

Lao People's Democratic Republic: Statistical Appendix

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LAO PEOPLE'S DEMOCRATIC REPUBLIC

Statistical Appendix

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Approved by the Asia and Pacific Department

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	Page
Basic Data , 2002–07.....	2
Tables	
1. Real GDP Growth, 2002–07.....	3
2. Nominal GDP by Sector Origin, 2002–07.....	4
3. Output of Major Commodities, 2002–07.....	5
4. Consumer Price Index, Main Components, 2004–08.....	6
5. General Government Operations, 2002/03–2007/08.....	7
6. General Government Revenue, 2002/03–2007/08.....	8
7. General Government Expenditure, 2002/03–2007/08.....	9
8. Monetary Survey, 2004–08.....	10
9. Balance Sheet of the Bank of Lao P.D.R., 2004–08.....	11
10. Summary Balance Sheet of Commercial Banks, 2004–08.....	12
11. Interest Rates, 2002–08.....	13
12. Balance of Payments, 2002–07.....	14
13. Merchandise Trade by Major Commodity, 2002–07.....	15
14. Composition of Net Services and Net Foreign Income, 2002–07.....	16
15. External Aid and Loan Disbursements, 2002–07.....	17
16. Debt Stock and Debt Service, 2002–07.....	18
17. Foreign Investment Approvals by Country and Sector, 2002–07.....	19
Summary of the Tax System.....	20

Lao P.D.R.: Basic Data, 2002–07

Nominal GDP (2007 est.): \$4,108 million

Population (2007 est.): 6.1 million

GDP per capita (2007 est.): \$673

	2002	2003	2004	2005	2006	<u>2007</u> Est.
GDP and prices (percentage change)						
Real GDP growth	5.9	6.1	6.4	7.1	8.1	7.9
CPI (annual average)	10.6	15.5	10.5	7.2	6.8	4.5
CPI (end year)	15.2	12.6	8.6	8.8	4.7	5.6
Savings and investment balance (in percent of GDP) 1/						
Gross fixed investment	26.6	27.4	30.4	31.4	31.1	39.7
Private	16.1	16.2	23.7	25.8	24.4	32.4
Government 2/	10.5	11.2	6.6	5.7	6.7	7.4
Gross national saving	14.0	11.7	12.9	13.0	20.1	21.6
Foreign saving (including official transfers)	12.6	15.7	17.5	18.4	11.0	18.1
Public finances (in percent of GDP) 2/						
Revenue	13.1	10.9	11.0	11.5	12.5	14.0
<i>Of which: Resources 3/</i>	0.4	0.3	0.3	0.8	1.3	2.3
Grants	2.0	2.1	1.1	1.7	2.0	1.8
Expenditure	17.9	18.6	15.5	17.6	18.4	18.5
Overall balance (including grants)	-2.8	-5.7	-3.3	-4.5	-3.8	-2.7
Domestic financing	0.6	0.8	-0.3	0.2	-1.1	-1.1
External financing	2.2	4.9	3.6	4.3	4.9	3.9
Money and credit (annual percent change)						
Reserve money	30.6	27.4	12.9	18.0	37.2	58.8
Broad money	27.1	19.2	22.8	7.7	30.1	38.7
Bank credit to the economy 4/	3.3	-7.0	9.0	7.6	-9.1	21.0
Interest rates (end-of-period) 5/						
On three-month kip deposits	17.0	14.0	7.5	5.5	5.5	5.5
On short-term kip loans	...	...	16.0	17.8	14.0	11.5
Balance of payments						
Exports (in millions of U.S. dollars)	363	418	536	684	1,143	1,203
In percent change	1.9	15.2	28.2	27.6	67.1	5.2
Imports (in millions of U.S. dollars)	722	786	1,056	1,270	1,589	2,114
In percent change	0.4	8.8	34.3	20.3	25.1	33.0
Trade balance (in percent of GDP)	-19.6	-17.1	-20.7	-20.5	-12.8	-22.2
Current account balance (in millions of U.S. dollars)	-228	-324	-423	-511	-368	-716
In percent of GDP	-12.5	-15.1	-16.9	-17.8	-10.5	-17.4
Gross official reserves (in millions of U.S. dollars)	196	214	226	238	335	539
In months of prospective goods and services imports 6/	2.8	3.1	2.7	2.4	3.0	3.7
External public debt and debt service						
External public debt						
In millions of U.S. dollars	1,931	2,026	2,105	2,203	2,308	2,446
In percent of GDP	105.5	94.3	83.9	76.9	66.0	59.5
Exchange rate						
Official exchange rate (kip per U.S. dollar; end-of-period)	10,620	10,434	10,357	10,767	9,655	9,341
Official exchange rate (kip per Thai baht; end-of-period)	248	264	266	265	270	280
Nominal effective exchange rate (2000=100)	81.5	71.6	67.7	67.3	68.2	67.0
Real effective exchange rate (2000=100)	92.4	93.6	95.9	103.0	105.5	102.7
Memorandum items:						
GDP at current market prices						
In billions of kip	18,401	22,597	26,549	30,481	35,193	39,285
In millions of U.S. dollars	1,814	2,069	2,509	2,866	3,498	4,108

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates and projections.

1/ Estimated, using data for public finances and balance of payments.

2/ Fiscal year basis (October to September).

3/ Royalties and taxes from mining and hydropower (resource) projects.

4/ Excludes debt write-offs.

5/ Deposit rate for 2002 is for Banque pour le Commerce Extérieur Lao (BCEL). The rest are for the average of BCEL and Lao Development Bank.

6/ Excludes imports associated with large resource projects.

Table 1. Lao P.D.R.: Real GDP Growth, 2002–07 1/

(In percent)

	2002	2003	2004	2005	2006	<u>2007</u> Est.
Agriculture	4.0	2.2	3.5	2.5	2.9	2.7
Crops	3.5	0.0	4.0	2.5	2.6	-0.4
Livestock and fishery	4.6	4.9	3.0	1.9	2.8	3.7
Forestry	5.1	8.6	1.3	5.5	6.5	23.9
Industry	10.1	11.5	12.5	15.9	17.7	15.2
Mining and quarrying	10.1	267.5	-5.1	121.3	52.8	33.0
Manufacturing	13.0	6.3	13.7	9.0	14.8	13.9
Construction	-6.5	12.9	24.6	19.4	15.6	13.2
Electricity, gas, and water	6.3	1.2	5.3	6.4	1.1	-2.9
Services	5.7	7.2	7.5	6.7	7.2	7.4
Transportation, storage, and communication	8.4	9.3	9.5	4.7	7.5	8.1
Wholesale and retail trade	7.5	10.7	9.2	7.3	8.2	8.9
Banking, insurance, and real estate	-46.3	14.0	-24.0	22.2	12.4	15.9
Ownership of dwellings	2.5	2.5	2.5	2.5	2.5	2.5
Public wage bill	15.0	3.4	1.0	1.0	1.0	1.0
Nonprofit institutions	4.2	7.0	7.4	2.9	2.9	2.9
Hotels and restaurants	2.7	-5.0	16.5	22.0	15.1	10.0
Other	2.6	8.7	16.1	7.7	8.1	11.5
GDP at factor cost	5.9	5.7	6.9	7.2	8.4	7.9
Import duties	12.6	8.9	14.5	11.1	14.0	11.5
GDP at constant prices	5.9	5.8	6.9	7.3	8.4	7.9

Source: Data provided by the Lao P.D.R. authorities.

1/ Official estimates, which differ from IMF staff estimates.

Table 2. Lao P.D.R.: Nominal GDP by Sector Origin, 2002–07 1/

(In billions of kip)

	2002	2003	2004	2005	2006	<u>2007</u> Est.
Agriculture	9,174	10,829	12,378	13,593	14,943	15,891
Crops	5,439	6,280	7,216	7,929	8,688	8,958
Livestock and fishery	3,156	3,824	4,350	4,747	5,212	5,594
Forestry	578	725	811	917	1,043	1,339
Industry	4,492	5,783	7,190	8,800	11,058	13,185
Mining and quarrying	89	378	397	941	1,535	2,115
Manufacturing	3,483	4,277	5,373	6,276	7,696	9,077
Construction	390	508	700	761	940	1,101
Electricity, gas, and water	530	619	720	822	887	892
Services	4,554	5,703	6,785	7,799	8,826	9,813
Transportation, storage, and communication	1,115	1,408	1,703	1,913	2,193	2,457
Wholesale and retail trade	1,792	2,292	2,764	3,178	3,672	4,139
Banking, insurance, and real estate	76	100	84	110	132	158
Ownership of dwellings	509	603	682	750	821	871
Public wage bill	643	822	957	1,083	886	926
Nonprofit institutions	12	15	15	16	203	216
Hotels and restaurants	374	423	528	691	849	967
Other	32	41	51	59	68	79
Import duties	182	211	237	269	339	395
GDP at current market prices	18,401	22,525	26,590	30,462	35,167	39,284

Source: Data provided by the Lao P.D.R. authorities.

1/ Official estimates, which differ from IMF staff estimates.

Table 3. Lao P.D.R.: Output of Major Commodities, 2002–07

	Unit	2002	2003	2004	2005	2006	<u>2007</u> Est.
Agriculture							
Paddy (rice)	thousand tons	2,417	2,375	2,529	2,568	2,609	2,710
Corn	thousand tons	124	143	204	373	450	688
Sweet potatoes and cassava	thousand tons	111	150	175	181	284	341
Coffee	thousand tons	633	663	671	25	25	26
Tobacco	thousand tons	32	22	23	28	25	28
Livestock							
Buffalo	thousand heads	1,091	1,113	1,112	1,096	1,108	1,123
Cattle	thousand heads	1,209	1,245	1,249	1,272	1,321	1,353
Pigs	thousand heads	1,416	1,655	1,728	1,826	2,033	2,186
Goats and sheep	thousand heads	126	138	139	190	210	268
Poultry	thousand heads	15,275	19,475	19,481	19,801	20,803	20,453
Forestry							
Logs	thousand m ³	447	457	325	236	305	448
Industry							
Tin	tons	334	607	119	787	809	1,109
Gypsum	thousand tons	99	98	244	239	206	232
Gold	kilograms	...	8,900	7,000	10,134	11,915	9,086
Copper 1/	thousand tons	...	...	...	30	61	63
Manufacturing							
Hydropower	million kwh	3,603	3,179	3,347	3,430	3,606	3,450
Beer	thousand hectoliter	652	702	827	885	1,058	1,208
Soft drinks	thousand hectoliter	148	164	187	194	240	256
Cigarettes	million packs	55	68	84	82	116	124
Detergent	tons	700	710	860	700	1,082	1,255
Nails	tons	745	760	900	1,000	2,099	2,168
Oxygen	thousand bottles	21	21	23	23	99	102
Plastic products	tons	4,420	4,530	5,500	6,500	7,451	7,383
Salt	thousand tons	22	22	25	26	20	25
Wood furniture	million kip	15,350	15,550	...	...	20,333	20,058
Rattan furniture	million kip	345	350	430	450	1,629	1,915
Garments	million pieces	33	34	37	38	68	47
Sugar	tons	562	450	...	...	475	1,200
Tobacco	tons	593	947	1,897	2,800	3,836	3,991
Plywood	million sheets	2,250	1,550	1,300	2,000	765	952
Cement	thousand tons	263	280	282	320	508	528
Bricks	million pieces	89	90	120	100	239	244
Wood	thousand meters	235	198	...	...	158	148

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Total of copper production by Oxiana and Pan Australian.

Table 4. Lao P.D.R.: Consumer Price Index, Main Components, 2004–08

(Year-on-year percent change)

	Weight	2004	2005	2006	2007			2008	
					Mar.	Jun.	Sept.	Dec.	Mar.
Foods	46.2	7.5	12.0	9.4	9.9	6.9	7.8	6.0	9.1
Rice, bread, flour, and other cereals	14.7	-1.9	17.6	23.5	20.7	16.1	10.6	12.0	13.1
Meat and poultry	12.1	19.2	10.0	4.9	4.3	5.0	6.6	8.7	12.2
Alcoholic beverages and tobacco	6.4	3.5	3.1	7.6	5.8	4.2	5.2	5.5	6.7
Clothing and footwear	4.9	6.8	9.0	1.7	3.8	2.7	3.2	3.2	3.0
Housing	3.8	14.4	3.0	1.4	1.2	2.8	3.5	6.3	7.3
Fuel and power	1.9	8.7	16.2	3.0	-3.2	1.3	3.0	7.1	6.8
Household goods	8.1	9.8	8.3	1.4	1.7	1.1	1.6	1.8	1.6
Medical care	3.8	10.3	0.7	0.5	0.5	0.5	2.7	3.8	3.8
Transport and communications	17.9	11.3	8.5	-2.0	-2.7	-1.4	-0.6	6.2	7.5
Personal transport	15.7	12.0	8.8	-2.2	-3.0	-1.6	-0.9	6.3	7.4
Public transport	1.8	10.5	8.1	2.3	2.9	2.7	4.1	7.3	11.9
Communications	0.4	-0.6	1.2	-5.1	-5.1	-1.3	-1.3	0.0	0.0
Recreation, education, and printed matter	4.7	6.9	2.6	2.9	3.0	2.6	2.1	2.7	2.6
Personal care and effects	4.2	8.3	8.1	7.5	4.1	1.2	2.6	7.8	14.7
Total	100.0	8.6	8.8	4.7	4.7	3.5	4.2	5.6	7.7
Core 1/	60.3	7.5	5.5	2.5	2.1	1.8	2.1	3.1	4.0
Noncore	39.7	11.0	14.6	8.0	8.6	5.9	7.3	9.2	13.0

Source: Data provided by the Lao P.D.R. authorities.

1/ The core CPI is defined as excluding raw food (rice, meat and poultry, fish, fruit, vegetables), water charges, electricity, and fuel.

Table 5. Lao P.D.R.: General Government Operations, 2002/03–2007/08

	2002/03	2003/04	2004/05	2005/06	2006/07	Budget 2007/08
	(In billions of kip)					
Revenue and grants	2,798	3,104	3,886	4,962	6,015	6,331
Revenue	2,345	2,822	3,387	4,266	5,341	5,762
<i>Of which:</i> Resource revenue 1/	0	64	239	431	865	1,300
Nonresource revenue	2,277	2,758	3,149	3,835	4,476	4,462
Tax	1,928	2,337	2,803	3,641	4,721	4,970
Nontax	417	484	584	625	620	792
Grants	453	283	499	696	674	569
Expenditure	4,018	3,953	5,202	6,262	7,066	7,974
Current	1,527	1,838	2,517	3,124	3,526	4,565
Wages, salaries, and benefits	668	900	1,058	1,263	1,589	2,062
Transfers	341	309	514	674	722	1,111
Interest payments	123	235	318	277	198	361
<i>Of which:</i> External	115	194	267	244	161	291
Other recurrent	394	394	626	911	1,017	1,030
Capital and onlending 2/	2,370	1,646	2,261	2,529	2,856	2,824
Others and contingencies 3/	120	237	347	348	586	585
Discrepancy (including unidentified expenditure)	1	232	78	261	98	0
Overall balance	-1,220	-849	-1,316	-1,300	-1,051	-1,643
Nonresource balance 4/	-1,288	-913	-1,555	-1,731	-1,915	-2,943
Financing	1,220	849	1,316	1,300	1,051	1,643
Domestic financing (net) 5/	111	-75	62	-369	-433	279
Foreign financing (net)	1,108	923	1,254	1,670	1,484	1,363
	(In percent of GDP)					
Revenue and grants	13.0	12.1	13.2	14.6	15.7	14.6
Revenue	10.9	11.0	11.5	12.5	14.0	13.3
<i>Of which:</i> Resource revenue 1/	0.0	0.3	0.8	1.3	2.3	3.0
Nonresource revenue	10.6	10.8	10.7	11.3	11.7	10.3
Tax	8.9	9.1	9.5	10.7	12.3	11.5
Nontax	1.9	1.9	2.0	1.8	1.6	1.8
Grants	2.1	1.1	1.7	2.0	1.8	1.3
Expenditure	18.6	15.5	17.6	18.4	18.5	18.4
Current	7.1	7.2	8.5	9.2	9.2	10.5
Wages, salaries, and benefits	3.1	3.5	3.6	3.7	4.2	4.8
Transfers	1.6	1.2	1.7	2.0	1.9	2.6
Interest payments	0.6	0.9	1.1	0.8	0.5	0.8
<i>Of which:</i> External	0.5	0.8	0.9	0.7	0.4	0.7
Other recurrent	1.8	1.5	2.1	2.7	2.7	2.4
Capital and onlending 2/	11.0	6.4	7.7	7.4	7.5	6.5
Others and contingencies 3/	0.6	0.9	1.2	1.0	1.5	1.4
Discrepancy (including unidentified expenditure)	0.0	0.9	0.3	0.8	0.3	0.0
Overall balance	-5.7	-3.3	-4.5	-3.8	-2.7	-3.8
Nonresource balance 4/	-6.0	-3.6	-5.3	-5.1	-5.0	-6.8
Financing	5.7	3.3	4.5	3.8	2.7	3.8
Domestic financing (net) 5/	0.5	-0.3	0.2	-1.1	-1.1	0.6
Foreign financing (net)	5.1	3.6	4.3	4.9	3.9	3.1
Memorandum item:						
GDP at current market prices (in billions of kip)	21,548	25,561	29,498	34,015	38,262	43,287

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Resource revenue comprises royalties, taxes, and dividends from the mining and hydropower sectors.

2/ Onlending includes gross repayments of funds.

3/ Includes payments on liabilities carried over from the previous budget years and arrears clearance.

4/ Overall balance net of resource revenue.

5/ Excludes bank restructuring bonds.

Table 6. Lao P.D.R.: General Government Revenue, 2002/03–2007/08

	2002/03	2003/04	2004/05	2005/06	2006/07	Budget 2007/08
(In billions of kip)						
Revenue	2,345	2,822	3,387	4,266	5,341	5,762
Tax	1,928	2,337	2,803	3,641	4,721	4,970
Direct tax	365	401	522	693	1,170	1,364
Profit tax	225	222	307	459	919	1,149
Mining sector	0	0	0	73	477	896
Hydropower sector	0	0	45	42	39	36
Others	225	222	263	344	403	216
Income tax	140	179	215	234	252	214
Indirect tax	1,562	1,936	2,281	2,948	3,550	3,606
Turnover tax	466	594	673	887	1,046	1,095
Excise tax	293	483	523	800	999	1,179
Import duties	316	351	429	515	573	536
Royalties	286	289	341	447	529	468
Natural resource tax 1/	23	32	95	218	274	253
Hydropower royalties	45	32	57	57	43	65
Timber royalties	218	225	189	172	212	150
Other	201	218	315	299	404	329
Nontax	417	484	584	625	620	792
Dividends	87	106	178	175	157	238
Of which: Mining and hydropower sectors	0	0	42	42	32	64
Overflight revenues	174	198	222	229	231	230
Other	156	180	185	222	232	324
(In percent of GDP)						
Revenue	10.9	11.0	11.5	12.5	14.0	13.3
Tax	8.9	9.1	9.5	10.7	12.3	11.5
Direct tax	1.7	1.6	1.8	2.0	3.1	3.2
Profit tax	1.0	0.9	1.0	1.3	2.4	2.7
Mining sector	0.0	0.0	0.0	0.2	1.2	2.1
Hydropower sector	0.0	0.0	0.2	0.1	0.1	0.1
Others	1.0	0.9	0.9	1.0	1.1	0.5
Income tax	0.6	0.7	0.7	0.7	0.7	0.5
Indirect tax	7.2	7.6	7.7	8.7	9.3	8.3
Turnover tax	2.2	2.3	2.3	2.6	2.7	2.5
Excise tax	1.4	1.9	1.8	2.4	2.6	2.7
Import duties	1.5	1.4	1.5	1.5	1.5	1.2
Royalties	1.3	1.1	1.2	1.3	1.4	1.1
Natural resource tax 1/	0.1	0.1	0.3	0.6	0.7	0.6
Hydropower royalties	0.2	0.1	0.2	0.2	0.1	0.2
Timber royalties	1.0	0.9	0.6	0.5	0.6	0.3
Other	0.9	0.9	1.1	0.9	1.1	0.8
Nontax	1.9	1.9	2.0	1.8	1.6	1.8
Dividends	0.4	0.4	0.6	0.5	0.4	0.5
Of which: Mining and hydropower sectors	0.0	0.0	0.1	0.1	0.1	0.1
Overflight revenues	0.8	0.8	0.8	0.7	0.6	0.5
Other	0.7	0.7	0.6	0.7	0.6	0.7

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Mining royalties.

Table 7. Lao P.D.R.: General Government Expenditure, 2002/03–2007/08

	2002/03	2003/04	2004/05	2005/06	2006/07	Budget 2007/08
(In billions of kip)						
Expenditure 1/	4,017	3,721	5,124	6,001	6,968	7,974
Current	1,527	1,838	2,517	3,124	3,526	4,565
Wages, salaries, and benefits	668	900	1,058	1,263	1,589	2,062
Salaries	493	706	869	1,017	1,217	1,522
Remuneration	175	194	190	245	372	541
Transfers	341	309	514	674	722	1,111
Allowances and social welfare	172	204	317	387	...	...
Subsidies and transfers	169	105	196	287	...	...
Interest payments	123	235	318	277	198	361
Domestic	9	41	51	32	37	70
External	115	194	267	244	161	291
Other recurrent	394	394	626	911	1,017	1,030
Capital and onlending	2,370	1,646	2,261	2,529	2,856	2,824
Domestically financed	1,026	592	468	403	541	750
Externally financed and onlending (net) 2/	1,343	1,054	1,793	2,126	2,314	2,074
Others and contingency 3/	120	237	347	348	586	585
(In percent of GDP)						
Expenditure 1/	18.6	14.6	17.4	17.6	18.2	18.4
Current	7.1	7.2	8.5	9.2	9.2	10.5
Wages, salaries, and benefits	3.1	3.5	3.6	3.7	4.2	4.8
Salaries	2.3	2.8	2.9	3.0	3.2	3.5
Remuneration	0.8	0.8	0.6	0.7	1.0	1.2
Transfers	1.6	1.2	1.7	2.0	1.9	2.6
Allowances and social welfare	0.8	0.8	1.1	1.1	...	...
Subsidies and transfers	0.8	0.4	0.7	0.8	...	...
Interest payments	0.6	0.9	1.1	0.8	0.5	0.8
Domestic	0.0	0.2	0.2	0.1	0.1	0.2
External	0.5	0.8	0.9	0.7	0.4	0.7
Other recurrent	1.8	1.5	2.1	2.7	2.7	2.4
Capital and onlending	11.0	6.4	7.7	7.4	7.5	6.5
Domestically financed	4.8	2.3	1.6	1.2	1.4	1.7
Externally financed and onlending (net) 2/	6.2	4.1	6.1	6.2	6.0	4.8
Others and contingency 3/	0.6	0.9	1.2	1.0	1.5	1.4

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Excludes discrepancy shown in Table 5.

2/ Onlending includes gross repayments of funds.

3/ Includes payments on liabilities carried over from the previous budget years and arrears clearance.

Table 8. Lao P.D.R.: Monetary Survey, 2004–08 1/

	2004	2005	2006	2007				2008
	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
(In billions of kip; end of period)								
Net foreign assets	3,322	3,389	4,912	5,829	6,748	7,235	7,810	9,086
Bank of Lao P.D.R.	1,989	2,250	2,984	3,562	4,188	4,461	4,833	5,846
Commercial banks	1,333	1,139	1,928	2,267	2,560	2,773	2,976	3,240
Net domestic assets	1,707	2,027	2,134	2,131	1,395	1,632	1,964	2,095
Domestic credit	2,466	2,689	2,528	2,104	1,904	2,516	2,891	2,336
Net claims on government	-210	-191	-89	-316	-653	-409	-275	-1,311
Credit to the economy	2,676	2,880	2,617	2,420	2,557	2,925	3,166	3,647
Of which: Kip	404	558	709	702	776	949	1,115	1,376
Private sector	1,677	2,144	2,061	1,932	2,003	2,397	2,654	3,073
State-owned enterprises	999	736	556	488	554	527	513	575
Other items (net)	-759	-662	-394	27	-509	-884	-927	-241
Broad money	5,029	5,416	7,046	7,960	8,144	8,867	9,774	11,181
Of which: Kip	1,946	2,258	2,943	3,258	3,388	3,802	4,450	4,783
Money	1,049	1,415	1,998	2,244	2,258	2,542	3,065	3,215
Currency outside banks (kip)	511	805	1,231	1,389	1,423	1,522	1,838	1,884
Demand deposits (kip)	537	610	768	856	836	1,021	1,227	1,331
Quasi-money	3,980	4,001	5,048	5,716	5,885	6,325	6,710	7,966
Time and savings deposits (kip)	897	843	945	1,014	1,130	1,260	1,385	1,568
Foreign currency deposits	3,083	3,159	4,103	4,702	4,756	5,065	5,324	6,398
(Annual percentage change, unless otherwise indicated)								
Domestic credit	6.1	9.0	-6.0	-22.4	-30.1	-5.9	14.4	11.1
Credit to the economy	9.0	7.6	-9.1	-15.6	-15.5	-1.3	21.0	50.7
Private sector	13.3	27.8	-3.9	-9.8	-9.1	9.0	28.8	59.1
State-owned enterprises	2.5	-26.2	-24.5	-32.7	-32.7	-30.9	-7.8	17.7
Broad money	22.8	7.7	30.1	43.1	44.7	45.4	38.7	40.5
Of which: Kip	33.2	16.0	30.4	41.4	49.1	58.6	51.2	46.8
Memorandum items:								
Money multiplier	3.3	3.0	2.8	2.9	2.8	2.7	2.5	2.8
Loan/deposit (in percent)	43.9	54.6	37.9	33.9	34.4	38.2	38.2	40.4

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Valued at current exchange rates.

Table 9. Lao P.D.R.: Balance Sheet of the Bank of Lao P.D.R., 2004–08 1/

	2004	2005	2006	2007			2008	
	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
(In billions of kip; end of period)								
Net foreign assets (NFA)	1,989	2,250	2,984	3,562	4,188	4,461	4,833	5,846
Foreign assets	2,381	2,575	3,258	3,828	4,446	4,720	5,080	6,076
Foreign liabilities	-392	-325	-273	-266	-258	-259	-247	-230
Net domestic assets (NDA)	-444	-426	-482	-825	-1,261	-1,198	-860	-1,814
Net domestic credit	409	144	108	-251	-642	-515	-103	-1,181
Net claims on government	-451	-433	-282	-643	-1,043	-911	-456	-1,638
<i>Of which:</i> Foreign currency	-353	-501	-642	-791	-1,023	-1,012	-1,007	-1,981
Claims on government	186	261	620	441	352	431	907	910
Government deposits	-637	-694	-902	-1,084	-1,394	-1,341	-1,363	-2,548
Other claims	860	577	390	392	401	395	353	457
<i>Of which:</i> Foreign currency	747	373	257	250	208	243	198	272
Claims on state-owned enterprises	575	228	176	166	168	158	161	142
Claims on private sector	154	127	70	67	67	67	0	0
Claims on other banking institutions	131	222	143	159	166	170	192	315
Other items (net)	-853	-571	-590	-573	-619	-683	-757	-633
Government lending funds	-357	-340	-276	-265	-267	-258	-261	-236
Other items	-496	-231	-314	-308	-352	-425	-496	-397
Reserve money	1,545	1,823	2,502	2,737	2,927	3,263	3,974	4,032
<i>Of which:</i> Kip	876	1,181	1,803	1,943	2,059	2,325	2,968	2,941
Currency in circulation	511	805	1,231	1,389	1,423	1,522	1,838	1,884
Vault cash	81	72	106	169	194	199	226	318
Bank deposits	953	947	1,165	1,180	1,310	1,543	1,910	1,830
<i>Of which:</i> Kip	132	145	315	215	272	445	737	565
Required reserves (kip and foreign currency) 2/	...	...	525	562	588	630	680	668
Kip	...	...	84	92	95	103	116	96
Foreign currency	...	...	441	470	494	527	564	572
Excess reserves (clearing deposits held in kip)	132	145	231	123	178	342	621	469
Other deposits (held in foreign currency)	821	802	410	494	544	571	608	693
Capital deposits	152	159	152	170	170	159	166	174
Clearing deposits	666	643	258	324	375	412	442	518
Private sector demand deposit	3	0	0	0	0	0	0	0
(In millions of U.S. dollars, unless otherwise indicated)								
NFA of BOL (a)	190.1	208.2	307.8	370.5	437.0	463.5	512.9	664.6
Foreign exchange component of reserve money (b)	63.9	59.5	72.1	82.6	90.6	97.5	106.7	124.0
Net official international reserves (= (a) - (b))	126.1	148.7	235.7	287.8	346.4	366.0	406.2	540.6
Reserve money (y/y, percent change)	12.9	18.0	37.2	47.1	51.6	51.6	58.8	47.3

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Valued at current exchange rates.

2/ For 2004 and 2005, required reserves are included in clearing deposits.

Table 10. Lao P.D.R.: Summary Balance Sheet of Commercial Banks, 2004–08 1/

	2004	2005	2006	2007				2008
	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.
	(In billions of kip; end of period)							
Net foreign assets	1,333	1,139	1,928	2,267	2,560	2,773	2,976	3,240
<i>Of which:</i> State-owned commercial banks (SOCBs)	984	626	1,312	1,659	1,791	1,730	1,897	1,994
Foreign assets	2,321	2,306	3,214	3,589	3,900	4,241	4,395	4,699
Foreign liabilities	-989	-1,167	-1,286	-1,322	-1,339	-1,467	-1,419	-1,459
Net domestic assets	3,184	3,472	3,888	4,304	4,161	4,572	4,960	6,057
<i>Of which:</i> SOCBs	1,529	2,043	1,789	1,606	1,525	1,638	1,829	2,059
Reserves	989	963	1,265	1,652	1,514	1,774	1,622	2,952
<i>Of which:</i> SOCBs	531	480	706	1,042	881	945	1,186	1,900
Claims on government (net)	241	241	193	327	390	501	180	327
<i>Of which:</i> SOCBs	177	118	76	201	270	333	60	185
Claims on government	356	464	549	621	751	909	797	675
Government deposits	-115	-223	-356	-294	-361	-407	-617	-347
Claims on the economy	1,947	2,525	2,370	2,187	2,322	2,699	3,006	3,505
<i>Of which:</i> SOCBs	1,035	1,526	1,184	1,001	1,114	1,440	1,672	1,983
Claims on state-owned enterprises	423	508	380	322	386	369	352	432
<i>Of which:</i> SOCBs	277	326	95	58	119	96	54	106
Claims on private sector	1,524	2,017	1,990	1,864	1,936	2,330	2,654	3,073
<i>Of which:</i> SOCBs	757	1,200	1,089	942	995	1,344	1,618	1,877
Credit from monetary authorities	-98	-150	-165	-172	-219	-219	-175	-205
<i>Of which:</i> SOCBs	-29	-80	-17	-16	-16	-15	-15	-14
Other items (net)	106	-107	224	311	154	-183	-214	-522
<i>Of which:</i> Capital account	-47	-192	-159	-227	-452	-563	-684	-785
Deposits	4,517	4,612	5,815	6,571	6,721	7,345	7,936	9,297
<i>Of which:</i> SOCBs	3,193	3,186	3,866	4,492	4,451	4,631	4,958	6,125
Kip deposits	1,435	1,453	1,712	1,870	1,965	2,281	2,612	2,899
<i>Of which:</i> SOCBs	1,028	977	1,121	1,264	1,271	1,427	1,628	1,827
Current deposits	537	610	768	856	836	1,021	1,227	1,331
Time and savings deposits	897	843	945	1,014	1,130	1,260	1,385	1,568
Foreign currency deposits	3,083	3,159	4,103	4,702	4,756	5,065	5,324	6,398
<i>Of which:</i> SOCBs	2,165	2,209	2,745	3,229	3,180	3,204	3,329	4,298
	(In billions of U.S. dollars; end of period)							
Net foreign assets	127	105	199	236	267	288	316	368
<i>Of which:</i> SOCBs	94	58	135	173	187	180	201	227
Foreign currency deposits	295	292	423	489	496	526	565	727
<i>Of which:</i> SOCBs	207	204	283	336	332	333	353	489
Memorandum items:								
Issuance of debt clearance bonds, accumulative stocks (in kip billions)	244.2	244.2	443.9	443.9	443.9	694.1	694.1	694.1
Net foreign assets coverage of foreign currency deposits (in percent)	43.2	36.1	47.0	48.2	53.8	54.8	55.9	50.6
<i>Of which:</i> SOCBs	45.5	28.3	47.8	51.4	56.3	54.0	57.0	46.4
Reserves to deposits ratio (in percent)	21.9	20.9	21.8	25.1	22.5	24.2	27.2	31.7
<i>Of which:</i> SOCBs	16.6	15.1	18.3	23.2	19.8	20.4	23.9	31.0
Exchange rate (kip/US\$, end of period)	10,465	10,805	9,696	9,615	9,583	9,626	9,423	8,797

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Valued at current exchange rates.

Table 11. Lao P.D.R.: Interest Rates, 2002–08

(In percent; end of period)

	2002	2003	2004	2005	2006	2007	2008			
							Jan.	Feb.	Mar.	Apr.
Local banks (representative rates) 1/										
Deposit rates										
Savings (U.S. dollar accounts)	1.0	0.4	0.3	0.5	1.3	1.3	1.3	1.3	1.3	1.3
Fixed (U.S. dollar accounts)										
3 months	1.5	0.5	0.4	1.0	1.8	1.8	1.8	1.8	1.8	1.8
6 months	1.8	0.6	0.8	1.3	2.5	2.5	2.5	2.5	2.5	2.5
12 months	2.3	0.8	1.0	1.5	3.0	3.0	3.0	3.0	3.0	3.0
Savings (kip accounts)	15.0	12.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fixed (kip accounts)										
3 months	17.0	15.0	8.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
6 months	19.0	18.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
12 months	21.0	20.0	10.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0
Lending rates										
1 year										
Kip	...	...	14.0	15.5	13.0	12.0	12.0	12.0	12.0	12.0
Baht	...	7.0	7.0	9.5	8.0	7.0	7.0	7.0	7.0	7.0
U.S. dollar	...	6.0	7.0	9.5	9.0	7.0	7.0	7.0	7.0	7.0
1–3 year										
Kip	...	...	16.0	15.5	13.0	13.0	13.0	13.0	13.0	13.0
Baht	...	8.0	9.0	9.5	8.0	7.5	7.5	7.5	7.5	7.5
U.S. dollar	...	7.5	9.0	9.5	9.0	7.5	7.5	7.5	7.5	7.5
Overdraft										
Kip	24.0	28.0	21.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Baht	10.0	12.0	12.0	12.0	12.0	10.0	10.0	10.0	10.0	10.0
U.S. dollar	11.0	11.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Foreign banks (representative rates) 2/										
Deposit rates										
Savings (U.S. dollar accounts)	0.5	0.3	0.3	0.3	0.5	0.5	0.5	0.5	0.5	0.5
Fixed (U.S. dollar accounts)										
3 months	1.0	0.5	0.5	0.5	0.8	0.8	0.8	0.8	0.8	0.8
6 months	1.0	0.5	0.5	0.5	...	...	...	...	...	...
12 months	2.0	0.8	0.8	0.8	...	...	...	...	...	...
Lending rates										
1–3 year										
Kip	...	...	...	21.0	16.0	16.0	16.0	16.0	16.0	16.0
Baht	...	...	...	13.0	8.0	8.0	8.0	8.0	8.0	8.0
U.S. dollar	...	...	...	10.5	7.0	7.0	7.0	7.0	7.0	7.0
Overdraft										
Kip	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Baht	14.0	13.0	13.0	13.0	16.0	16.0	16.0	16.0	16.0	16.0
U.S. dollar	11.0	10.5	10.5	10.5	12.0	12.0	12.0	12.0	12.0	12.0

Source: Data provided by the Lao P.D.R. authorities.

1/ Local banks' representative rates are from Banque pour le Commerce Exterieur Lao.

2/ Foreign banks' representative rates are from Thai Military Bank Branch.

Table 12. Lao P.D.R.: Balance of Payments, 2002–07

(In millions of U.S. dollars, unless otherwise indicated)

	2002	2003	2004	2005	2006	2007 Est.
Current account	-228	-324	-423	-511	-368	-716
Excluding official transfers	-266	-367	-459	-545	-453	-769
Merchandise trade balance	-359	-368	-520	-586	-446	-911
Exports, f.o.b.	363	418	536	684	1,143	1,203
Imports, c.i.f.	722	786	1,056	1,270	1,589	2,114
Services (net)	139	99	132	158	153	256
Income (net)	-68	-121	-97	-145	-218	-165
Of which: Interest payments	-38	-62	-77	-86	-74	-93
Of which: Public debt	-10	-12	-21	-23	-17	-25
Transfers (net)	61	66	62	62	144	104
Private	23	24	26	28	59	51
Official	38	42	36	34	85	53
Capital account	284	342	441	530	467	919
Medium- and long-term loans	78	101	89	125	130	149
Disbursements	105	129	114	153	162	186
Amortization	-27	-28	-25	-28	-32	-36
Foreign direct investment 1/	63	9	315	247	335	710
Net foreign assets of commercial banks (increase -)	-14	-20	-38	18	-74	-130
Other private flows and errors and omissions	156	252	76	139	77	190
Overall balance	56	18	19	19	100	203
Financing	-56	-18	-19	-19	-100	-203
Central bank net foreign assets	-56	-18	-19	-19	-100	-203
Assets (increase -)	-62	-18	-12	-11	-98	-201
Liabilities (reduction -)	7	0	-6	-7	-2	-2
Memorandum items:						
Current account (in percent of GDP)	-12.5	-15.1	-16.9	-17.8	-10.5	-17.4
Excluding official transfers	-14.5	-17.1	-18.3	-19.0	-12.9	-18.7
Gross official reserves	196	216	228	238	336	537
In months of prospective nonresource imports 2/	2.8	3.1	2.7	2.4	3.0	3.7
In months of goods and services imports	2.8	2.3	2.1	1.7	1.8	2.4
GDP at current market prices	1,830	2,149	2,509	2,866	3,498	4,108

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Includes repayment of private debt.

2/ Excludes imports associated with large resource (mining and hydropower) projects.

Table 13. Lao P.D.R.: Merchandise Trade by Major Commodity, 2002–07

(In millions of U.S. dollars, unless otherwise indicated)

	2002	2003	2004	2005	2006	<u>2007</u> Est.
Merchandise exports	362.8	418.0	536.0	684.0	1,143.1	1,202.6
Gold	0.0	60.1	57.8	90.7	117.9	93.2
Copper	0.0	0.0	0.0	112.1	409.3	446.0
Electricity	101.1	114.5	117.5	125.0	122.6	114.1
Timber	114.3	128.2	144.9	156.2	195.6	179.0
Garments	113.9	129.9	154.7	138.0	127.5	126.3
Coffee	10.9	11.2	14.4	7.5	9.8	28.9
Other	22.7	34.2	46.2	53.3	149.9	205.5
Merchandise imports	722.2	786.1	1,055.8	1,270.2	1,589.3	2,113.8
Petroleum	83.6	89.6	116.9	159.5	205.5	311.0
Capital goods	197.1	258.3	452.8	488.8	684.4	1,053.2
Electricity	7.2	8.4	20.1	26.2	28.0	37.4
Garments materials	79.9	86.6	115.5	69.9	98.7	80.3
Other	354.4	343.1	350.5	525.7	572.7	631.9
Memorandum items:						
Export volume (percent change)	-12.6	-9.1	19.3	14.0	18.7	-0.9
Import volume (percent change)	-2.6	2.5	33.1	12.9	16.4	24.3
Terms of trade (percent change)	8.5	16.1	6.7	4.1	26.9	-0.4
Gold volume ('000 ounces)	0.0	165.3	141.2	203.8	195.1	133.8
Copper volume ('000 metric tons)	0.0	0.0	0.0	30.5	60.8	62.5
Electricity exports (giga-watt hours)	2,751	2,285	2,424	2,988	2,807	2,528
Electricity imports (giga-watt hours)	...	...	146	211	199	229

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

Table 14. Lao P.D.R.: Composition of Net Services and Net Foreign Income, 2002–07

(In millions of U.S. dollars, unless otherwise indicated)

	2002	2003	2004	2005	2006	2007 Est.
Services (net)	138.6	98.7	131.8	158.2	152.8	256.2
Receipts (+)	182.9	150.8	186.9	219.0	215.0	322.1
Transportation	29.8	21.0	29.7	31.3	31.5	30.1
Tourism	113.4	87.3	118.9	146.8	149.3	233.3
Communications	14.7	15.6	16.5	16.5	10.2	28.7
Insurance	1.0	2.2	2.6	5.2	3.2	7.2
Other	24.0	24.7	19.2	19.2	20.8	22.8
Payments (-)	44.3	52.1	55.1	60.9	62.2	65.9
Transportation	5.7	6.0	6.5	7.3	7.2	6.5
Travel	13.5	13.5	14.7	16.7	8.9	8.4
Communications	4.4	4.4	5.0	5.0	2.7	4.1
Insurance	1.8	4.3	4.8	5.4	12.4	2.0
Construction	14.3	16.5	16.8	19.0	24.4	38.7
Other	4.6	7.4	7.3	7.5	6.6	6.2
Foreign income (net)	-67.8	-121.1	-97.1	-144.7	-218.5	-165.1
Receipts (+)	4.7	9.6	24.4	30.3	104.2	162.1
Income from royalty	0.0	6.1	11.9	25.3	88.0	129.3
Interest receipts	4.0	2.8	11.7	4.2	12.0	26.6
Interest on Bank of Lao P.D.R. reserve assets	1.9	1.9	4.2	3.1	8.9	22.6
Interest on commercial banks nostro accounts	2.1	0.9	7.5	1.1	3.0	4.0
Payments to Lao P.D.R. workers by embassies	0.7	0.7	0.8	0.8	4.2	6.2
Payments (-)	72.5	130.6	121.5	175.1	322.7	327.3
Income from direct investment in Lao P.D.R.	33.7	67.3	44.4	88.4	243.4	228.4
Interest payments	38.4	61.7	76.6	85.8	73.8	92.8
Public	10.0	11.9	22.5	25.5	16.8	28.5
Interest on official borrowing	9.7	11.9	22.4	25.3	16.8	28.5
Interest on Bank of Lao P.D.R. foreign liabilities	0.2	0.0	0.1	0.2	0.0	0.0
Private	28.5	49.9	54.1	60.3	57.0	64.4
Interest on commercial banks foreign liabilities	2.6	3.2	4.5	4.3	5.1	5.1
Interest payable on other private debt	25.9	46.7	49.6	56.0	51.9	59.3
Payments to foreign workers in Lao P.D.R. embassies	0.4	1.6	0.5	0.8	5.4	6.0
Memorandum items:						
Number of tourist arrivals (in thousands)	736	636	895	1,095	1,215	1,624
(Percent change)	9.2	-13.5	40.6	22.4	10.9	33.6

Sources: Data provided by the Lao P.D.R. authorities; Lao National Tourism Administration; and IMF staff estimates.

Table 15. Lao P.D.R.: External Aid and Loan Disbursements, 2002–07

(In millions of U.S. dollars)

	2002	2003	2004	2005	2006	2007 Est.
Grants 1/	38.0	42.4	36.2	33.9	85.0	52.7
Bilateral	33.4	42.4	33.0	19.3	53.9	35.2
Program grants	12.0	12.3	12.6	5.4	12.7	0.0
Project grants	21.4	30.1	20.4	13.9	41.2	35.2
Multilateral	4.6	0.0	3.2	14.6	31.1	17.6
International Development Association (IDA)	0.0	0.0	2.6	13.7	28.0	13.5
Asian Development Bank (AsDB)	0.2	0.0	0.4	0.8	3.1	4.0
Other (including NGOs)	4.4	0.0	0.1	0.0	0.0	0.0
Loan disbursements	105.1	128.9	113.8	152.6	161.6	185.5
Program loans	5.0	22.0	12.3	4.4	10.0	5.7
IDA	0.0	7.0	12.3	4.4	0.0	0.0
AsDB	5.0	15.0	0.0	0.0	10.0	5.7
Project loans	100.1	106.9	101.5	148.2	151.6	179.8
Multilateral	92.0	91.9	91.8	129.2	129.9	101.5
IDA	47.8	39.6	27.5	27.6	29.0	29.6
AsDB	35.9	46.0	51.8	73.4	67.2	57.0
International Fund for Agricultural Development	5.5	3.0	3.8	3.9	5.7	4.8
Organization of the Petroleum Exporting Countries	1.8	1.9	2.6	1.7	0.3	2.7
Nordic Fund	1.1	1.4	6.0	1.2	4.3	7.4
European Union	0.0	0.0	0.0	21.3	23.5	0.0
Bilateral	8.0	15.0	9.7	19.0	21.8	78.3
Japan	0.0	0.3	2.3	3.7	1.8	0.0
China	0.0	0.0	0.0	0.0	0.0	30.7
Thailand	0.0	4.5	2.5	11.3	13.1	25.9
Other	8.0	10.2	4.9	4.1	6.9	21.7

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Includes project-related and general technical assistance.

2/ Includes borrowing for Theun Hinboun and Huay Ho hydropower projects from bilateral creditors.

Table 16. Lao P.D.R.: Debt Stock and Debt Service 2002–07

	2002	2003	2004	2005	2006	2007 Est.
(In millions of U.S. dollars)						
Total debt stock (public and private)	2,315	2,413	2,648	3,028	3,398	4,293
Public debt	1,931	2,026	2,105	2,203	2,308	2,446
Bilateral	519	523	536	544	551	626
Multilateral	1,289	1,363	1,451	1,533	1,630	1,704
Commercial 1/	123	140	117	127	127	116
Private debt 2/	384	387	544	825	1,090	1,847
Total debt service	85.9	92.1	122.3	135.8	177.9	212.2
Amortization	50.3	55.6	70.3	77.8	132.9	147.2
Public debt	26.7	28.2	29.1	37.5	32.0	47.6
Bilateral	3.9	1.8	2.3	4.1	3.4	2.6
Multilateral	22.9	26.4	22.4	23.9	28.6	33.8
Commercial	0.0	0.0	4.4	9.5	0.0	11.2
Private debt	23.5	27.4	41.2	40.3	100.9	99.5
Interest payments	35.6	36.5	52.0	58.0	45.0	65.0
Public debt	9.7	11.9	22.5	25.5	16.8	28.5
Bilateral	1.1	0.7	4.9	9.4	5.0	11.2
Multilateral	8.7	11.2	16.0	13.7	11.8	13.8
Commercial	0.0	0.0	1.5	2.4	0.0	3.5
Private debt	25.9	24.6	29.6	32.5	28.2	36.6
(In percent of GDP)						
Total debt stock (public and private)	126.5	112.3	105.6	105.7	97.1	104.5
Public debt	105.5	94.3	83.9	76.9	66.0	59.5
Bilateral	70.5	63.4	57.8	53.5	46.6	41.5
Multilateral	28.4	24.3	21.4	19.0	15.7	15.2
Commercial	6.7	6.5	4.7	4.4	3.6	2.8
Private debt	21.0	18.0	21.7	28.8	31.2	45.0

Sources: Data provided by the Lao P.D.R. authorities; and IMF staff estimates.

1/ Includes direct borrowing by and on-lent funds to state-owned enterprises on noncessional terms.

2/ Mainly for the mining and hydropower sectors.

Table 17. Lao P.D.R.: Foreign Investment Approvals by Country and Sector, 2002–07 1/

	2002	2003	2004	2005	2006	2007	2002–07
1. By country							
	(In millions of U.S. dollars)						
Thailand	6.3	96.3	57.2	450.9	655.2	92.7	1,358.8
China	62.6	119.9	28.2	58.1	423.2	496.1	1,188.0
Vietnam	6.9	8.7	63.3	43.3	261.2	155.9	539.2
France	13.4	17.6	2.5	370.3	12.1	13.1	429.0
Japan	0.4	3.3	4.5	4.4	401.5	6.1	420.3
India	0.1	0.2	0.0	0.0	350.0	0.0	350.3
Australia	0.5	1.5	292.7	21.3	1.4	13.6	331.0
Korea	12.8	13.7	14.2	10.2	163.7	82.2	296.9
Malaysia	4.9	70.8	3.3	3.4	3.2	53.2	138.6
Singapore	0.7	36.2	3.2	1.2	43.5	15.9	100.6
Others	24.5	97.8	64.1	282.3	384.7	208.1	1,061.5
Total	133.0	466.0	533.1	1,245.3	2,699.7	1,136.9	6,214.1
	(In percent of total)						
Thailand	4.8	20.7	10.7	36.2	24.3	8.2	21.9
China	47.0	25.7	5.3	4.7	15.7	43.6	19.1
Vietnam	5.2	1.9	11.9	3.5	9.7	13.7	8.7
France	10.0	3.8	0.5	29.7	0.4	1.2	6.9
Japan	0.3	0.7	0.8	0.4	14.9	0.5	6.8
India	0.1	0.0	0.0	0.0	13.0	0.0	5.6
Australia	0.4	0.3	54.9	1.7	0.1	1.2	5.3
Korea	9.6	2.9	2.7	0.8	6.1	7.2	4.8
Malaysia	3.6	15.2	0.6	0.3	0.1	4.7	2.2
Singapore	0.5	7.8	0.6	0.1	1.6	1.4	1.6
Others	18.4	21.0	12.0	22.7	14.2	18.3	17.1
2. By sector							
	(In millions of U.S. dollars)						
Electricity generation	1.0	85.8	5.5	1,065.3	1,776.7	360.5	3,294.8
Agriculture	14.0	17.3	75.7	17.4	458.5	183.8	766.7
Mining	0.5	20.7	312.1	93.5	73.8	115.3	616.0
Industry and handicraft	59.9	80.8	35.4	14.6	123.0	134.2	447.9
Services	16.5	60.3	17.5	20.9	12.1	181.2	308.4
Trading	4.7	140.1	19.0	7.9	86.0	13.9	271.6
Construction	13.9	3.2	10.0	1.6	130.6	0.0	159.3
Hotel and restaurant	1.1	48.8	7.0	13.1	32.2	58.2	160.4
Other activities	21.3	8.9	51.0	11.2	6.7	89.8	188.9
Total	133.0	466.0	533.1	1,245.3	2,699.7	1,136.9	6,214.1
	(In percent of total)						
Electricity generation	0.8	18.4	1.0	85.5	65.8	31.7	53.0
Agriculture	10.5	3.7	14.2	1.4	17.0	16.2	12.3
Mining	0.4	4.4	58.5	7.5	2.7	10.1	9.9
Industry and handicraft	45.1	17.3	6.6	1.2	4.6	11.8	7.2
Services	12.4	12.9	3.3	1.7	0.4	15.9	5.0
Trading	3.5	30.1	3.6	0.6	3.2	1.2	4.4
Construction	10.5	0.7	1.9	0.1	4.8	0.0	2.6
Hotel and restaurant	0.9	10.5	1.3	1.1	1.2	5.1	2.6
Other activities	16.0	1.9	9.6	0.9	0.2	7.9	3.0

Sources: Lao P.D.R., Ministry of Investment and Planning; and IMF staff estimates.

1/ Approvals of foreign direct investment (FDI). Differs from actual FDI recorded in the balance of payments.

Lao P.D.R.: Summary of Tax System

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)
1. Taxes on income and profits			
1.1 Tax on enterprise profits (profit tax)	Annual levy on profits derived in the Lao P.D.R. by enterprises from business operations (production, trade, and service), payable in advance on a quarterly basis.	<p>a. Expenses normally incurred in producing income, with limits for reception and travel costs.</p> <p>b. Asset amortization permitted, using either fixed line or declining balance methods and with the following five annual rates: 50 percent: business formation; 20 percent: land transport, machine, and other equipment; 10 percent: sea transport equipment, office improvement and supplies, and temporary trade premises; 5 percent: air transport equipment, industrial premises used < 20 years, and permanent trade premises; 2.5 percent: industrial premises used between 21–40 years. Unallowed residual is deducted from the sale price to compute the profit or loss.</p> <p>c. Carry-forward of losses available for up to three years.</p> <p>d. Three computational regimes. Full real regime: based on an extended accounting system for foreign investors, import-export traders, and businessmen with annual turnover greater than kip 2,400 million; partial real regime: based on an ordinary or common accounting system, for other businessmen with annual turnover of kip 200–2,400 million; contract regime: based on a primary accounting system, with an agreed estimation for turnover of less than kip 200 million with progressive rates for trade (5 percent), production, construction, and transport (8–10 percent), and services and drinking bars (20 percent).</p> <p>e. Amounts appropriated for savings or recapitalization accounts, bonuses, meeting allowances, or received from capital reduction, enterprise merging, share transfer, bankruptcy, or debt liquidation.</p> <p>f. Case-by-case tax relief under foreign and domestic investment promotion law.</p>	<p>General rate 35</p> <p>Discount rates 20</p> <ul style="list-style-type: none"> • For enterprises in designated areas/city 15 • For enterprises in rural and lowland areas 10 <p>For foreign investors, discount rates apply only to the sectors under the foreign investment promotion law.</p>
1.2 Minimum profit tax	Applicable to gross turnover of the previous year of those enterprises subject to the extended or ordinary accounting system. Payment on an annual basis. Creditable against final profit tax liability, but no reimbursement of overpayment.	Foreign and domestic investors who qualify for annual profit tax exemption.	<p>Domestic production 0.25</p> <p>Other businesses 1</p>
1.3 Tax on social/religious/cultural organizations and associations	Incomes from immovable property leasing and non-business activities of public or other social associations.	None.	10

Lao P.D.R.: Summary of Tax System

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)
1.4 Tax on personal income from employment	Levied on wages, salaries, bonuses, and other emoluments derived from employment in Lao P.D.R. or, when deputed to international organizations, by Lao citizens receiving emoluments abroad on which they are not taxed. Withheld at source by the employer on a monthly basis.	All persons with monthly wages or salaries below kip 300,000. Exemptions are granted to a selected list of income/earning activities, including income from agricultural production by peasants.	<u>Monthly Wage or Salary</u> (in kip) 5 300,001–1,500,000 10 1,500,001–4,000,000 15 4,000,001–8,000,000 20 8,000,001–15,000,000 25 15,000,001 and above
1.5 Tax on personal incomes of persons in self-employment	Levied on net profits made by individuals from business operations and immovable property leasing. Payment on an advance quarterly basis.	Less than kip 2,400,001 is exempt.	<u>General Activities</u> (in kip) 10 2,400,001–5,000,000 15 5,000,001–10,000,000 20 10,000,001–30,000,000 30 30,000,001–60,000,000 35 60,000,000 and above
1.6 Tax on personal incomes from immovable property leasing	Levied on incomes received by individuals from immovable property leasing.		15 (of rent price)
1.7 Tax on investment income	Levied on incomes of businesses and individuals from gross market-based rents, dividends, lending interest rates, and guarantee fees on a global basis, where appropriate.	Interest on bank deposits.	10
1.8 Tax on property rights	Copyright or other intellectual property rights of an individual or business entity.	None.	5
2. <u>Taxes on land and property</u>			
2.1 Transfer taxes	Applied to the market value of real estate property transferred between private persons through inheritance, sale, or gift.	None.	Transfers between: • Direct descendants 0.5 • Second-degree relatives 1.0 • Third-degree relatives 2.0 • Other land and houses 3.0
2.2 Land tax	Annual tax levied on land area. Taxable land is divided in two categories:	<ul style="list-style-type: none"> • Land occupied by temples, public welfare buildings, embassies, and housing for disabled persons (for extensions of less than 5,000 square meters). 	1. <u>Occupied land</u> Rates vary from kip 5 to kip 300 per square meter per year in accordance with the use (housing, production factories, business or service, and unused open land) and location.

Lao P.D.R.: Summary of Tax System

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)
2.2 Land tax (continued)	<ul style="list-style-type: none"> Occupied land (i.e., land occupied by buildings and factories) Agricultural land 	<ul style="list-style-type: none"> Agricultural land, not exceeding two hectares per family, occupied by disabled military personnel and civilians. Agricultural land situated in mountainous areas yielding less than 150 kilograms of rice per person per year. Agricultural land affected by natural disaster or other damages. Newly cleared rice fields in mountainous areas (5 years) and flat land (3 years). Industrial orchards (2–3 years). 	<p>2. <u>Agricultural land</u></p> <p>Rates vary from kip 20,000 to kip 45,000 per hectare per year in accordance with: (i) land use (rice land, garden land, and farm land); (ii) location (level field and mountainous areas); and (iii) type of production (for rice or garden, by number of crops per year, and by type of trees).</p>
3. <u>Taxes on goods and services</u>			
3.1 Turnover tax	<p>The tax is collected from imports of goods to the Lao P.D.R, first time sale of imported goods, or domestically produced goods and general services</p> <p>Importers, producers, or service providers who operate inside Lao P.D.R. have the right to get a deduction of initially paid (e.g., at customs checkpoints) turnover tax. Deductions are not allowed for service charges and for purchases of transport vehicles, including accessories and spare parts, that are not used directly by the companies, and for purchases of consumer goods for personal use by companies.</p> <p>All imports not exempt from import duties are subject to turnover tax. The base of taxation is the customs value, plus customs duty, plus excise duty, if any. In case of first time sale of goods imported or manufactured inside the country, the turnover tax shall be calculated during its selling or delivery by importers or domestic manufacturers. The calculation shall be based on the actual sales amount without turnover tax.</p>	<p>The following activities are exempt from turnover tax:</p> <ul style="list-style-type: none"> Import of crop seeds, animal breeds, and insecticides. Import of materials, instruments, and chemical components for research purposes. Import of gold for notes-issuing institution, and of bank notes or coins. Import or activity relating to tax or postal stamps. Import of planes, instruments, and components for international air transportation. Import of goods for selling to diplomats and international organizations in the Lao P.D.R. as permitted by the Ministry of Foreign Affairs. Import of goods with tax exemption or for temporary import. Import and sales of animal-treating medicines. Export of goods and services. Sales of self-produced agricultural products by peasants. Forestation activities, industrial trees and fruits planting. Sales of agricultural and handicraft products by government employees or cooperative members on a family basis. 	5 or 10

Lao P.D.R.: Summary of Tax System

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)
3.1 Turnover tax (continued)	<p>The tax on services shall be calculated after completion of the work. The calculation shall be based on actual service charges without turnover tax.</p> <p>Turnover tax declarations must be submitted monthly and turnover tax collected must be paid monthly (turnover tax on imports is collected at custom checkpoints). All purchases and sales must be substantiated by tax invoices.</p>	<ul style="list-style-type: none"> • Sales of authorized text books and of newspapers and magazines. • International transportation and relevant services (transport of passengers or cargoes by land, air, and sea/river). • Transport by people and animals by boats without engines. • Provision of leasing of immovable properties, such as land, houses, and other structures by persons who do not have business activities. • Independent job-occupation by one's own labor. • Educational activities; pre-schools, primary, secondary, and technical schools, and universities. • Activities for public benefit held by government authorities or international organizations. • Banking and insurance activities. • Domestically-produced rice, unprocessed rice, and rice bran. • Domestically-produced fertilizer, animal foods, and rice polish. • Wheelchairs (for disabled people). • Fire trucks, ambulances, and other specified vehicles for official use. • Human and animal organs for medical use. 	
3.2 Excise duties	<p>Levied equally on imported and domestic supplies of petroleum products and select consumer goods. For imported items, excise duty is calculated inclusive of customs duties; for domestically-supplied items, it is calculated based on the ex-factory cost.</p>	<p>The following items are exempt:</p> <ul style="list-style-type: none"> • Purchases by embassies and international organizations. • Kerosene. • Alcohol (90-proof) for medical purposes. • Purchases of petroleum products for externally-funded projects. • Exports of excisable goods. 	<p style="text-align: center;"><u>Item</u></p> <p>Petroleum products: Premium gasoline 25 Regular gasoline 24 Diesel 12 Kerosene 10 Hydraulic, brake, lubricating, and grease oil 5</p> <p style="text-align: center;"><u>Item</u></p> <p>Alcohol: All types with 15-proof or more 70 All types with less than 15-proof 60 Beer 50 Cigarettes and cigars 55 Cosmetics and perfumes 30 Playing cards, and the like 70</p>

Lao P.D.R.: Summary of Tax System

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)																														
3.2	Excise duties (continued)																																
		<p><u>Item</u></p> <p>Motor vehicles:</p> <p>Pickup with two doors 20</p> <p>Pickup with four doors 25</p> <p>Minibus with less than 15 seats 25</p> <p>Bus 25</p> <p>Jeep with soft top 30</p> <p>Jeep with hard top less than 2,000 cc engine 65</p> <p>2,001–4,000 cc 70</p> <p>More than 4,000 cc 75</p> <p>Cars less than 1,000 cc 60</p> <p>1,000–1,500 cc 65</p> <p>1,501–3,000 cc 75</p> <p>More than 3,000 cc 90</p> <p>Motorcycles 20</p> <p>Speed boats, motor boats for sport activities, including their motor and accessories 10</p> <p>Electrical appliances such as air conditioners, satellite TV signal receivers, audio-video cameras and recorders, musical instruments, including components and accessories. 15</p> <p>Freezers, heaters, washing machines, vacuum cleaners. 10</p> <p>Billiard, snooker, and football game tables, and other game machines; billiard, bowling, and lottery activities. 20</p> <p>Night club, discotheque, and karaoke activity. 25</p>																															
3.3	Tax registration license	<p>None.</p> <p>Levied annually on registered industrial and commercial enterprises (based on turnover) and on import-export enterprises (based on capital). Payable during the first three months of the year on a current basis.</p>	<p>Different charges apply depending on type of enterprise. For local enterprises:</p> <p><u>Annual turnover rates</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;">(In million of kip)</td> <td style="text-align: right;"><u>Charge</u></td> </tr> <tr> <td>0–12</td> <td style="text-align: right;">(In kip) 0</td> </tr> <tr> <td>>12–30</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>>30–80</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>>80–200</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>>200–500</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>>500–1,500</td> <td style="text-align: right;">70,000</td> </tr> <tr> <td>>1,500–2,000</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>2,000 and above</td> <td style="text-align: right;">150,000</td> </tr> </table> <p>For import-export enterprises:</p> <p><u>Paid-up Capital</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;">(In million of kip)</td> <td style="text-align: right;"><u>Charge</u></td> </tr> <tr> <td>0–200</td> <td style="text-align: right;">(In kip) 0</td> </tr> <tr> <td>>200–500</td> <td style="text-align: right;">200,000</td> </tr> <tr> <td>>500–1,500</td> <td style="text-align: right;">300,000</td> </tr> <tr> <td>>1,500–2,000</td> <td style="text-align: right;">400,000</td> </tr> <tr> <td>2,000 and above</td> <td style="text-align: right;">500,000</td> </tr> </table>	(In million of kip)	<u>Charge</u>	0–12	(In kip) 0	>12–30	10,000	>30–80	15,000	>80–200	30,000	>200–500	50,000	>500–1,500	70,000	>1,500–2,000	100,000	2,000 and above	150,000	(In million of kip)	<u>Charge</u>	0–200	(In kip) 0	>200–500	200,000	>500–1,500	300,000	>1,500–2,000	400,000	2,000 and above	500,000
(In million of kip)	<u>Charge</u>																																
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2,000 and above	500,000																																

Lao P.D.R.: Summary of Tax System

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)
3.4 Road tax	Levied annually on all motor vehicles (motorcycles, cars, trucks, etc.).	The following items are exempt: <ul style="list-style-type: none"> • Government cars. • Cars of the diplomatic corps, international organizations, and foreign experts. 	Fees vary according to size of engine (for cars and motorcycles), weight (for trucks), and number of seats (for buses). kip 5,000–90,000
3.5 Air travel fees	Levied annually for: <ul style="list-style-type: none"> • Civil aviation registration. • Examination issuance and renewal of permits. 	None.	Fees vary according to weight. US\$17–175 US\$32–192
3.6 Airspace overflight fees	Levied on all aircraft without regard to nationality flying over the territory of the Lao P.D.R.	<ul style="list-style-type: none"> • VIP special aircraft. • Hospital aircraft carrying patients. 	US\$50–360 per overflight
3.7 River transport fees	Levied annually.	None.	kip 1,000–20,000
3.8 Border entry and exit fees		<ul style="list-style-type: none"> • Diplomatic corps, foreign experts, and their relatives. 	Land and water vehicles. kip 50,000 per vehicle
3.9 Fees for extended residence in Lao P.D.R.		<ul style="list-style-type: none"> • Diplomatic corps, foreign experts, and their relatives. 	Fees vary according to length of stay. kip 5,000–kip 20,000 per day
3.10 Fee for temporary border passes		None.	kip 12,000
3.11 Fees on delivery of passports and visas		None.	Fees vary according to nature of document and applicant: <ul style="list-style-type: none"> • Foreigners (for visas) • Lao nationals (for passport delivery)
3.12 Consular fees overseas	Levied every five years.	None.	Fees vary in accordance with the location of the consular office and type of document. US\$10–120 US\$20 US\$12–35
4. <u>Taxes on international trade</u>			
4.1 Import duties	Imposed on an <i>ad valorem</i> basis. The U.S. dollar values are converted into local currency at the market rate.	Imports of diplomats and army/police are exempt. Goods imported by the government for use in externally-financed development projects are also exempt; the government otherwise pays duties on its other imports. Imports of fuel by Lao Aviation for international transport is exempt. Also exempt are imports under bilateral grants and for humanitarian purposes (externally funded).	Five rates ranging from 5 to 40 percent. The types of goods subject to these rates are as follows: <p>Raw materials, chemicals (including fertilizers), packaging materials, some machinery (including tractors and tools for agriculture), and essential consumer goods (rice, wheat flour, salt, baby foods, medicines, books and printed materials), cameras.</p>

Lao P.D.R.: Summary of Tax System

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)
4.1 Import duties (continued)		Imported inputs (raw materials, machinery and equipment, building materials) for approved foreign-financed private sector and joint venture investment projects are subject to an import fee of 1 percent. In highly exceptional cases and by specific decision of the government, foreign investors may also be exempt from the 1 percent duty rate because of the large size of their investments and the significant positive impact that those investments are expected to have on the socio-economic development of the country.	10
		Raw materials and intermediate goods imported for the purpose of processing and then re-exported are fully exempt from import duties.	
		There are no discretionary exemptions. The Minister of Finance does not have the power to grant duty exemptions. There is also no drawback scheme for import duties paid on inputs for exports.	
		In May 2008, temporary caps were placed on dutiable (c.i.f.) price of petroleum imports, affecting the amount of import duty, excise duty, and turnover tax collected on petroleum products.	
4.2 Export duties		All exported finished products produced from raw materials and intermediate components imported free of import duty under Article 17 of the Law on the Promotion and Management of Foreign Investment in the Lao P.D.R. are exempt.	
5. <u>Taxes on timber and other natural resources</u>			
5.1 Timber royalties	Levied as fixed dollar amount per cubic meter of timber sold, both for domestic use and export.	None	The timber royalties are set year by year by the Ministries of Industry and Commerce and Agriculture.
5.2 Taxes on natural resources	Levied in the form of specific duties on the volume of mineral extraction, or <i>ad valorem</i> duties on sale price of mineral products.		
		Ferrous metals	(of sales value) 2
		Non-ferrous metals	2-5
		Coal	2-3
		Construction materials	50

Source: Ministry of Finance.