Trade Facilitation in Lao PDR

Key Achievements & Challenges

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Ministry of Industry & Commerce
Lao PDR’s Export Growth

Total exports, Including Electricity (in US$)

Merchandise Exports (in US$)
# Export Growth Data

<table>
<thead>
<tr>
<th>Years</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchandise Exports (in US$)</td>
<td>1,827,483,885</td>
<td>1,779,997,922</td>
<td>3,156,266,603</td>
<td>2,703,739,328</td>
<td>3,093,982,276</td>
<td>3,202,367,071</td>
<td>3,607,580,495</td>
<td>4,002,038,256</td>
</tr>
</tbody>
</table>
Key Achievements

- Trade Facilitation became an area of focus in Lao PDR while preparing for WTO accession (2013)
- TFS established in 2010 as a nodal organization for Trade Facilitation work in the country
- Five-year TF Strategic Plan adopted in 2011 to simplify clearance procedures across various departments
- Lao Trade Portal (LTP) set up in 2012 putting up all the information for exports and imports at one place
- Ratification of WTO Trade Facilitation Agreement (TFA) in 2015- Lao PDR was the first LDC to do so
- Accession to the Revised Kyoto Convention (RKC) in 2016
Other Notable Achievements

- Countrywide automation of Customs procedures covering all imports, exports and transit
- Electronic payment of Customs duties using Smart Cards
- Successful launch of Single-Stop Inspection facility in 2016 with Vietnam at Dansavanh-Lao Bao crossing
- Launch of E-COO (electronic Certificates of Origin)
- Piloting of the National Single Window program with the issue of import licenses for vehicles electronically
- Initiating Authorized Economic Operators (AEO) program for fast track clearance
- Adoption of the Instruction on Duty and Value-Added Tax Incentives for Master List of Enterprise No.01/CIPSC, dated 02 January 2019
- Adoption of the TF Road Map for 2017-2022 to improve trade competitiveness and raise global ranking in EDB
- Establishment of the TF Committee
## Trade Competitiveness

### WB’s Trading Across Border Parameters (EDB)

<table>
<thead>
<tr>
<th></th>
<th>Time on Border Compliance</th>
<th>Time on Documentary Compliance</th>
<th>Cost of Border Compliance</th>
<th>Cost of Documentary Compliance</th>
<th>Global Rank and DTF Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports (2011)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>44 days</td>
<td></td>
<td>$ 1880</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Imports (2011)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>168</td>
</tr>
<tr>
<td></td>
<td>46 days</td>
<td></td>
<td>$ 2035</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exports (2018)</strong></td>
<td>12 hrs.</td>
<td>216 hrs.</td>
<td>$ 308</td>
<td></td>
<td>124 (62.98)</td>
</tr>
<tr>
<td></td>
<td>12 hrs.</td>
<td>218 hrs.</td>
<td>$ 268</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exports (2019)</strong></td>
<td>9 hrs</td>
<td>60 hrs</td>
<td>$ 375</td>
<td></td>
<td>76 (78.12)</td>
</tr>
<tr>
<td></td>
<td>11 hrs</td>
<td>60 hrs</td>
<td>$ 339</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Imports (2019)</strong></td>
<td></td>
<td></td>
<td></td>
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</table>
Major Challenges to TF

- Country’s score on trading across borders (TAB) remains high, particularly on documentary compliance.
- Incidence of Non-Tariff Measures (NTMs) cover 34% of imports by value.
- As procedures & timelines for various approvals not well communicated, they lead to delays & uncertainties.
- Lack of coordination among concerned agencies.
- Roadside checks by different enforcement agencies.
- Multiplicity of payment points for different services.
- Absence of cooperation with private sector partners.
Vision Statement of TF Road Map

- TF Road Map aims to simplify & streamline clearance procedures improving the service delivery
- It aims to reduce time to export and import- by 50%
- Decrease cost of export & import- by 30%
- Raise TAB rank from 124 to below 100 (i.e. in double digit)
- To improve trade competitiveness and attract more foreign investments for enhanced economic growth
Implementing WTO TFA

- Road Map includes TFA Implementation on accelerated time frame
- Designation of 13 measures in the TFA ‘Category A’ commitments for priority implementation
- Designation of 6 measures in ‘Category B’ and 17 measures in Category C measures with indicative timelines for implementing
- Action Plans developed for implementing Category B measures within 2018
- Action Plans developed for seeking TA from development partners for implementing Category C measures
Recent Trade Facilitation Measures

- Implementation of Lao PDR’s TF Road Map for 2017-22 launched with close monitoring from TFS
- PM issued directive in Feb 2018 to improve Lao PDR’s EDB ranking assigning targeted action on various topics, including TAB (reducing time by 50% in a year)
- Comprehensive review of NTMs started to eliminate unwarranted NTMs and streamline processes & fees
- Process mapping of key commodities being done to identify bottlenecks and cut delays
- Specific NTMs selected for review and compliance for priority action based on the recommendations
Way Forward

- Close monitoring of TF Road Map implementation through regular meeting of TFS every quarter;
- Approve and implement TF departmental plan, and work with line sectors to improve trade related procedures;
- Increased collaboration with private sector partners with frequent consultation and validation of implemented measures by them;
- Continued cooperation at regional level under ASEAN Economic Community and GMS framework;
THANKS