



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity



Ministry of Planning and Investment
SEZ Promotion and Management Office

SPECIAL ECONOMIC ZONES IN LAO PDR

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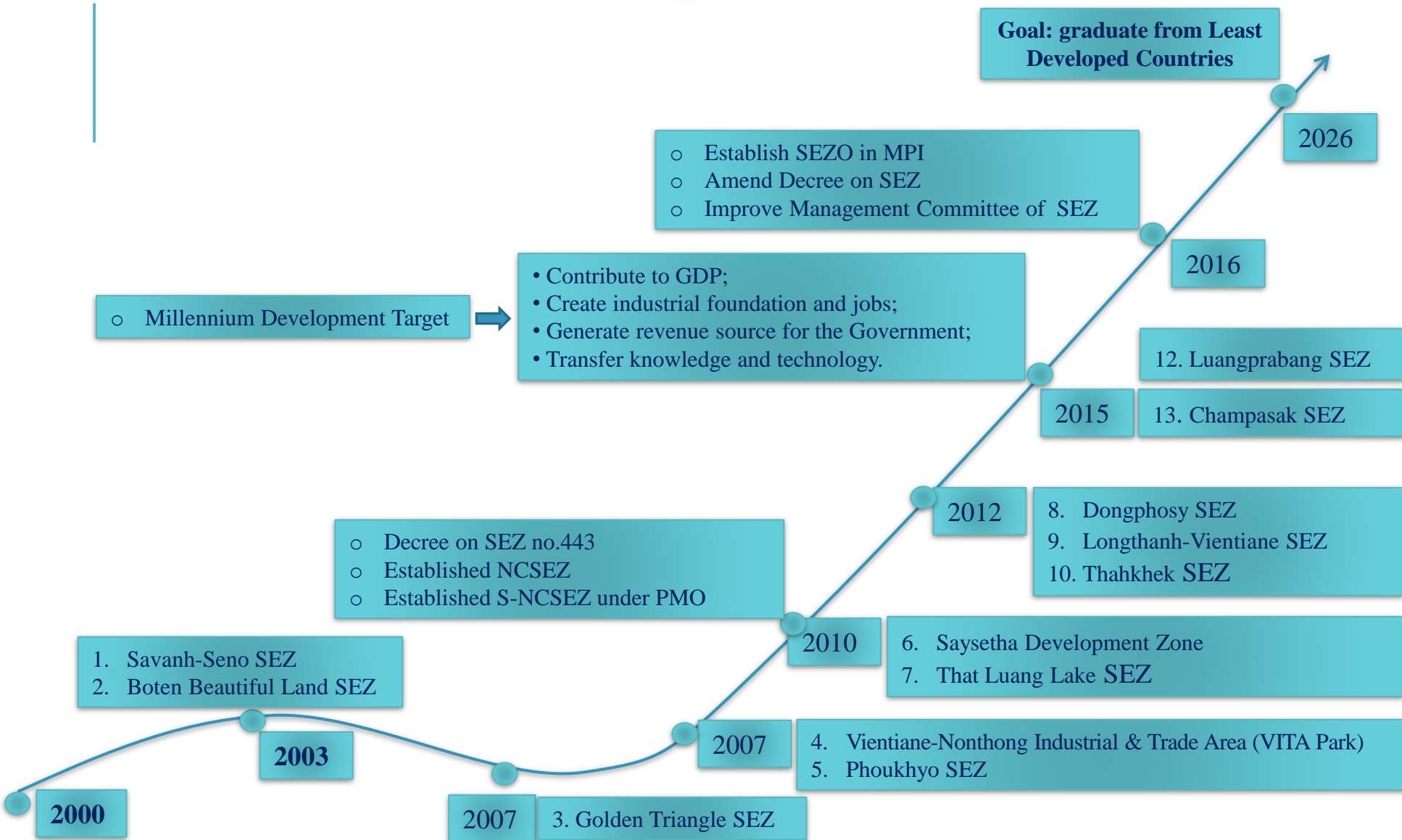


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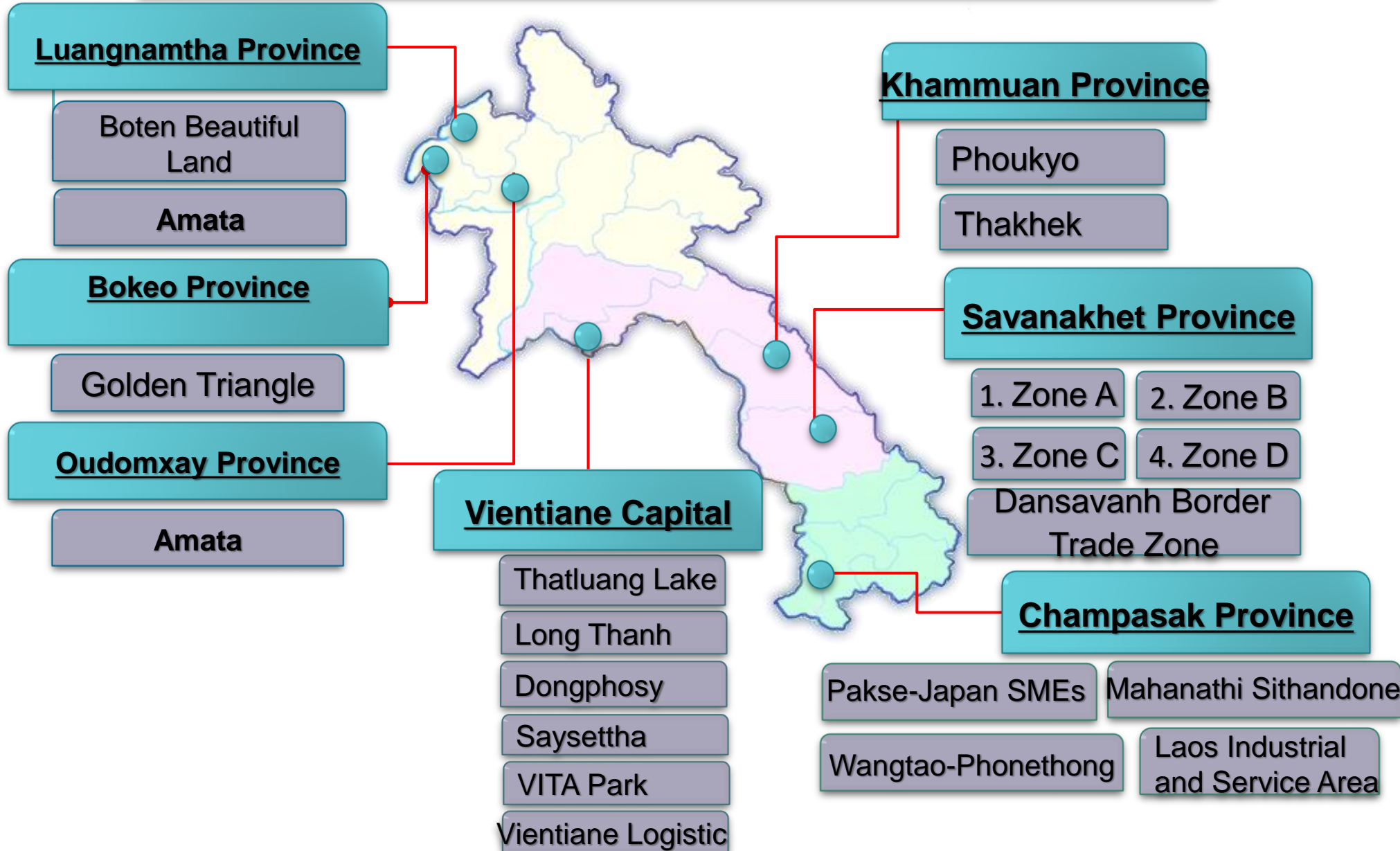
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I. SEZ Development in Lao PDR



Special Economic Zones in Lao PDR



SEZ DEVELOPERS IN LAO PDR:

- By private sector (Foreign or local), or
- By the government with private sector partners

Developers: develop zone infrastructure, amenities in SEZs and day to day business operations.

One Stop Service Unit: run by SEZ Management Authority in each province where SEZ located, facilitates investment applications, approvals, issuance of all necessary licenses and permits required for business operations in the zone.

SEZ can include:

- Industrial Park
- Tourism and new urban center
- Trade and logistics areas and etc.
- SEZs adopt an integrated development approach by focusing not just on building industrial estates but also commercial, residential, tourism and recreational townships to be able to provide greater range of business support
- Most of SEZs are strategically located along the GMS Economic Corridors and near borders with neighboring countries



KEY DEVELOPMENT ACHIEVEMENTS OF SEZS

(2003 – 11/2023)

There
are
21
SEZs



Area
**Over
23,000**
hectares



- ❖ **1.350** firms have been invested in SEZs
- ❖ **68.483** jobs
- ❖ Actual investment - **USD 8 billion**

INVESTMENT BY COUNTRY (2003 – 11/2023)

No.	Country	Number of Country
1	P.R.China	757
2	Laos	118
3	Thailand	56
4	Japan	39
5	Malaysia	22
6	Laos+Japan	16
7	Laos+Thailand	12
8	Laos+China	10
9	Vietnam	9
10	Singapore	8
11	Korea	7
12	Laos+Malaysia	6
13	France	5
14	Australia	6
15	Taiwan	5
16	USA	4
17	Australia	3
18	Italy	3
19	Myanmar	2
20	Belgium	2
21	Holland	2
22	Denmark	1
23	Germany	1
24	England	1
25	Egypt	1
26	Russia	1
27	Danmark	1
28	Paraguay	1
29	Dominican	1



II. INCENTIVES AND APPLICATION PROCESS

Regulatory Framework

- ❖ *Law on Investment Promotion, No. 14/NA, Dated 17th November, 2016;*
- ❖ *Decree on SEZ in Lao PDR, No. 188/PM, Dated 07th June, 2018;*
- ❖ *Contracts on Development of each SEZs*

Some Incentives

Type	Description
Profit Tax	<p>Investors: exemption for 6-17 years, after completing the profit tax exemption period, they shall pay 35% of the profit tax rate within the next 5 years (depending on investment sectors); After that follow the rates in Tax law.</p> <p>Developers: exemption for 6-17 years</p>
Income Tax	0-24%
Value Added Tax	0 - 10%
Factory and Infrastructure Construction	<p>Factory for 100% export production: Imported tax free, VAT 0% for infrastructure; reduction of 50% VAT for electricity and water supply.</p> <p>Other sectors are entitle to reduction of 50% VAT for infrastructure construction</p>
Non Tax incentives	Long-term land lease (up to 50 years)
	Multiple visa for 10 years initially for foreigners purchasing real estate of more than USD 100,000

SEZ INVESTMENT APPLICATION

New SEZ Developer:

- To develop a new SEZ, interested developer submits application to the One Stop Service Office under Ministry of Planning and Investment (MPI).
- The One Stop Service Office coordinates with SEZO and relevant agencies to review application and then report to the Investment Management Committee for approval;
- Once approved, a MOU for feasibility study will be negotiated and signed with the Government. After the FS endorsed by parties concerned, development contract is negotiated and signed.

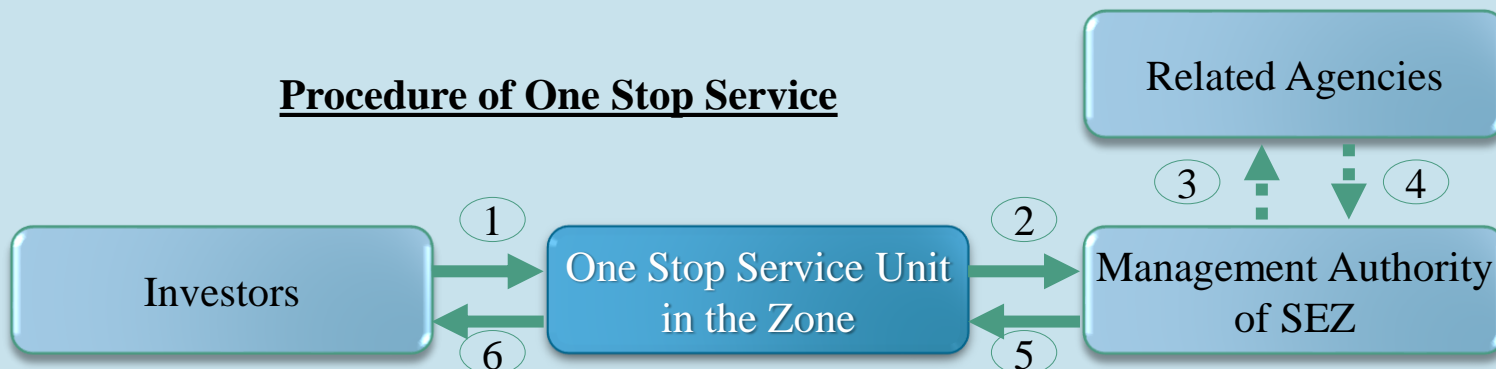
Investors in existing SEZs:

- Interested investors submit application to the OSS Unit in the zone for issuance of enterprise registration license and facilitation with other matters.

One Stop Service Unit in SEZ



Procedure of One Stop Service



For further details, Kindly contact:

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Thank you for your kind
attention

