

Tentative Country Report on Multi-lateral trading system of Lao PDR

Referring to the Resolution on Doha development No: Res 30GA/ 2009/Eco/05 of the 30th General Assembly of AIPA held in Thailand, in August 2009;

The National Assembly of Lao PDR strives to implement the mentioned resolution by encouraging its Government to continuously develop its economic system from a centrally planned economy towards a market oriented economy in order to integrate into the regional and global economy. In terms of promoting the multi-lateral trading system, Lao PDR strongly considers the WTO accession as an important and useful instrument for multilateral trade relations.

In 1997, Lao PDR is strongly committed to join the WTO aimed at increasing the integration into multilateral trading system because it also expects that membership in the WTO will support social and economic development and the process of market-based reforms in the country. It therefore assigned the special committee under supervision of the Prime Minister's Cabinet and the Ministry of Industry and Commerce in cooperation with other government agencies to do this task.

To create the favorable conditions to promote multi-lateral trading system in the regional and global arena, Lao PDR is undertaking some significant activities as follows:

- A number of laws have been adopted to provide a legal framework for enabling investment and business environment: Law on food, law on domestic and foreign investment, law on tax, the costumes law, the Law on Value Added Tax, the enterprise law, law on intellectual property, the standard law, the forestry law, law on the promotion of investment, law on veterinary, law on fishery. In addition, the Government formulated the legislative action plan, including in import and export procedure, pricing, investment, foreign exchange, the presidential degree on fees and service fees, the degree on the import licensing and others. All these legislations are aiming to be compatible with WTO requirements in particular as far as national treatment and non-discrimination are concerned.
- On trade policy developments, the Ministry of Industry and Commerce issued a notice which introduced a revised shorter list of export-import goods subject to control or prohibition. The implementation of tariff reduction commitments under ASEAN Free Trade Area is going well. The Government has also worked with other ASEAN members to identify and further eliminate NTBs that hamper trade flows.
- Lao PDR became the 170th member of the World Customs Organization and is working further to implement the ASYCUDA World. The Government has also done the Diagnose Trade Integration Study, the Integrated Framework and the multi-donor trust fund in order to ensure that trade is mainstreamed into the national development agenda and trade-related technical assistance is well coordinated.
- In the financial sector, the Law on Commercial Banks aims to promote a sound financial system and provide a level playing field for commercial banks. The

- Presidential Decree Law on the Management of the Foreign Exchange and Precious Metals is amended and this would help in the acceptance of the International Monetary Fund (IMF).
- The Sixth Socio-economic Development Plan (2006-2010) further recognizes the importance of private sector development and its contribution in fostering economic growth and poverty reduction. The Enterprise Law aimed at streamlining regulations on business registry. The Prime Minister Order introduced a time-bound action plan for implementing the Law. The Third Lao Business Forum welcome over 300 participants from the private sector, government and donors to discuss progress in resolving issues facing the private sector and government plan to enable the business environment. Again, with an eye to WTO principles of non-discrimination and transparency.
 - The Small and Medium Enterprise development strategy is one of the strategy's underlying visions is to create a conducive business environment, and enable SMEs to increase their productivity, which in turn will create employment opportunities and improve the availability of goods and services for the people.

Nevertheless, Lao PDR is still facing formidable challenges in terms of its narrow production and export base. Until recently, key merchandise exports were reliant on agriculture and garments. In addition, Lao PDR is also faced with important human resource constrains. The capacity building and sufficient flexibilities are the key factors to assist Lao PDR to bring its customs valuation, sanitary and phytosanitary, technical barriers to trade, trade related intellectual property rights and trade related to investment measures in compliance with WTO requirements. At the same time, Lao PDR has to proceed with the reforms with a view to ensuring that the national development objectives are maintained. Therefore, Lao PDR obviously needs times, technical assistance from members to help us on this effort.

Lao PDR has therefore been working hard to improve the overall investment, business and trade environment and is aware that bringing Lao PDR's trade regime into compliance with WTO principles, rules and norms would entail further positive changes to several areas of current trade and economic policy. In this regard, our country is looking forward to receiving continued comprehensive support and technical assistance from the international community, in particular from the WTO partners, in order to ensure a smooth transition to and implementation of the required legal and regulatory frameworks.

In conclusion, all the government activities and initiatives that the Lao PDR applies in practice are contributing to the multi trading system aimed to reach the goals in sustaining economic development and reducing poverty. Therefore, the Lao National Assembly is committed to harmonize the common legislations with other parliaments in the region and the globe, especially within the AIPA legal framework.