners (the EU, EU Member States and Switzerland) are combining their development cooperation through joint programming. The EU and its Member States set out a common vision, priorities, approach, division of labour and indicative financial allocations. Taken together, the EU and EU Member States are among the largest development donors in Laos, committing around 70 million euros annually. On economic relations, the 'Everything but Arms' initiative extends import quota and duty-free access for Lao exports to the EU market, opening the door to the biggest single market in the world. The EU Member States also maintain their bilateral economic relations with Laos and, combined, are the fourth largest investors in the country.

# Vientiane's first organic store opens in Hadxaifong

By Times Reporters

Consumers concerned about their health won't have to travel far to buy organic products with the opening of the new Organic Home shop in Somvang-neua village, Hadxaifong district, Vientiane yesterday. The store will not only serve organic products to customers, it's also a key point for an organic farmers group in Hadxaifong district to collect their products to deliver to local restaurants, hotels and mini-markets in Vientiane. The opening of Organic Home was supported in cooperation between the Ministry of Agriculture and Forestry and the Japan International Cooperation Agency (JICA) through their Lao Organic Agriculture Promotion Project (LOAPP). The official opening ceremony that took place yesterday in Somvang-neua village was attended by Deputy Minister of Agriculture and Forestry Dr Bounkhouang Khambounheuang and the Ambassador of Japan to Laos Mr Takeshi Hikihara. Vientiane Vice Mayor Mr Keophilavan Aphaylath, also in attendance, said that although Organic Home was now opened they could not guarantee that there will be enough demand in the area. He says that Vientiane's Agriculture and Forestry Department should be looking to target other districts in the capital to build organic products stores with an aim to create convenience for consumers.Mr Keophilavan also stressed that the department should focus on monitoring and controlling green agriculture production, ensuring the Lao Organic Certified standard and enlarging the organic farming area to cover 30 percent of total agriculture

area in Vientiane by 2030. As part of this initiative, the Vientiane Organic Agriculture Production Group started in 2005 and ended in 2011. There were originally only four groups with 30 families in total but by the end of 2011 it had increased to 17 groups in Hadxaifong, Xaysettha, Sikhottabong, Xaythany, Pakngum and Naxaithong districts with a total membership of 313 families covering a total farming area of 176 hectares.Starting in 2013, LOAPP which is a cooperation project between the Vientiane Agriculture and Forestry Department and JICA supported the groups' activities such as marketing, equipment supply and the estab-Organic lishment of the Home shop. Currently there are 16 groups who have merged into one group in Vientiane province. It consists of 261 families with a total farming area of 119 hectares. The organic agriculture groups have four distribution venues. Firstly, there is one at Xaysettha Park in Xaysettha district. It opens every Wednesday and Saturday mornings from 6:00am to 12:00pm. Second, at Fa Ngum Park in Sikhottabong district, every Monday and Thursday from 1:00pm to 6:00pm and third at Houayhong Market in Chanthabouly district, open every Saturday morning from 6:00am to 12:00pm. The last venue is the Organic Home shop in Somvang-neua village in Hadxaifong district which is the first organic products store in Vientiane, open every Monday to Saturday from 10:00am to 7:00pm.

# Malaysian minister praises Dongphosy SEZ as cooperation example

By Advertorial Desk

Minister of International Trade and Industry of Malaysia Dato' Sri Mustapa Mohamed has praised the Dongphosy Specific Economic Zone (DSEZ), developed and operated by Malaysian investors, as an exemplary cooperation project between Laos and Malaysia.Minister of International Trade and Industry of Malaysia Dato' Sri Mustapa Mohamed (centre, front row) listens to a report by the CEO of UPL Lao Co. Ltd Damien Lim (first left, front row) about the development of the DSEZ The minister made his first tour to the 53 hectare duty free retail and trade -commercial zone in Hadxaifong district, Vientiane on August 2 during his visit to Laos to attend the 48th Asean Economic Ministers' Meeting and its related meetings in Vientiane. He was accompanied by Malaysian Ambassador to Laos Dato' Than Tai Hing and representatives of the Vientiane Department of Industry and Commerce.Mr Damien Lim, Chief Executive Officer (CEO) of UPL Lao Co. Ltd the developer and operator of the DSEZ delivered a brief about the development of the zone and led the delegation to tour the showroom. The CEO told the minister and his delegates that the DSEZ is a key government and private sector business initiative to create a modern shopping and trade destination to cater for international tourists and Lao people. The minister's visit to the zone, which is located near the first Lao-Thai Friendship Bridge, commemorates the opening of the UPL Lao Co. Ltd Shophouse show units as well as to witness the progress of the infrastructure development and construction progress at the DSEZ. The Chairperson of the Dongphosy Specific Economic Executive Board, Mr Soubahn Chounraxa was present to also promote Malaysians to invest in the DSEZ.Mr Soubahn told the minister that the zone offers many tax incentives at the disposal of the future investors. He high-

lighted the Lao Government's commitment to create an attractive business ecosystem in the DSEZ which includes financial incentives and modernised policies for foreign business ownership and ease of doing business.The DSEZ is an Iconic Retail Duty Free Destination in Vientiane and will feature many new and modern facilities in Laos, including a hybrid hypermarket and do-Ityourself centre, specialist hospital and medical hub, international standard business park, high end residential units, mixed-use integrated resort and the largest al-fresco retail shophouse complex in Laos. Mr Dato' Sri Mustapa Mohamed was impressed by the development and strategic location of the DSEZ, most notably being the junction of the planned Vientiane-Kunming highspeed train station, first Lao Thai Friendship Bridge and the Vientiane Logistics Park and Container Yard. In his speech, Mr Dato' Sri Mustapa Mohamed commented that the DSEZ is an exemplary project in strengthening the Lao-Malaysian business relationship and making Malaysia proud by developing a modern and successful micro-city in Laos. The Honourable Minister further added that he is pleased with the support and cooperation between EXIM Bank Malaysia and the banks of the Lao PDR to make the DSEZ a success. Also present during the event were the international construction and quality assurance partners of UPL Lao Co. Ltd.The Honourable Minister was given a detailed presentation of international standards including high quality construction, modern IT and communications amenities and good management practices that will be employed by these partners. The minister's visit to the DSEZ is a follow up to his meeting with the Lao Minister of Industry and Commerce, Ms Khemmani Pholsena, when both sides agreed on the need for both countries to boost cooperation in trade and investment by encouraging businesses to carry out joint development endeavours. The Honourable Minister further added that he is committed to strengthening the Lao and Malaysian business relationship; promoting the DSEZ as an investment destination and garnering Malaysian businesses to establish themselves in Laos.

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