



ປຶ້ມຄູ່ມືບັນຊີຮຽກກາງການລົງທຶນໃນ ຂພສ ຢູ່ ສປປ ລາວ

Investment Calling List Guide for SEZ in the Lao PDR

# Investment Opportunities In the Lao PDR



CAEXPO, 2012 Edition

## Introduction

Special and Specific Economic Zones (SEZ) Development are forms of economic development in accordance with one door service mechanism “Smaller administration unit but wider society” in order to lay the foundation for gradual industrialization, turn land into capital and optimize a state strategic location along the east-west linkage by indentifying special locations to attract both domestic and foreign investors, offering tax and duty incentives in order to promote infrastructure development, production for export, skill development and transfer modern technologies in relation with environment protection and promotion of culture, historical value, and ensuring a sustainable development.

The main purpose of editing this Investment Calling List Guide Book for SEZ in the Lao PDR is to provide the basic information including the location, potentials and investment projects of 10 officially endorsed SEZs to the investors who are interested in investing in the SEZ.

Minister of Government’s Office  
Deputy Chair and Standing Member

## Basic Profile of Lao People's Democratic Republic



|  |   |
|--|---|
| Area   | 236,800 Km <sup>2</sup>   |
| Population                                   | 6,385,057 people; Density: 27 people per Km <sup>2</sup> (2011)                       |
| Borders                                      | China 423 Km, Vietnam 2,130 Km, Cambodia 541 Km, Thailand 1,754 Km and Myanmar 235 Km |
| Climate                                      | Tropical monsoon; Rainy season (May to October); Dry season (October to April)        |
| Time Zone                                    | UTC+7   |
| Currency                                     | Kip (LAK); Exchange Rates: 1 USD = 8,029 Kips (est. 2011)                             |
| GDP  | 8,181 Millions USD (est. 2011)  |
| GDP Growth                                   | 8.0 % (est. 2011)   |
| GDP Per Capita                               | 1,281 USD (est. 2011)   |
| Lower Labor Cost                             | 87 USD per month (2011)   |
| Effective Labor Force<br>(15 - 65 years old) | 43 % of population  |

## Potentials and Opportunities for Investment in SEZ

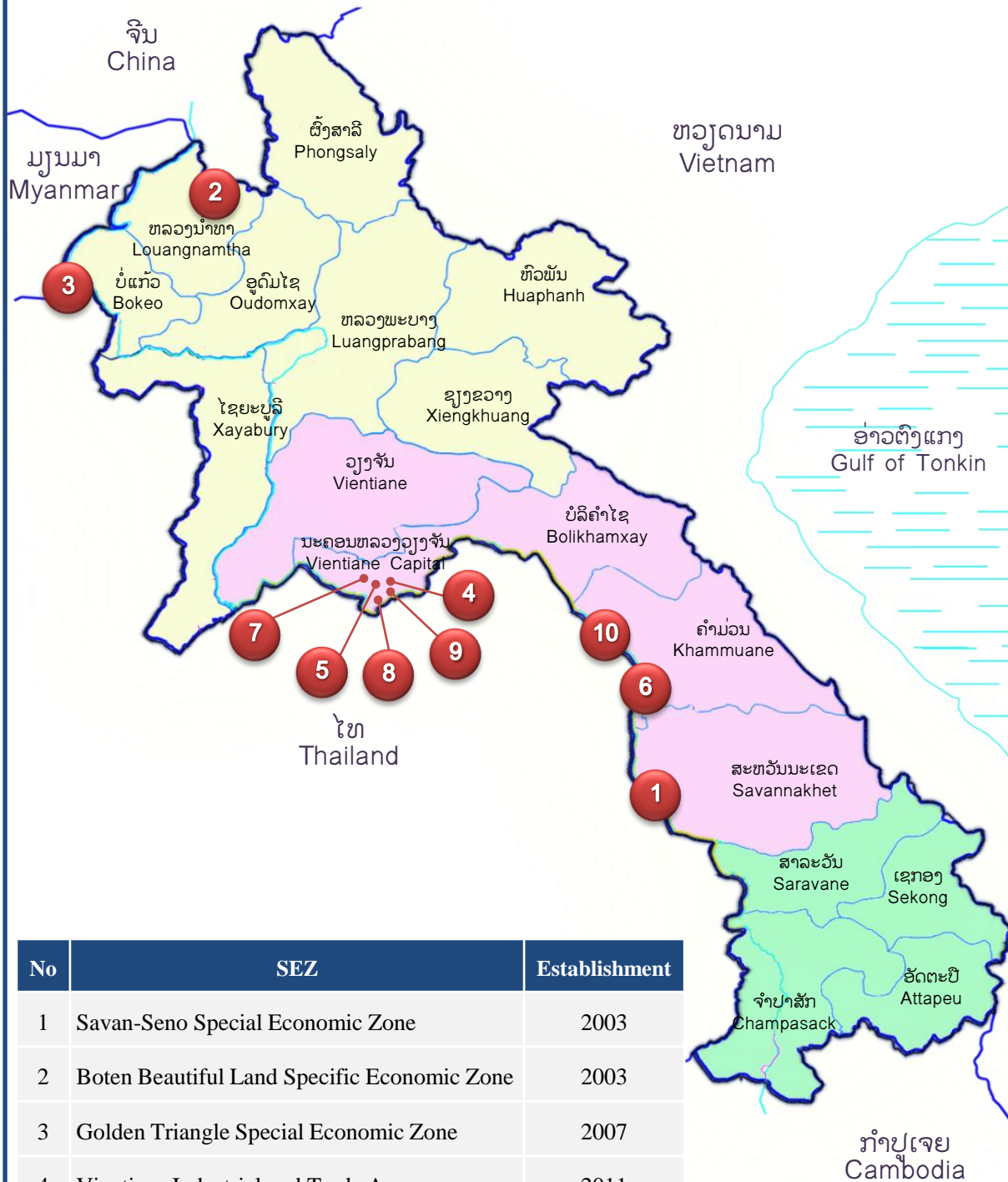
- ◆ Peace and political stability;
- ◆ Correct policy of economic development;
- ◆ Decisive decision making of the government in developing special economic zone;
- ◆ Complete legal foundation system and basic mechanism of economic supervision;
- ◆ Prepare to become a member of the World Trade Organization (WTO) and Asian Free Trade Area (AFTA);
- ◆ Availability of raw materials and natural resources;
- ◆ Appropriate location as the center of economic link between countries in the region;
- ◆ Sufficient energy for development;
- ◆ Natural tourism sites and fine cultural heritage;
- ◆ Capacity for development of organic agricultural products and clean industry;
- ◆ Plan of railroad construction from China through Laos to Southeast Asian countries.

## Incentives for SEZ Investment

Investors in the SEZ are entitled to receive the privileges as following:

- ▶ Receiving the services from economic board or management board of the SEZ through the modality of one stop service;
- ▶ Receiving the exemption of duty and tax on the importation of equipment, vehicle and raw materials for construction;
- ▶ Receiving the reduction of income tax and value added tax depending on business type;
- ▶ Receiving the right to reside in the Lao PDR along with the family during the period of the development investment contract;
- ▶ Receiving the other promotion privileges which are formulated by economic board or management board based on actual potential and conditions of the each SEZ.

## Special and Specific Economic Zones in the Lao PDR



| No | SEZ   | Establishment |
|----|---|---------------|
| 1  | Savan-Seno Special Economic Zone            | 2003          |
| 2  | Boten Beautiful Land Specific Economic Zone | 2003          |
| 3  | Golden Triangle Special Economic Zone       | 2007          |
| 4  | Vientiane Industrial and Trade Area         | 2011          |
| 5  | Saysetha Development Zone                   | 2010          |
| 6  | Phoukhyo Specific Economic Zone             | 2010          |
| 7  | Thatluang Lake Specific Economic Zone       | 2011          |
| 8  | Longthanh- Vientiane Specific Economic Zone | 2012          |
| 9  | Dongphosy Specific Economic Zone            | 2012          |
| 10 | Thakhek Specific Economic Zone              | 2012          |

# 1. Savan-Seno Special Economic Zone.

|                          |   |              |                              |
|--------------------------|---|--------------|------------------------------|
| Location                 | Savannakhet Province  |              |                              |
| Establishment            | 2003 ( Land Tenure 75 years )   |              |                              |
| Total Investment         | 74,000,000 USD  |              |                              |
| Developer                | Government 100 %  |              |                              |
| Area                     | 954 ha  | Land Leasing | 0.3 USD/m <sup>2</sup> /year |
| Electricity              | 0.088 USD/Kwh   | Water Fee    | 0.68 USD/m <sup>3</sup>      |
| Location Advantage       | The project sites are close to Road No.9 as a part of East-West Economic Corridor and the Second Lao-Thai Friendship Bridge.  |              |                              |
| Tax Incentives by Sector | <ul style="list-style-type: none"> <li>Services sector shall be granted the exemption of profit tax for a period 2 - 10 years and afterward 8% or 10% corporate profit tax will be applied based upon investment capital.</li> <li>Trade sector shall be granted the exemption of profit tax for a period 2 - 5 years and afterward 10% corporate profit tax will be applied.</li> <li>Industrial sector shall be granted the exemption of profit tax for a period 5 - 10 years and afterward 8% corporate profit tax will be applied.</li> </ul>   |              |                              |
| Investment Projects      | <p>◆ <b>Service Sector:</b></p> <ol style="list-style-type: none"> <li>1. Banking, Financial Institution and Insurance.</li> <li>2. Tourism Promotion Service.</li> <li>3. Hotel, Resort, Restaurant.</li> <li>4. Amusement Park, Entertainment Center, Sport Center.</li> <li>5. Conference Hall, Skills Center.</li> <li>6. Office Construction for rent, Guest House.</li> <li>7. School, Hospital.</li> </ol> <p>◆ <b>Trade Sector:</b></p> <ol style="list-style-type: none"> <li>8. Duty Free Shop.</li> <li>9. Duty Free Border Trade.</li> <li>10. Import-Export Business.</li> <li>11. Exhibition -Trade Promotion Center.</li> <li>12. Department Store.</li> <li>13. Wholesale-Retail Store.</li> </ol> <p>◆ <b>Distribution Logistics Service Sector:</b></p> <ol style="list-style-type: none"> <li>14. Transportation Business.</li> <li>15. Distribution Service.</li> <li>16. Warehouse, Cool Storage.</li> </ol> <p>◆ <b>Industrial Sector:</b></p> <ol style="list-style-type: none"> <li>17. Electrical Wire Manufacturing Factory.</li> <li>18. Food-Processing Factory.</li> <li>19. Wood Products Industry.</li> <li>20. Textile, Shoe, Bag Manufacturing Plant.</li> <li>21. Automobile Assembly Plant and other Electronic Parts Assembly Plant.</li> </ol> |              |                              |




Phetsalath Road, Kaysone Phomvihane District, Savannakhet Province, Lao PDR

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[www.seza.gov.la](http://www.seza.gov.la)

## 2. Boten Beautiful Land Specific Economic Zone

|                            |   |   |
|----------------------------|---|---|
| Location                   | Louangnamtha Province   |  |
| Establishment              | 2003  |   |
| Total Investment           | 500,000,000 USD   |   |
| Area                       | 1,640 ha  |   |
| Land Tenure                | 50 years  |   |
| Developer                  | Private 100 % (Chinese)   |   |
| Location Advantage         | The project site is geographically located adjacent to Road A3 as a strategic route to connect to ASEAN+3 (China, Korea and Japan).   |   |
| <b>Investment Projects</b> | <ol style="list-style-type: none"> <li>1. Agriculture, Livestock, Manufacturing Industries.</li> <li>2. Cultural Center, 5 Star Hotel, Resort.</li> <li>3. Golf Field, Tourism Zone.</li> <li>4. Education Institution, Public Health Center.</li> <li>5. Business and Trade Area.</li> <li>6. Development of Real Estate and Financial Institution: Banking, Stock Market.</li> <li>7. Post and Telecommunication.</li> <li>8. Warehouse and Distribution Logistics Area.</li> </ol> |   |



Boten District, Louangnamtha Province, Lao PDR

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E-mail: [vhonkhamph@yahoo.com](mailto:vhonkhamph@yahoo.com)

### 3. Golden Triangle Special Economic Zone

|                            |  |  |
|----------------------------|--|--|
| Location                   | Bokeo Province   |  |
| Establishment              | 2007   |  |
| Total Investment           | 86,600,000 USD   |  |
| Area                       | 3,000 ha   |  |
| Land Tenure                | 50 years   |  |
| Developer                  | Government + Private (Chinese)   |  |
| Location Advantage         | The project site is situated on borders of two countries: Thailand and Myanmar.  |  |
| <b>Investment Projects</b> | <ol style="list-style-type: none"> <li>1. Construction of Economic Infrastructures.</li> <li>2. Agriculture, Livestock, Manufacture Industries.</li> <li>3. Hotel and Residential Area.</li> <li>4. Tourism and Special Colorful Display.</li> <li>5. Golf Field.</li> <li>6. Educational Institution and Health Treatment Center .</li> <li>7. Business and International Trade Area.</li> <li>8. Development of Real Estates.</li> <li>9. Banking, Insurance and Financial Institution.</li> <li>10. Post, Telecommunication, Internet, Advertisement and Printing.</li> <li>11. Transportation of Goods and Passenger.</li> <li>12. Development of Tourism and Entertainment Zone.</li> <li>13. Restaurants and Bars.</li> <li>14. Warehouse, Duty Free Shop and Duty Free Area.</li> </ol> |  |



Tonpheung District, Bokeo Province, Lao PDR

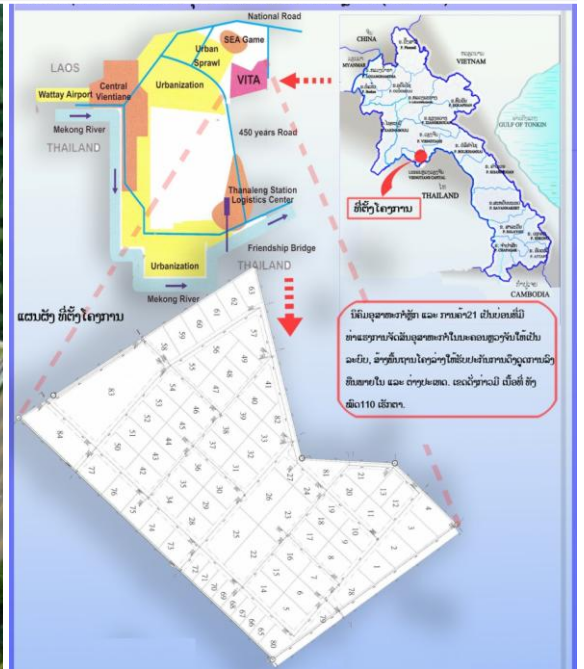
Tel: (856-20) 55518888, Fax: (856-84) 219009, E-mail: 243761779@qq.com

[www.laosez.com](http://www.laosez.com)



## 4. Vientiane Industrial and Trade Area

|                            |  |
|----------------------------|--|
| Location                   | Vientiane Capital  |
| Establishment              | 2009   |
| Total Investment           | 43,000,000 USD   |
| Area                       | 110 ha   |
| Land Tenure                | 75 years   |
| Developer                  | Government + Private (Chinese Taipei)  |
| Location Advantage         | The project site is located 22 km from the center of Vientiane Capital.  |
| Land Leasing               | 0.025 - 0.06 USD/m <sup>2</sup> /month   |
| Electricity                | 0.059 - 0.065 USD/Kwh  |
| Water Fee                  | 0.25 - 0.35 USD/m <sup>3</sup>   |
| <b>Investment Projects</b> | <ol style="list-style-type: none"> <li>1. Industries (Textile, Shoe, Cloth, Bicycle, Electronic Parts Manufacturing Plant...).</li> <li>2. Commerce (Retail Store, Trade Center, Commercial Building...).</li> <li>3. Services (Training Center, School, Hospital, Hotel...).</li> </ol> |



Saythany District, Vientiane Capital, Lao PDR

Tel: (856-20) 99779705, Fax: (856-21) 453985, E-mail: vitapark7121@gmail.com

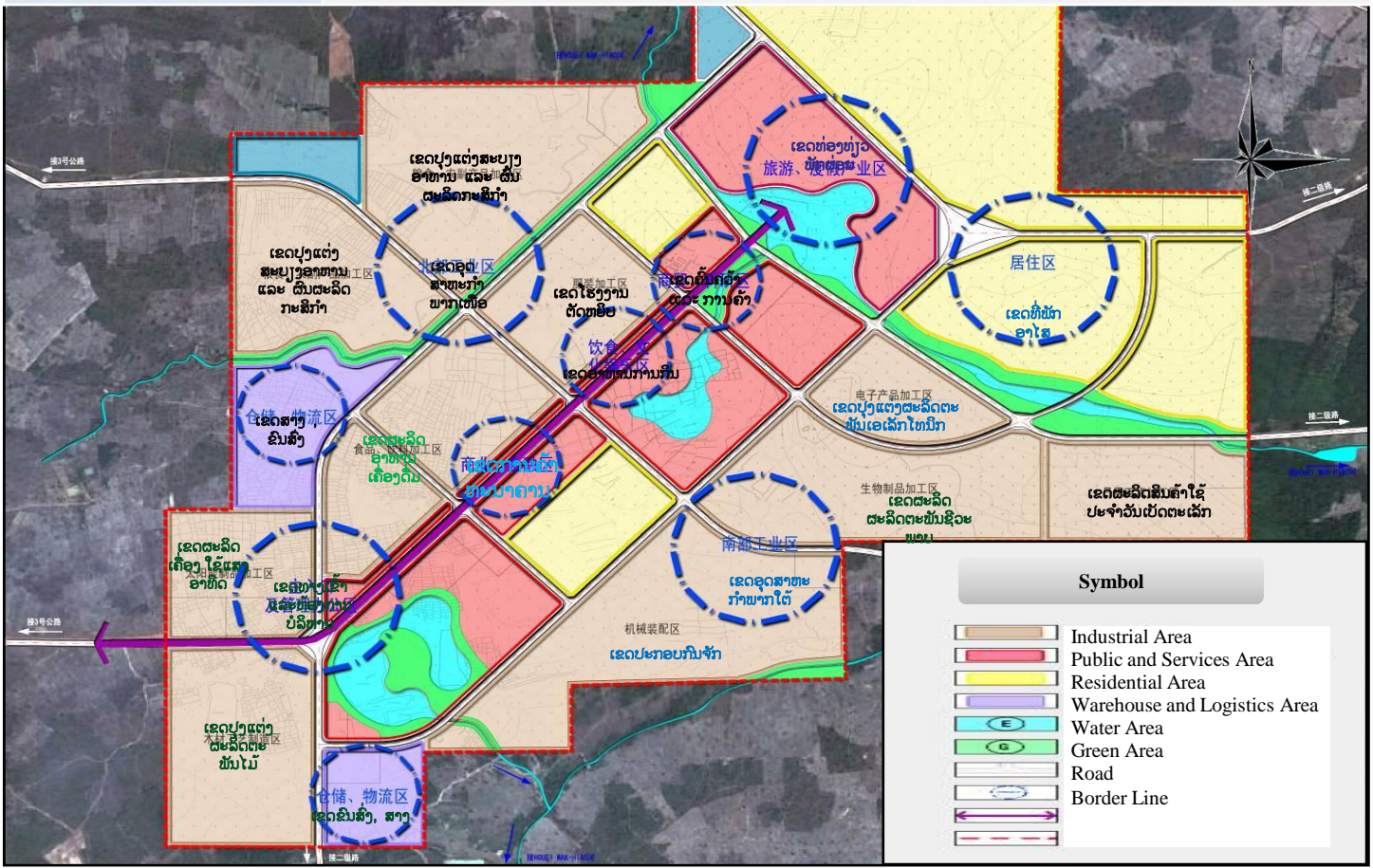
[www.vitapark.com.la](http://www.vitapark.com.la)

# 5. Saysetha Development Zone

|                    |  |
|--------------------|--|
| Location           | Vientiane Capital  |
| Establishment      | 2010 ( Land Tenure 50 years)                                     |
| Total Investment   | 128,000,000 USD  |
| Area               | 1,000 ha   |
| Developer          | Government + Private (Lao & Chinese)                             |
| Location Advantage | The project site is situated in the center of Vientiane Capital. |



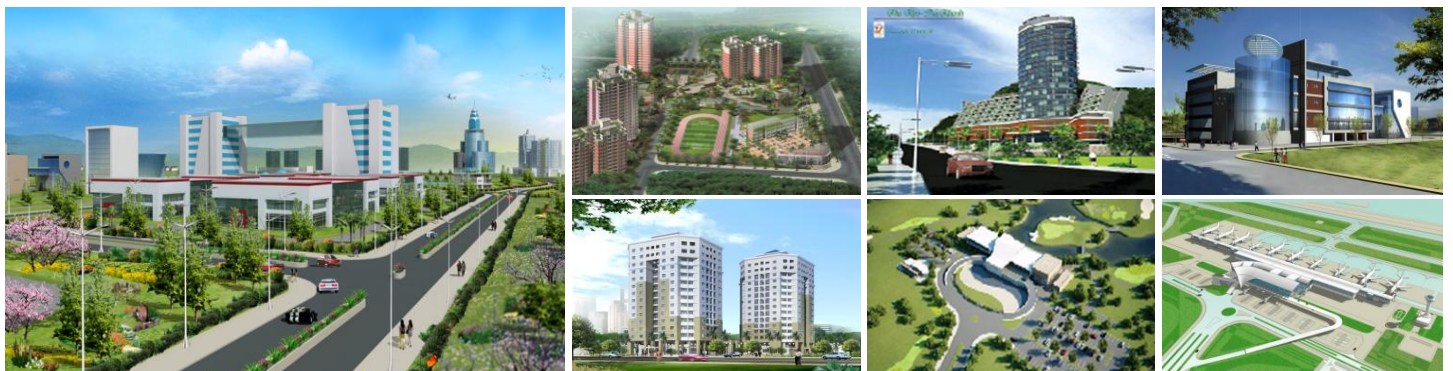
|                            |   |
|----------------------------|---|
| <b>Investment Projects</b> | 1. Agricultural Products Industry.            |
|                            | 2. Wood Manufacturing Industry.               |
|                            | 3. Light Industry.                            |
|                            | 4. Tourism-Services.                          |
|                            | 5. Electric Appliance Manufacturing Industry. |
|                            | 6. Machinery Industry.                        |
|                            | 7. New Energy Industry.                       |



Saythany District, Vientiane Capital, Lao PDR  
 Tel: (856-21) 264814, Fax: (856-21) 264815

## 6. Phoukhyo Specific Economic Zone

|                          |  |           |                    |
|--------------------------|--|-----------|--------------------|
| Location                 | Khammuane Province   |           |                    |
| Establishment            | 2010 (Land Tenure: 99 years)   |           |                    |
| Total Investment         | 708,000,000 USD  |           |                    |
| Developer                | Private 100 % (Lao)  |           |                    |
| Area                     | 4,850 ha   |           |                    |
| Electricity              | 0.06 - 0.08 USD/Kwh  | Water Fee | 0.07 - 0.79 USD/m3 |
| Location Advantage       | The project site is located 14 km from the Third Lao-Thai Friendship Bridge and close to Road No.12 as a main route to Voung Anh deep Sea Port Vietnam.  |           |                    |
| Tax Incentives by Sector | <ul style="list-style-type: none"> <li>▪ Finance, Education and Public Health sector will be granted the exemption of profit tax for a period 3 - 6 years and afterward 3 - 4 % corporate profit tax will be applied.</li> <li>▪ Tourism, Sport and Agriculture sector will be granted the exemption of profit tax for a period 3 - 7 years and afterward 4 - 5 % corporate profit tax will be applied.</li> <li>▪ Trade, Transportation and Services sector will be granted the exemption of profit tax for a period 3 - 8 years and afterward 5 - 6 % corporate profit tax will be applied.</li> <li>▪ Light Industries sector will be granted the exemption of profit tax for a period 3 - 9 years and afterward 6 - 7 % corporate profit tax will be applied.</li> <li>▪ Industries sector will be granted the exemption of profit tax for a period 3 - 10 years and afterward 7 - 8 % corporate profit tax will be applied.</li> </ul>  |           |                    |
| Investment Projects      | <p><b>1. Commerce and Industries:</b></p> <ul style="list-style-type: none"> <li>- Industry for Goods Production, Assembly and Spare Part.</li> <li>- Market Exhibition Store for Commodities.</li> <li>- Natural Tourism Water Parks.</li> </ul> <p><b>2. Business Buildings:</b></p> <ul style="list-style-type: none"> <li>- Apartment Hotel, Housing ,Retirement.</li> </ul> <p><b>3. Sport Parks:</b></p> <ul style="list-style-type: none"> <li>- Golf course.</li> <li>- Indoor Physical Sport.</li> <li>- International Sport Complex.</li> <li>- Sport Competition Centre: Buffalo and Bull Fighting, Horse Rising, Dog Racing, Elephant competition &amp; show.</li> </ul> <p><b>4. Airport and Logistic Sector:</b></p> <ul style="list-style-type: none"> <li>- Air Transportation.</li> <li>- Road Transportation.</li> <li>- Shipping Services.</li> </ul> <p><b>5. Education Sector:</b></p> <ul style="list-style-type: none"> <li>- Professional, Kindergarten, Primary and Secondary School, College “High School”.</li> <li>- Ethnic Museum, Cultural Center.</li> </ul> <p><b>6. Hotel and Entertainment Sector:</b></p> <ul style="list-style-type: none"> <li>- 3 - 5 Star Hotels.</li> <li>- Entertainment Complex Center.</li> </ul> |           |                    |




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[www.psezone.com.la](http://www.psezone.com.la)

## 7. Thatluang Lake Specific Economic Zone

|                    |  |   |
|--------------------|--|---|
| Location           | Vientiane Capital  |  |
| Establishment      | 2011   |   |
| Total Investment   | 1,600,000,000 USD  |   |
| Area               | 365 ha   |   |
| Land Tenure        | 99 years   |   |
| Developer          | Private 100 % (Chinese)  |   |
| Location Advantage | The project site is situated in the center of Vientiane Capital. |   |

### Investment Projects

1. Embassy Cultural Area (Embassy Office, Department Store, Franchised Store, Superstore, Entertainment Center, 5 Star Hotel, Performance Center).
2. Financial and Business Area.
3. Intensive Residential Area (Service Facilities: Hospital, International School and Kindergarten).
4. Low-rise Residential Area (Many forms of residences: European style, modern style and Laos style).
5. Tourist and Leisure Area (Retail Complex, Leisure and Lifestyle Street, Resort and Hotel).
6. Golf Course.




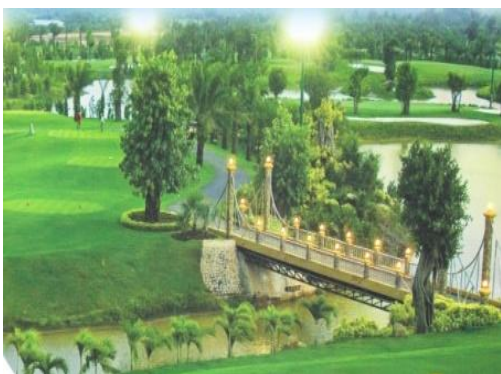
Saysetha District, Vientiane Capital, Lao PDR

Tel: (856-20) 23390606

E-mail: master@shwanfeng.com

## 8. Longthanh - Vientiane Specific Economic Zone

|                     |  |   |
|---------------------|--|---|
| Location            | Vientiane Capital  |  |
| Establishment       | 2008   |   |
| Total Investment    | 1,000,000,000 USD  |   |
| Area                | 557.75 ha  |   |
| Land Tenure         | 50 years   |   |
| Developer           | Private 100 % (Vietnamese)   |   |
| Location Advantage  | The project site is located along the 450 Year Road in Vientiane Capital, 400 m from the Lao-Thai Friendship Bridge and 16 km from the center of Vientiane Capital.  |   |
| Investment Projects | <ol style="list-style-type: none"> <li>1. Golf Course 36 Holes.</li> <li>2. 5 Star Hotel.</li> <li>3. Luxury Apartment.</li> <li>4. Resort.</li> <li>5. Conference Hall.</li> <li>6. Sport Center.</li> <li>7. Super Market.</li> <li>8. Clinic Center.</li> <li>9. Pre-School.</li> <li>10. International High School.</li> <li>11. Deluxe Villas.</li> <li>12. Car Parking.</li> </ol> |   |



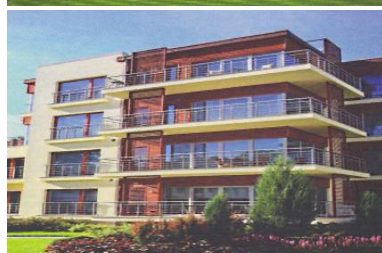
Saysetha District, Vientiane Capital, Lao PDR

Tel: (856-21) 260302, Fax: (856-21) 260312, E-mail: [contact@longthanhgolfresort.com.vn](mailto:contact@longthanhgolfresort.com.vn)

[www.longthanhgolfresort.com](http://www.longthanhgolfresort.com)

## 9. Dongphosy Specific Economic Zone

|                     |   |  |
|---------------------|---|--|
| Location            | Vientiane Capital   |  |
| Establishment       | 2009  |  |
| Total Investment    | 50,000,000 USD  |  |
| Area                | 53.94 ha  |  |
| Land Tenure         | 50 years  |  |
| Developer           | Private 100 % (Malaysia)  |  |
| Location Advantage  | The project site is located along the 450 Year Road in Vientiane Capital, 400 m from the Lao-Thai Friendship Bridge and 16 km from the center of Vientiane Capital.   |  |
| Investment Projects | <ul style="list-style-type: none"> <li>◆ <b>Commercial:</b></li> <li>1. Shops and Restaurants.</li> <li>2. Shopping Mall &amp; DIY Complex.</li> <li>3. Hypermarket.</li> <li>4. Integrated Resort.</li> <li>5. Financial Center.</li> <li>6. Hotels.</li> <li>◆ <b>Industrial:</b></li> <li>7. Bonded Warehouse.</li> <li>8. Bonded Showrooms.</li> <li>9. Wholesale Markets.</li> </ul> | <ul style="list-style-type: none"> <li>◆ <b>Residential:</b></li> <li>10. Apartments.</li> <li>◆ <b>Institutional:</b></li> <li>11. College and Skills Center.</li> <li>12. Customs Checkpoints.</li> <li>13. Medical Center.</li> <li>14. Administration Center.</li> </ul> |




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E-mail: [upl\\_laopdr@yahoo.com](mailto:upl_laopdr@yahoo.com)

## 10. Thakhek Specific Economic Zone.

|                            |   |   |
|----------------------------|---|---|
| Location                   | Khammuane Province  |  |
| Establishment              | 2012 ( Land Tenure 75 years )   |   |
| Total Investment           | 80,000,000 USD  |   |
| Area                       | 1,035 ha  |   |
| Developer                  | Government 100 %  |   |
| Location Advantage         | The project site is located close to the Third Lao-Thai Friendship Bridge and Road No.12 as a main route to Young Anh deep Sea Port Vietnam.  |   |
| Land Leasing               | 0 - 0.19 USD/m <sup>2</sup> /month  |   |
| Electricity                | 0.059 - 0.065 USD/Kwh   |   |
| Water Fee                  | 0.05 USD/m <sup>3</sup>   |   |
| <b>Investment Projects</b> | <ol style="list-style-type: none"> <li>1. Trade and Service Zone: Department Store, Restaurant, Banking, Financial Institution, Information Service Center.</li> <li>2. Hotel Zone: 3 - 5 Star Hotel, Night Club, Entertainment Zone.</li> <li>3. Distribution Logistics Area: Warehouse, Distribution Service.</li> <li>4. Transportation Station Area: Bus and Taxi Station.</li> <li>5. Central Conference Zone: International Conference Hall, IT Service Center.</li> <li>6. First and Second class Residential Area: High Grade Villa, Resort, Personal House, Apartment for rent.</li> <li>7. Sport Center.</li> <li>8. Education and Public Health Area: Kindergarten, Primary School, Secondary School, Vocational School, College, University. Pharmacy, Public Health Center, Clinic, Hospital, Medical Device Distribution Center.</li> <li>9. Administration Office and Organization Zone.</li> <li>10. Forestry Preservation and Green Area: Public Park, Green Park in Downtown, Sightseeing Sport.</li> </ol> |   |



Thakhek District, Khammuane Province, Lao PDR

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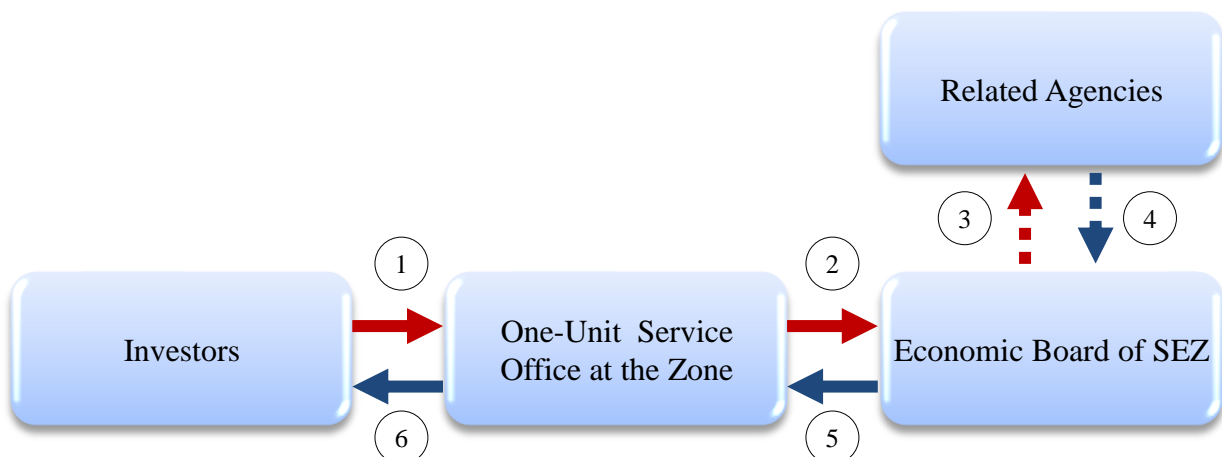
E-mail: khmsez@hotmail.com

## How to Invest in SEZ

To invest in an existing SEZ, investor shall fill in the application for investment and submit to the Economic Board of any existing SEZ via facsimile, electronic mail or by hand directly to One-Unit Service Office of the SEZ.



### Procedure of One Unit Service







Lao National Committee for Special Economic Zone  
Secretariat Office (S-NCSEZ)

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