

## Chapter 1 : Doing Business in Lao PDR - World Bank Group

*Laos is ranked among economies in the ease of doing business, according to the latest World Bank annual ratings. The rank of Laos deteriorated to in from in Ease of Doing Business in Laos averaged from until , reaching an all time high of in and a.*

If you accidentally touch someone with your foot or touch their head, apologize profusely. When giving an object to someone you should use two hands or the right hand. Never use the left hand associated with toilet duties. This is especially true when a younger person gives something to an older person. Books are written material are treated with great reverence and should never be placed on the floor or slide across a table. In Laos your head is "high", your feet "low". Using your feet for anything other than walking or playing sport is generally considered rude. The feet form the inferior part of the body as much spiritually as physically. You must never indicate or touch another person or object with your foot. Handshakes are also commonly used among male friends and with foreign visitors. Placing them on furniture or pointing at things or people with your feet is not acceptable. Anyone who has strong body odour tends to get disgusting looks. Greetings in Laos Lao people traditionally greet each other by pressing their palms together to "Nop", although it is acceptable for men to shake hands. The Lao address each other by the first name, prefaced by the equivalent of Mr. Aunt, or a courtesy title. The Nop , the most common form of greeting in Laos, involves placing one's hands together in a prayer position at the chest level, but not touching the body. The higher the hands, the greater the sign of respect, although they should never be held of the level of the nose. This is accompanied by a slight bow to show respect for persons of higher status or age. The nop is not only an expression of greeting, but also an expression of thanks, of regret or of saying good-bye. It is appropriate for Laotians to shake hands with Westerners. These days many do. Some men will also use a standard handshake. These tend to be on light side. Always smile during greetings. Greetings between Men and Women – The standard Lao greeting is, "Sabaideebor" which means "how are you? The higher the hands are held and the lower the bow, the greater the degree of respect. Touching or showing affection in public will embarrass your hosts. The Nop A short bow known as a nop in Laos and a wai in Thailand is the most common form of greeting and way of saying good-bye. It involves placing one's hands together in a prayer position between the chest level and nose level but not touching the body and bowing slightly. The higher the hands the greater the sign of respect. The bow is slight and usually accompanied by a slight bend of the knees and a smile. The hands should never be held above the level of the nose. This style of bow is used throughout the Buddhist areas of Southeast Asia. It is not only a greeting but is also an expression of thanks or respect. The bow is particularly important as a way of showing respect towards people of higher status or age. If two people of unequal status meet, the bow should be initiated by the person of lower status. Bows should not be used with children. Many Southeast Asians are comfortable shaking hands with Westerners. The hands are often raised during the nop as you bow your head, however there are rules regarding where the hands should be raised to. Generally the higher the hands are raised the more respect that is being shown. It is also important to note that the hands are not jerked upwards, but rather are raised in a fluid and graceful movement. In addition, the lower the head is bowed towards the hand the more respect shown. When equals or strangers unaware the status of the people they are meeting meet the hands are kept at neck level, but not above the chin. When an inferior meets a superior head is lowered so the nose is just above the fingertips. When an a superior meets an inferior head is straight or slightly bent. Thailand ] A nop can be used as a sign of respect for objects as well as people. This often done when passing a temple or something else of religious significance. As was the case with the origin of handshaking, the nop is thought to have begun as a way of showing a person you are meeting that you have no weapons in your hands. The low status-high status aspect of it is close to the heart of Asia where relations between juniors and seniors and inferiors and superiors is important to how people interact with one another. At the top of the heap is the king who is not expected to nop anyone except monks. When children nop their elders, elders may nod but otherwise are not expected to nop back. The same is true when a junior employee meets a high-ranking boss. In addition to a greeting and way of saying goodbye the nop is also used for giving

thanks, apologizing, praying to the Buddha and begging and is part of the unique Thai honorific system and is used to convey a variety of emotions and modes of deference including politeness, respect, honor, gratitude, apology and friendship. In order to nop correctly it is important that the person noping do so with their whole heart. You should feel your nop and be sincere in paying your respects physically, mentally and spiritually. These include when to nop and the type of nop to use for various people. If you feel that you MUST nop these people only do so if they nop you first and then make your nop very generic i. Initiating a nop to each of these groups is different. When noping someone in this group you bow your head and raise your hands until the index fingers or thumbs touch the forehead. When noping someone in this group you bow your head and raise your hands until the index fingers touch the nose. When noping someone in this group you bow your head and raise your hands until the index fingers touch the mouth. Younger people will nop older people first and those who are lower in social status nop those of higher status first. In fact, it is only recently that a Thai person would even consider noping a farang. Simply returning the handshake is completely acceptable. If they do offer a nop the polite thing to do is to respond in kind. The fact that you attempted to nop back is enough to make the person who initiated the nop happy. It is called Rap Nop or acknowledging a nop. If you respond to a nop in this way it may be perceived as if you are impersonating a monk or royalty and there is a slight chance that you will cause offense. At the least it can certainly be seen as amusing to the person you Rap Nop. In fact, outside Bangkok and the other tourist areas of Thailand you will likely generate loads of goodwill along with some amusement and possibly even amazement if you are able to nop. I guarantee that you will get many genuine smiles of appreciation at this small act of politeness. It causes everyone to lose face. It is considered very bad taste to publicly criticize a person since it results in a loss of face with the community. Men and women rarely show affection in public. It is rude to point directly at a person, to touch somebody other than a small child on the head or hair, to point the soles of your feet at someone especially a monk or a representation of the Buddha, to throw things, and in general to behave overtly aggressively or violently. Showing the soles of your bare feet is considered a rude gesture and most Laotians sit in a way that hides the feet from view. When entering a temple, men should wear long pants and a shirt. Women should avoid shirts, miniskirts, halter-tops, and strapless tops anything exposing their shoulders. Lao people appreciate clean and neatly dressed visitors. Women should dress modestly. Swimming or bathing nude in public is frowned upon. Public displays of affection are frowned upon. Even holding hands is frowned upon. However, men often hold hands with men and women hold hands with women. This is an expression of close friendship not a gay relationship. Never use the left hand sometimes associated with toilet duties. This is especially true when a younger person give something to an older person. When offering a book or paper to someone older than you or of higher rank, you should show respect by using two hands to present the object. An alternative is to present it with the right, with the left hand holding the right elbow. Some a bow accompanies the offering of an object. The receiver should accept it gently with the right hand. Books and written material are treated with great reverence and should never be placed on the floor or slid across a table. Talking in a loud voice is sometimes viewed as threatening. Talking gently and discreetly is more socially acceptable. In the old days a loud voice conveyed a powerful, chaotic force capable of destroying those that it was directed towards. They often push and shove to get to the head of the line. Please do not shout or raise your voice. Heads, Hands and Feet In many Asian cultures, the head is considered the most sacred part of the body; the bottom of the feet are the least sacred and dirtiest part of the body. In Southeast Asia many people believe that the head is the most sacred part of the body is inhabited by the kwan, the spiritual force of life.

**Chapter 2 : Practical Law Global Guide Doing Business In Laos | Tilleke & Gibbins**

*Attempting to start a business in Laos can be a little daunting, however there is a basic structure and process to follow. Laos is considered one of the most difficult countries in the world in which to start a business, due to the time between lodging an application and receiving all your necessary paperwork.*

**Market Entry Strategy Market Overview** The Lao market economy has grown at nearly 8 percent for the last decade and is heading into a new phase of regional and global integration. The Lao government is increasingly tying its economic fortune to the economic integration of ASEAN and export-led development. The Lao economic model bears some relation to its Chinese and Vietnamese counterparts, in that it has implemented market-based economic practices while maintaining a high degree of state control. Laos is politically stable. Laos and the United States signed a bilateral trade agreement in , although the terms of the agreement are still being implemented in Laos, with U. China, Vietnam and Thailand have dominant trade and investment roles in the Lao economy, with participation in certain sectors by Japan, Singapore, Malaysia, the Netherlands, U. K and South Korea. The Lao population was 6. Approximately 70 percent of the workforce is employed in agriculture, mostly in small scale farming. The Lao population is young, with more than half under 25 years of age and 70 percent under The country has a small but growing middle class concentrated mostly in the capital and larger cities. The Lao government weathered a fiscal and monetary crisis in and into , brought about by poor budgetary processes, uncontrolled provincial spending, and a large raise for civil servants. The government continues to take steps to address some deficiencies, though overall, fiscal and budgetary policy formulation and implementation remain weak. Major international companies have begun to invest in Lao Special Economic Zones, particularly near Savannakhet and Vientiane. Investors include Toyota, Nikon, and Essilor. Coca Cola opened a bottling plant in GE opened a representative office in June to develop opportunities in the energy “ specifically, hydropower “ and medical equipment sectors. The Lao Trade Portal, established in , has information for exporters and importers at: The Lao Electronic Gazette, <http://> Though most information is in Lao, many laws have been translated into English as well. **Market Challenges** The Lao government has a goal of becoming a rule of law state by Currently, commercial law and the commercial court system in Laos are still developing and are not transparent. Sanctity of contract is not well understood in Laos and concessions or property rights granted by the government are liable to overlap or conflict with other claims. Customs procedures are improving but remain opaque. Customs clearance speed has improved markedly in recent years with the introduction of automated customs procedures, dropping from an average 11 hours in to 6. Human resources are underdeveloped in Laos, and employers frequently have a difficult time finding and retaining qualified employees. The market for skilled and unskilled workers is extremely tight. A World Bank survey found that nearly half of advertisements for low-skilled workers attract no applicants. Tax administration is consistently cited as one of the largest barriers to commerce in Laos in surveys of small and medium enterprises. Competitors from countries without legal or moral sanctions against corrupt practices have long had a major advantage in securing government approvals and concessions. Frequent bribes and payoffs are an accepted part of Lao business culture. The power sector is open to foreign investment, with many international firms represented. Hydropower and transmission and distribution infrastructure will be the focus of increasing investment by the Lao government as it develops its power industry. The Lao agricultural sector also shows promise and is a priority for the Lao government. The low population density in Laos and large markets for agricultural goods and livestock in neighboring markets have brought many new investors to explore agricultural opportunities. There are opportunities for exports of modern harvesting, planting, processing, and other technologies that would help the sector to grow. SEZs offer a range of incentives and tax holidays to investors depending on the industry. International investors have been attracted by the relative abundance of inexpensive electricity and the low cost of labor. The Lao government has targeted tourism, especially ecotourism, as a major area of future growth. Laos is attempting to attract more upmarket tourists to its market and has liberalized air services resulting in more frequent and less expensive flights to and from the country. The Lao government fully liberalized the retail sector in ,

allowing foreign retail establishments to enter the country. Laos has a poorly developed infrastructure with only a few kilometers of rail, few decent roadways, and underdeveloped medical, water, and sewage systems. The GOL is likely to make investments in these areas in coming years in keeping with its goal of graduating from Least Developed Country status by 2020. The minerals and mining sector has been a major driver of growth in Laos, particularly copper and gold. Other mineral resources include bauxite and potash. Market Entry Strategy American companies considering investments in Laos are advised to visit the country several times, as personal relationships are essential to locating suitable Lao business partners and avoiding misunderstandings. In some types of business, 100 percent foreign ownership is permitted, although many foreign businesses take on a Lao partner or agent and consult closely with law firms with local practices. Chamber of Commerce and fulfilment of other AmCham requirements. Foreign businesses can also apply for membership.

**Chapter 3 : The Changing Landscape of Doing Business in Lao PDR - Arion Legal Laos**

*This document highlights the difficulty level of doing business in Laos for the year Laos does present some undoubtable advantages such as the low cost of opening a business, for electricity or taxes, and for enforcing a contract.*

The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators. Online procedures account for 0. For economies that have a different procedure list for men and women, the graph shows the time for women. For details on the procedures reflected here, see the summary below. Takes place simultaneously with previous procedure. Details " Dealing with Construction Permits in Lao PDR " Measure of Quality x Getting Electricity The challenges required for a business to obtain a permanent electricity connection for a newly constructed warehouse are shown below. Included are the number of steps, time, and cost. The measure captures the median duration that the electricity utility and experts indicate is necessary in practice, rather than required by law, to complete a procedure. Costs are recorded exclusive of value added tax. The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity. If the duration and frequency of outages is or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index. If the duration and frequency of outages is not available, or is over , the economy is not eligible to score on the index. Included are the number of steps, time, and cost involved in registering property. A procedure is defined as any interaction of the buyer or the seller, their agents if an agent is legally or in practice required with external parties. The measure captures the median duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. Only official costs required by law are recorded. The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. The Legal Rights Index ranges from , with higher scores indicating that those laws are better designed to expand access to credit. The Credit Information Index measures the scope, access and quality of credit information available through public registries or private bureaus. It ranges from , with higher values indicating that more credit information is available from a public registry or private bureau. The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

**Chapter 4 : Economic Data & Reports | U.S. Embassy in Laos**

*Doing Business in Laos. Increases in disposable income, particularly among elites with access to resource-based industries, and a slowly expanding middle class mean that the consumer and services sectors are likely to experience continued growth in the future.*

How do I start my own business in Laos? Mar 31, Attempting to start a business in Laos can be a little daunting, however there is a basic structure and process to follow. Laos is considered one of the most difficult countries in the world in which to start a business, due to the time between lodging an application and receiving all your necessary paperwork. However, as we can see all around us, companies do get established, and more and more investors are coming here to do business. One issue that should be kept in mind is that some industries are actually closed to foreign investment, so if you are thinking of starting a business here it is best to find out if you are able to invest in your chosen industry before you spend a great deal of time, money and heartache attempting to do something that you cannot actually do. Company Structures in Laos For investors who are new to Laos, finding out what company structures are possible and suitable for your investment can be very confusing. In brief, there are two options for your investment under Lao law: The term of a Representative Office is one year and this can be extended twice, giving a total term of three years, unless the head office of the Representative Office has a Memorandum of Understanding MOU or agreement signed with the Lao government to investigate and collect specific data for a project for a longer period of time. The term of the Representative Office can then be extended in accordance with the validity of the MOU or agreement signed with the Lao Government. A Representative Office may undertake the following activities: Collect data and conduct feasibility studies for potential investment; Be the focal point within Laos for the head office of the company; Monitor the implementation of any MOU or agreement between the head office and the Lao government; If the Representative Office has signed a Memorandum of Understanding or agreement with the Lao government it may enjoy tax incentives for importing equipment in the form of machinery and vehicles for the specific purposes as stipulated in the MOU or agreement. A Representative Office does not function in the way that a regular Limited Company can, and in particular is not allowed to conduct the following activities: Carry out commercial activities. Lao law provides the following rights and benefits to foreign investors: To receive protection for their investment under Lao laws, including in Lao courts. Multiple entry business visas for investors and their families, linked to the investment. To receive protection of their intellectual property under Lao laws. To repatriate profits, capital and other income after the full payment of duties, taxes and other fees in accordance with Lao laws. To open Kip accounts and foreign currency accounts with banks located in Laos. Below is a brief list of various documents required to register a Limited Company. This list is not exhaustive and not all of these documents will be required in every scenario. The Government requires documents to be lodged in the Lao language, but many foreign investors choose to have these documents in English as well or whichever other language is preferred in their particular scenario. Obviously it is desirable that any investors understand the documents they are signing, which makes it desirable to have at least a Lao language version and one other language version of all documents lodged with the Government. Articles of Association “ this is required in every case. Lease Agreement “ the Limited Company will need to have taken out a lease over premises before lodging the application. Bank Statements showing the financial viability of the investor s. Personal Details of the investor s such as passport copies, passport photos, resumes. Depending on the circumstances of each application, the government may also ask to see the employment contracts of at least key employees. Business Plan “ a document outlining the intended business operations, the number of employees, the intended training for Lao employees etc. Certificates and Licences Granted by the Government on Registration When a Limited Company is registered, the various Government Ministries and Departments will provide the following documents to you: Enterprise Registration Certificate this includes your investment and tax approvals Tax Identification Number TIN Company Stamp An industry specific licence granted by the relevant ministry “ this will depend on the nature of the business being registered “ for example a school will need approval from the Ministry of

Education. Not all of these documents will be issued at the same time, and there is a certain amount of chasing of documents with the different Ministries to ensure you have received all the necessary documents to commence your operations. Obviously once your business is operating it needs to comply with all relevant taxation, salary and other requirements under Lao laws. While most investments in Laos are straightforward, investment in some industries can be sensitive or closed to foreign investment, and we recommend contacting an experienced commercial lawyer for more information.

### Chapter 5 : Business Environment in Laos: Doing Business in Laos

*The Laos chapter of Global Guide Doing Business In, a guide published by Practical Law in association with Lex Mundi, presents a comprehensive Q&A-style overview of doing business in Laos.*

Clothing, timber products, copper, electricity and coffee. Main imports Machinery and equipment, vehicles, fuel and consumer goods. There are also card phone booths available. Lao Telecom Numphu Centre in Vientiane is useful for making international calls, domestic calls and sending faxes. Mobile Phone Roaming agreements exist with a few international mobile phone companies. Check with your service provider. Coverage is sporadic and mainly, though not exclusively, situated around Vientiane. Look for Tigo and M-phone top-up cards. Internet Internet cafes are located in the major towns and are becoming increasingly common in places frequented by backpackers. High-speed connection is only available in places such as Vientiane and Luang Prabang. In Vientiane the best streets to head to for fast internet connection and internet cafes with Skype and air-conditioning are Th Samsenthai and Th Setthathriat. Expect to pay around K an hour for broadband. Newspapers are not widely read. The widest read English-language newspaper is the Vientiane Times. It is published weekly by an agency of the Ministry of Information and Culture and the French Cultural Centre of Vientiane corrects the articles written by Laotian journalists. The Lao-language daily is the Vientiane Mai. All newspapers are state run. Lao National Radio is the national radio station - it was founded in , before becoming a national broadcaster in Normal postal service is inexpensive and generally reliable although it can take around two weeks to and from Western countries. A courier service is recommended for urgent or valuable mail. Available in English, German, French and Spanish versions, the WTG provides detailed and accurate travel content designed to inspire global travellers. It covers all aspects, from cities to airports, cruise ports to ski and beach resorts, attractions to events, and it also includes weekly travel news, features and quizzes.

### Chapter 6 : theinnatdunvilla.com - Doing Business in Laos

*Interested in doing business in Laos, one of the fastest growing economies in ASEAN? Let me personally welcome you, and assure you that for Americans and American companies there has never been a better time to explore business opportunities in Laos.*

### Chapter 7 : How To Do Business in Laos | Doing Business in Asia

*Doing Business is the 16th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. It was produced by the World Bank Group.*

### Chapter 8 : Business in Laos, Vientiane. Laotian Economy

*Doing Business in Laos: a business tip about Business Environment in Laos, written by U.S. Commercial Service.*

### Chapter 9 : Doing Business in Laos | Asialink Business

*Laos is situated in an economic growth area, sharing borders and common interests with Thailand, Vietnam, Cambodia and China, and is in possession of considerable natural and mineral resources, which have supported its growth over recent years.*