



**LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

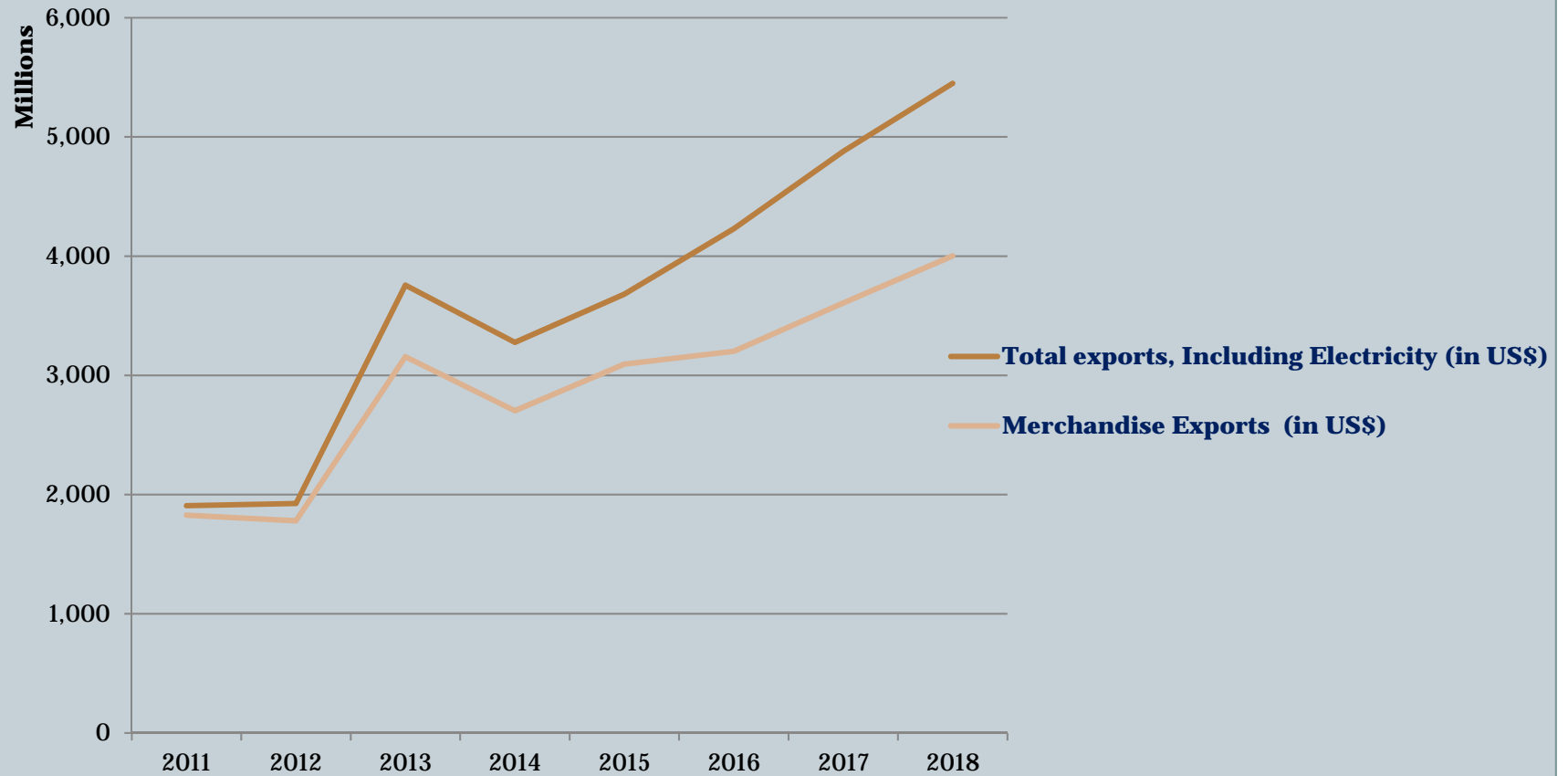


# **Trade Facilitation in Lao PDR**

## **Key Achievements & Challenges**

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# Lao PDR's Export Growth



# Export Growth Data



Years	2011	2012	2013	2014	2015	2016	2017	2018
<b>Total exports, Including Electricity (in US\$)</b>	1,906,403,511	1,924,646,427	3,756,820,619	3,276,943,347	3,681,183,601	4,230,433,851	4,879,780,669	5,449,210,116
<b>Merchandise Exports (in US\$)</b>	1,827,483,885	1,779,997,922	3,156,266,603	2,703,739,328	3,093,982,276	3,202,367,071	3,607,580,495	4,002,038,256

# Key Achievements



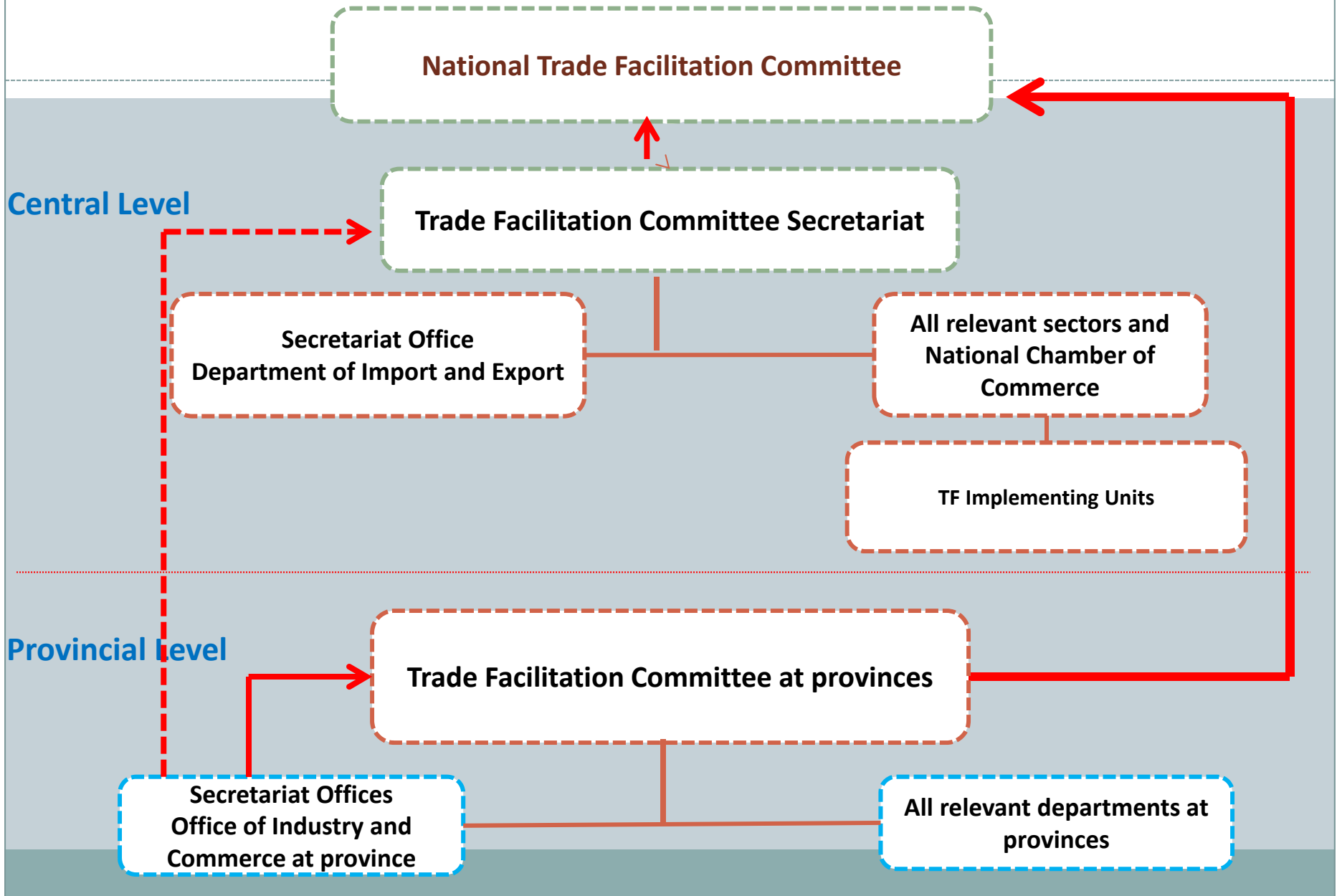
- Trade Facilitation became an area of focus in Lao PDR while preparing for WTO accession (2013)
- TFS established in 2010 as a nodal organization for Trade Facilitation work in the country
- Five-year TF Strategic Plan adopted in 2011 to simplify clearance procedures across various departments
- Lao 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

# Structure of Trade Facilitation Committee



# Trade Competitiveness



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

	Time on Border Compliance	Time on Documentary Compliance	Cost of Border Compliance	Cost of Documentary Compliance	Global Rank and DTF Score
Exports (2011)	44 days		\$ 1880		168
Imports (2011)	46 days		\$ 2035		
Exports (2018)	12 hrs.	216 hrs.	\$ 308		124 (62.98)
Imports (2018)	12 hrs.	218 hrs.	\$ 268		
Exports (2019)	9 hrs	60 hrs	\$ 375		76 (78.12)
Imports (2019)	11 hrs	60 hrs	\$ 339		

# 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**