

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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Lao P.D.R.: Basic Data, 2003–08

Nominal GDP (2008 est.): \$5,374 million

Population (2008 est.): 6.3 million

GDP per capita (2008 est.): \$859

	2003	2004	2005	2006	2007	2008
GDP and prices (percentage change)						
Real GDP growth	6.1	6.4	7.1	8.4	7.5	7.2
CPI (annual average)	15.5	10.5	7.2	6.8	4.5	7.6
CPI (end year)	12.6	8.6	8.8	4.7	5.6	3.2
Public finances (in percent of GDP) 1/						
Revenue	10.9	11.0	11.8	12.4	14.0	14.3
<i>Of which: Resources 2/</i>	0.3	0.3	0.8	2.0	2.7	3.3
Grants	2.1	1.1	1.7	2.0	1.7	1.3
Expenditure	18.6	15.1	18.2	17.4	18.6	17.7
Overall balance (including grants)	-5.7	-2.9	-4.6	-3.0	-2.9	-2.0
Domestic financing	0.8	-0.7	0.2	-1.1	-0.9	-1.1
External financing	4.9	3.6	4.4	4.0	3.8	3.0
Money and credit (annual percent change)						
Reserve money	27.4	12.9	18.0	37.2	58.8	20.2
Broad money	19.2	22.8	7.7	30.1	38.7	18.3
Bank credit to the economy 3/	-7.0	9.0	7.6	-9.1	21.0	84.6
Interest rates (end-of-period) 4/						
On three-month kip deposits	14.0	7.5	5.5	5.5	5.5	6.0
On short-term kip loans	...	16.0	17.8	14.0	11.5	11.5
Balance of payments						
Exports (in millions of U.S. dollars)	472	535	697	1,133	1,321	1,639
In percent change	15.5	13.5	30.1	62.6	16.6	24.1
Imports (in millions of U.S. dollars)	786	1,056	1,270	1,589	2,156	2,816
In percent change	8.8	34.3	20.3	25.1	35.7	30.6
Trade balance (in percent of GDP)	-14.6	-20.7	-20.8	-12.8	-20.0	-21.9
Current account balance (in millions of U.S. dollars)	-266	-424	-492	-367	-660	-887
In percent of GDP	-12.4	-16.9	-17.8	-10.3	-15.8	-16.5
Gross official reserves (in millions of U.S. dollars)	216	228	238	336	536	636
In months of prospective goods and services imports 5/	3.2	3.3	2.8	3.2	3.9	3.4
External public debt and debt service						
External public debt						
In millions of U.S. dollars	2,031	2,109	2,203	2,351	2,521	2,931
In percent of GDP	94.5	84.1	79.8	65.7	60.5	54.5
Exchange rate						
Official exchange rate (kip per U.S. dollar; end-of-period)	10,434	10,357	10,767	9,655	9,341	8,466
Official exchange rate (kip per Thai baht; end-of-period)	264	266	265	270	280	281
Nominal effective exchange rate (2000=100)	71.6	67.7	67.3	68.3	67.1	66.3
Real effective exchange rate (2000=100)	93.6	95.9	103.1	105.5	104.3	123.5
Memorandum items:						
GDP at current market prices						
In billions of kip	22,597	26,549	29,369	35,983	39,874	46,700
In millions of U.S. dollars	2,149	2,509	2,761	3,577	4,170	5,374

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

1/ Fiscal year basis (October to September).

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

3/ Excludes debt write-offs.

4/ Deposit rates are the average of BCEL and Lao Development Bank.

5/ Excludes imports associated with large resource projects.

Table 1. Lao P.D.R.: Real GDP Growth, 2003–08 1/ 2/

(In percent)

	2003	2004	2005	2006	2007	<u>2008</u> Est.
Agriculture	2.5	3.4	0.7	2.5	8.6	3.7
Agriculture and forestry	2.4	3.4	-0.1	2.4	9.4	3.9
Crops and livestock	2.4	2.1	0.5	2.8	3.0	3.7
Forestry	2.3	15.0	-4.6	-0.9	66.4	4.5
Fishery	3.2	3.6	7.4	3.0	2.7	2.6
Industry	19.4	3.7	10.6	14.2	4.4	10.4
Mining and quarrying	985.6	-18.4	113.8	46.8	-11.3	20.6
Manufacturing	5.6	15.1	3.5	10.1	14.8	9.4
Food and beverage	-1.0	-3.3	-0.8	5.5	14.7	1.9
Others	9.1	23.9	5.1	11.7	14.8	11.8
Electricity and water supply	1.0	-5.3	-5.9	5.7	-3.6	6.2
Construction	11.1	4.5	-4.5	-0.4	9.5	5.1
Services	3.8	12.0	9.9	9.7	9.1	9.7
Wholesale and retail trade	1.5	21.2	9.6	6.6	10.5	7.3
Hotels and restaurants	-5.5	3.6	3.9	6.3	7.5	6.3
Transportation, warehouse, post, and communication	6.3	-1.2	17.7	8.7	7.4	8.1
Banking	35.8	0.8	-17.2	127.2	5.2	22.7
Leasing and real estate	-5.1	2.8	0.1	-1.9	10.2	2.6
Ownership and dwelling	-4.2	-2.9	-0.4	-4.2	5.8	0.7
Others	-7.5	19.6	1.4	3.6	19.8	6.3
Services to public, individuals, and institutions	-3.6	3.6	24.8	3.7	5.0	6.2
Household employment	35.7	-7.0	20.4	3.5	4.7	10.5
Government services	4.4	24.3	23.4	6.0	15.5	25.8
Brokerage (In direct measure)	-32.0	152.3	51.1	27.7	35.3	36.5
GDP at factor cost	6.3	6.6	6.4	8.0	7.8	7.7
Import duties	5.0	13.4	13.1	19.3	8.1	9.0
GDP at constant prices	6.2	7.0	6.8	8.7	7.8	7.8

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

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

2/ Base year 2002.

Table 2. Lao P.D.R.: Nominal GDP by Sector Origin, 2003–08 1/

(In billions of kip)

	2003	2004	2005	2006	2007	2008 Est.
Agriculture	8,239	9,227	9,953	10,915	12,621	13,889
Agriculture and forestry	7,349	8,190	8,746	9,608	11,217	12,335
Crops and livestock	6,612	7,257	7,790	8,589	9,444	10,464
Forestry	738	933	956	1,019	1,773	1,871
Fishery	890	1,036	1,207	1,307	1,404	1,555
Industry	4,281	4,849	6,379	10,038	10,724	11,954
Mining and quarrying	562	508	1,675	4,544	4,245	4,595
Manufacturing	1,739	2,108	2,341	2,784	3,399	3,999
Food and beverage	570	606	666	800	997	1,120
Others	1,170	1,502	1,675	1,984	2,402	2,879
Electricity and water supply	930	1,079	1,027	1,091	1,048	1,173
Construction	1,050	1,155	1,335	1,620	2,031	2,187
Services	7,561	9,565	10,785	12,695	14,487	17,282
Wholesale and retail trade	3,634	5,146	5,528	6,399	7,518	8,742
Hotels and restaurants	165	181	207	240	269	301
Transportation, warehouse, post, and communication	1,036	1,147	1,450	1,624	1,724	2,120
Banking	428	477	423	1,023	1,126	1,484
Leasing and real estate	898	1,019	1,093	1,146	1,319	1,457
Ownership and dwelling	673	722	771	789	872	945
Others	225	297	323	357	447	512
Services to public, individuals, and institutions	367	382	553	614	668	755
Household employment	168	158	205	229	253	299
Government services	941	1,265	1,665	1,883	2,264	3,085
Brokerage (In direct measure)	-75	-209	-339	-463	-654	-961
Import duties	1,206	1,511	1,830	2,332	2,635	3,090
GDP at current market prices	21,287	25,152	28,948	35,981	40,467	46,215

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, 2003–08

	Unit	2003	2004	2005	2006	2007	<u>2008</u> Est.
Agriculture							
Paddy (rice)	thousand tons	2,375	2,529	2,568	2,609	2,710	2,847
Corn	thousand tons	143	204	373	450	688	708
Sweet potatoes and cassava	thousand tons	150	175	181	284	341	363
Coffee	thousand tons	663	671	25	25	26	34
Tobacco	thousand tons	22	23	28	25	28	42
Livestock							
Buffalo	thousand heads	1,113	1,112	1,096	1,108	1,123	1,154
Cattle	thousand heads	1,245	1,249	1,272	1,321	1,353	1,398
Pigs	thousand heads	1,655	1,728	1,826	2,033	2,186	2,359
Goats and sheep	thousand heads	138	139	190	210	268	269
Poultry	thousand heads	19,475	19,481	19,801	20,803	20,453	21,214
Forestry							
Logs	thousand m ³	457	325	236	305	448	596
Industry							
Tin	tons	607	119	787	809	1,109	260
Gypsum	thousand tons	98	244	239	206	232	587
Gold	kilograms	8,900	7,000	10,134	11,915	9,086	5,810
Copper 1/	thousand tons	...	...	30	61	63	89
Manufacturing							
Hydropower	million kwh	3,179	3,347	3,430	3,606	3,362	3,705
Beer	thousand hectoliter	702	827	885	1,058	1,208	1,362
Soft drinks	thousand hectoliter	164	187	194	240	256	270
Cigarettes	million packs	68	84	82	116	124	136
Detergent	tons	710	860	700	1,082	1,255	1,612
Nails	tons	760	900	1,000	2,099	2,168	2,225
Oxygen	thousand bottles	21	23	23	99	102	111
Plastic products	tons	4,530	5,500	6,500	7,451	7,383	7,625
Salt	thousand tons	22	25	26	20	25	25
Wood furniture	million kip	15,550	...	...	20,333	20,058	20,150
Rattan furniture	million kip	350	430	450	1,629	1,915	2,005
Garments	million pieces	34	37	38	68	47	52
Sugar	tons	450	...	...	475	1,200	1,612
Tobacco	tons	947	1,897	2,800	3,836	3,991	4,743
Plywood	million sheets	1,550	1,300	2,000	765	952	996
Cement	thousand tons	280	282	320	508	528	831
Bricks	million pieces	90	120	100	239	244	266
Wood	thousand meters	198	...	...	158	148	149

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

1/ Total of copper production by Lang Xang Minerals and Phu Bia Mining.

Table 4. Lao P.D.R.: Consumer Price Index, Main Components, 2005–09

(Year-on-year percent change)

	Weight	2005	2006	2007	2008				2009		
					Mar.	Jun.	Sept.	Dec.	Mar.	Apr.	May
Foods	40.9	12.0	9.4	6.0	9.1	13.9	12.4	10.0	5.0	3.4	1.3
Rice, bread, flour, and other cereals	9.4	17.6	23.5	12.0	13.1	19.9	14.4	9.0	5.5	3.1	-0.1
Meat and poultry	14.3	10.0	4.9	8.7	12.2	10.3	9.6	6.6	0.7	-1.7	-0.6
Alcoholic beverages and tobacco	4.2	3.1	7.6	5.5	6.7	7.6	4.2	4.7	4.4	3.1	2.6
Clothing and footwear	3.6	9.0	1.7	3.2	3.0	3.5	3.4	3.0	3.9	3.2	3.4
Housing	3.4	3.0	1.4	6.3	7.3	10.2	13.0	11.6	9.8	8.0	7.8
Fuel and power	2.1	16.2	3.0	7.1	6.8	6.8	8.4	5.3	5.2	4.5	4.4
Household goods	6.0	8.3	1.4	1.8	1.6	2.0	3.0	3.5	3.6	3.6	3.4
Medical care	2.5	0.7	0.5	3.8	3.8	5.5	4.7	3.6	3.6	3.6	3.6
Transport and communications	25.8	8.5	-2.0	6.2	7.5	7.7	3.6	-11.8	-12.0	-11.5	-13.4
Personal transport	23.7	8.8	-2.2	6.3	7.4	7.0	1.8	-14.9	-14.6	-14.0	-15.7
Public transport	1.5	8.1	2.3	7.3	11.9	21.7	31.6	31.9	21.6	20.4	13.4
Communications	0.6	1.2	-5.1	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2
Recreation, education, and printed matter	5.1	2.6	2.9	2.7	2.6	2.4	2.4	2.0	1.7	1.7	1.5
Restaurant	4.2	...	...	6.4	9.1	16.9	17.4	15.1	10.5	5.3	5.6
Personal care and effects	4.4	8.1	7.5	7.8	14.7	10.3	7.5	0.0	-3.2	-2.7	-1.6
Total	100.0	8.8	4.7	5.6	7.7	10.2	8.5	3.2	0.7	-0.2	-1.6
Core 1/	60.3	5.5	2.5	3.1	4.0	4.5	4.5	3.4	2.7	2.0	1.8
Noncore	39.7	14.6	8.0	9.2	13.0	18.0	13.8	2.9	-2.0	-3.0	-5.8

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, 2003/04–2008/09

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09 Budget
	(In billions of kip)					
Revenue and grants	3,104	3,886	4,962	6,134	7,035	8,065
Revenue	2,822	3,387	4,266	5,460	6,436	7,313
<i>Of which: Resource revenue 1/</i>	64	239	680	1,048	1,478	1,701
Tax	2,337	2,803	3,641	4,711	5,624	6,338
Nontax	484	584	625	749	811	975
Grants	283	499	696	674	599	752
Expenditure	3,857	5,203	5,989	7,251	7,952	9,783
Current	1,838	2,517	3,124	3,445	4,621	5,702
Wages, salaries, and benefits	900	1,058	1,263	1,534	2,057	2,793
Transfers	309	514	674	806	1,013	1,327
Interest payments	235	318	277	277	361	388
<i>Of which: External</i>	194	267	244	244	291	329
Other recurrent	394	626	911	828	1,191	1,195
Capital and onlending 2/	1,646	2,261	2,465	3,161	3,155	3,569
Others and contingencies 3/	237	347	348	586	427	512
Discrepancy (including unidentified expenditure)	136	78	52	59	-250	...
Overall balance	-753	-1,317	-1,027	-1,117	-917	-1,718
Nonresource balance 4/	-817	-1,555	-1,707	-2,166	-2,395	-3,420
Financing	753	1,317	1,027	1,117	917	1,718
Domestic financing (net) 5/	-170	62	-363	-367	-490	567
Foreign financing (net)	923	1,254	1,390	1,484	1,363	1,151
	(In percent of GDP)					
Revenue and grants	12.1	13.6	14.5	15.8	15.6	15.9
Revenue	11.0	11.8	12.4	14.0	14.3	14.5
<i>Of which: Resource revenue 1/</i>	0.3	0.8	2.0	2.7	3.3	3.4
Tax	9.1	9.8	10.6	12.1	12.5	12.5
Nontax	1.9	2.0	1.8	1.9	1.8	1.9
Grants	1.1	1.7	2.0	1.7	1.3	1.5
Expenditure	15.1	18.2	17.4	18.6	17.7	19.3
Current	7.2	8.8	9.1	8.9	10.3	11.3
Wages, salaries, and benefits	3.5	3.7	3.7	3.9	4.6	5.5
Transfers	1.2	1.8	2.0	2.1	2.3	2.6
Interest payments	0.9	1.1	0.8	0.7	0.8	0.8
<i>Of which: External</i>	0.8	0.9	0.7	0.6	0.6	0.7
Other recurrent	1.5	2.2	2.7	2.1	2.6	2.4
Capital and onlending 2/	6.4	7.9	7.2	8.1	7.0	7.1
Others and contingencies 3/	0.9	1.2	1.0	1.5	0.9	1.0
Discrepancy (including unidentified expenditure)	0.5	0.3	0.2	0.2	-0.6	...
Overall balance	-2.9	-4.6	-3.0	-2.9	-2.0	-3.4
Nonresource balance 4/	-3.2	-5.4	-5.0	-5.6	-5.3	-6.8
Financing	2.9	4.6	3.0	2.9	2.0	3.4
Domestic financing (net) 5/	-0.7	0.2	-1.1	-0.9	-1.1	1.1
Foreign financing (net)	3.6	4.4	4.0	3.8	3.0	2.3
Memorandum item:						
GDP at current market prices (in billions of kip) 6/	25,561	28,664	34,330	38,901	44,993	50,591

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. For FY2007/08 capital expenditure includes estimated off-budget operations.

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.

6/ Staff estimate, which differs from the authorities. Figure for FY2008/09 is the authorities' assumption contained in the budget.

Table 6. Lao P.D.R.: General Government Revenue, 2003/04–2008/09

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09 Budget
(In billions of kip)						
Revenue	2,822	3,387	4,266	5,460	6,436	7,313
Tax	2,337	2,803	3,641	4,711	5,624	6,338
Direct tax	401	522	693	1,170	1,655	1,804
Profit tax	222	307	459	919	1,322	1,440
Mining sector	0	0	74	477	805	1,020
Hydropower sector	0	45	42	39	65	75
Others	222	263	343	403	451	345
Income tax	179	215	234	252	333	364
Indirect tax	1,936	2,281	2,948	3,540	3,970	4,534
Turnover tax	594	673	887	1,046	1,229	1,347
Excise tax	483	523	800	999	1,191	1,432
Import duties	351	429	515	573	674	834
Royalties	289	341	447	534	474	473
Natural resource tax 1/	32	95	218	274	308	312
Hydropower royalties	32	57	57	48	56	61
Timber royalties	225	189	172	212	110	100
Other	218	315	299	389	401	449
Nontax	484	584	625	749	811	975
Dividends	106	178	175	157	293	482
Of which: Mining and hydropower sectors	0	42	289	211	243	234
Overflight revenues	198	222	229	231	235	225
Other	180	185	222	361	283	268
(In percent of GDP)						
Revenue	11.0	11.8	12.4	14.0	14.3	14.5
Tax	9.1	9.8	10.6	12.1	12.5	12.5
Direct tax	1.6	1.8	2.0	3.0	3.7	3.6
Profit tax	0.9	1.1	1.3	2.4	2.9	2.8
Mining sector	0.0	0.0	0.2	1.2	1.8	2.0
Hydropower sector	0.0	0.2	0.1	0.1	0.1	0.1
Others	0.9	0.9	1.0	1.0	1.0	0.7
Income tax	0.7	0.7	0.7	0.6	0.7	0.7
Indirect tax	7.6	8.0	8.6	9.1	8.8	9.0
Turnover tax	2.3	2.3	2.6	2.7	2.7	2.7
Excise tax	1.9	1.8	2.3	2.6	2.6	2.8
Import duties	1.4	1.5	1.5	1.5	1.5	1.6
Royalties	1.1	1.2	1.3	1.4	1.1	0.9
Natural resource tax 1/	0.1	0.3	0.6	0.7	0.7	0.6
Hydropower royalties	0.1	0.2	0.2	0.1	0.1	0.1
Timber royalties	0.9	0.7	0.5	0.5	0.2	0.2
Other	0.9	1.1	0.9	1.0	0.9	0.9
Nontax	1.9	2.0	1.8	1.9	1.8	1.9
Dividends	0.4	0.6	0.5	0.4	0.7	1.0
Of which: Mining and hydropower sectors	0.0	0.1	0.8	0.5	0.5	0.5
Overflight revenues	0.8	0.8	0.7	0.6	0.5	0.4
Other	0.7	0.6	0.6	0.9	0.6	0.5

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

1/ Comprises mining royalties.

Table 7. Lao P.D.R.: General Government Expenditure, 2003/04–2008/09

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09 Budget
	(In billions of kip)					
Expenditure 1/	3,721	5,124	5,938	7,120	8,202	9,783
Current	1,838	2,517	3,124	3,445	4,621	5,702
Wages, salaries, and benefits	900	1,058	1,263	1,534	2,057	2,793
Salaries	706	869	1,017	1,175	1,565	2,061
Remuneration	194	190	245	360	492	732
Transfers	309	514	674	806	1,013	1,327
Allowances and social welfare	204	317	387	462	...	...
Subsidies and transfers	105	196	287	344	...	...
Interest payments	235	318	277	277	361	388
Domestic	41	51	32	32	70	59
External	194	267	244	244	291	329
Other recurrent	394	626	911	828	1,191	1,195
Capital and onlending	1,646	2,261	2,465	3,089	3,155	3,569
Domestically financed	592	468	403	833	984	1,485
Externally financed and onlending (net) 2/	1,054	1,793	2,062	2,328	2,171	2,084
Others and contingency 3/	237	347	348	586	427	512
	(In percent of GDP)					
Expenditure 1/	14.6	17.9	17.9	18.3	18.2	19.3
Current	7.2	8.8	9.4	8.9	10.3	11.3
Wages, salaries, and benefits	3.5	3.7	3.8	3.9	4.6	5.5
Salaries	2.8	3.0	3.1	3.0	3.5	4.1
Remuneration	0.8	0.7	0.7	0.9	1.1	1.4
Transfers	1.2	1.8	2.0	2.1	2.3	2.6
Allowances and social welfare	0.8	1.1	1.2	1.2	...	...
Subsidies and transfers	0.4	0.7	0.9	0.9	...	...
Interest payments	0.9	1.1	0.8	0.7	0.8	0.8
Domestic	0.2	0.2	0.1	0.1	0.2	0.1
External	0.8	0.9	0.7	0.6	0.6	0.7
Other recurrent	1.5	2.2	2.8	2.1	2.6	2.4
Capital and onlending	6.4	7.9	7.4	7.9	7.0	7.1
Domestically financed	2.3	1.6	1.2	2.1	2.2	2.9
Externally financed and on-lending (net) 2/	4.1	6.3	6.2	6.0	4.8	4.1
Others and contingency 3/	0.9	1.2	1.1	1.5	0.9	1.0

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, 2005–09 1/

	2005	2006	2007	2008				2009
	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Dec. Prel.	Mar. Prel.
(In billions of kip, end of period)								
Net foreign assets	3,389	4,912	7,779	8,866	8,553	7,932	7,364	7,301
Bank of Lao P.D.R.	2,250	2,984	4,803	5,626	5,837	5,458	5,226	5,012
Commercial banks	1,139	1,928	2,976	3,240	2,716	2,475	2,138	2,289
Net domestic assets	2,027	2,134	1,995	2,314	1,748	2,856	4,200	5,744
Domestic credit	2,689	2,528	2,891	2,556	2,941	3,851	5,201	6,376
Net claims on government	-191	-89	-275	-1,091	-1,217	-990	-643	-274
Credit to the economy	2,880	2,617	3,166	3,647	4,158	4,842	5,845	6,650
<i>Of which:</i> Kip	558	709	1,115	1,376	1,718	2,064	2,339	2,591
Private sector	2,144	2,061	2,654	3,073	3,514	4,082	4,554	5,124
State-owned enterprises 2/	736	556	513	575	643	759	1,291	1,526
Other items (net)	-662	-394	-896	-243	-1,192	-996	-1,001	-631
Broad money	5,416	7,046	9,774	11,180	10,301	10,788	11,564	13,045
<i>Of which:</i> Kip	2,258	2,943	4,450	4,782	4,704	5,048	5,740	6,482
Money	1,415	1,998	3,065	3,214	3,077	3,275	3,715	4,108
Currency outside banks (kip)	805	1,231	1,838	1,883	1,736	1,776	2,223	2,377
Demand deposits	610	768	1,227	1,331	1,341	1,500	1,492	1,731
Quasi-money	4,001	5,048	6,710	7,966	7,224	7,513	7,849	8,937
Time and savings deposits	843	945	1,385	1,568	1,627	1,773	2,025	2,374
Foreign currency deposits	3,159	4,103	5,324	6,398	5,597	5,740	5,824	6,563
(Annual percentage change, unless otherwise indicated)								
Domestic credit	9.0	-6.0	14.4	21.5	54.4	53.1	79.9	149.4
Credit to the economy	7.6	-9.1	21.0	50.7	62.6	65.5	84.6	82.3
Private sector	27.8	-3.9	28.8	59.1	75.4	70.3	71.6	66.7
State-owned enterprises 2/	-26.2	-24.5	-7.8	17.7	16.2	44.0	151.7	165.6
Broad money	7.7	30.1	38.7	40.4	26.5	21.7	18.3	16.7
<i>Of which:</i> Kip	16.0	30.4	51.2	46.8	38.9	32.8	29.0	35.6
Memorandum items:								
Money multiplier	3.0	2.8	2.5	2.8	2.4	2.6	2.4	2.5
Loan-to-deposit ratio (in percent)	54.8	40.8	37.9	37.7	46.2	50.4	55.2	54.1

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

1/ Valued at current exchange rates.

2/ Includes state-owned enterprises and lower levels of government.

Table 9. Lao P.D.R.: Balance Sheet of the Bank of Lao P.D.R., 2005–09 1/

	2005	2006	2007	2008			2009	
	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Dec. Prel.	Mar. Prel.
(In billions of kip, end of period)								
Net foreign assets (NFA)	2,250	2,984	4,803	5,626	5,836	5,458	5,226	5,012
Foreign assets	2,575	3,258	5,050	5,856	6,056	5,652	5,416	5,176
Foreign liabilities	-325	-273	-247	-230	-220	-194	-187	-164
Net domestic assets (NDA)	-426	-482	-829	-1,594	-1,539	-1,230	-451	312
Net domestic credit	144	108	-103	-962	-900	-601	166	868
Net claims on government	-433	-282	-456	-1,418	-1,550	-1,396	-1,057	-636
<i>Of which:</i> Foreign currency	-501	-642	-1,007	-1,761	-1,757	-1,493	-1,478	-1,345
Claims on government	261	620	907	910	699	533	973	1,160
Government deposits	-694	-902	-1,363	-2,328	-2,249	-1,929	-2,030	-1,796
Other claims	577	390	353	456	650	795	1,223	1,504
<i>Of which:</i> Foreign currency	373	257	198	272	360	433	813	812
Claims on state-owned enterprises	228	176	161	142	203	296	685	876
Claims on private sector	127	70	0	0	0	0	0	0
Claims on other banking institutions	222	143	192	314	447	500	538	628
BoL securities	0	0	0	0	0	-151	-223	-301
Other items (net)	-571	-590	-727	-632	-639	-477	-394	-255
Government lending funds	-340	-276	-261	-236	-237	-194	-183	-185
Other items	-231	-314	-465	-396	-402	-283	-211	-255
Reserve money	1,823	2,502	3,974	4,032	4,298	4,228	4,775	5,324
<i>Of which:</i> Kip	1,181	1,803	2,968	2,941	3,000	3,065	3,585	3,817
Currency in circulation	805	1,231	1,838	1,883	1,736	1,776	2,223	2,377
Vault cash	72	106	226	320	372	317	285	285
Bank deposits	947	1,165	1,910	1,830	2,189	2,135	2,267	2,660
<i>Of which:</i> Kip	145	315	737	595	707	816	878	1,022
Required reserves (kip and foreign currency) 2/	...	525	680	668	682	700	619	653
Kip	...	84	116	96	98	106	96	113
Foreign currency	...	441	564	572	584	594	523	540
Excess reserves (clearing deposits held in kip)	145	231	621	469	350	405	612	776
Capital deposits (held in kip)	0	0	0	30	259	306	170	133
Other deposits (held in foreign currency)	802	410	608	663	898	725	867	1,098
Capital deposits	159	152	166	145	185	157	198	263
Clearing deposits 3/	643	258	442	518	713	568	668	835
Private sector demand deposit	0	0	0	0	0	0	0	0
(In millions of U.S. dollars, unless otherwise indicated)								
NFA of the BoL	208	308	510	640	668	632	614	585
Foreign exchange component of reserve money	59	72	107	124	149	135	141	176
Net official international reserves	149	236	403	516	519	497	473	409
Reserve money (y/y, percent change)	18.0	37.2	58.8	47.3	46.8	29.5	20.2	32.0

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

1/ Valued at current exchange rates.

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

3/ For 2005, includes required reserves.

Table 10. Lao P.D.R.: Summary Balance Sheet of Commercial Banks, 2005–09 1/

	2005	2006	2007	2008			2009	
	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Dec. Prel.	Mar. Prel.
(In billions of kip, end of period)								
Net foreign assets	1,139	1,928	2,976	3,240	2,716	2,475	2,138	2,289
<i>Of which:</i> State-owned commercial banks (SOCBs)	633	1,321	1,917	2,012	1,823	1,655	1,375	1,472
Foreign assets	2,306	3,214	4,395	4,699	4,198	3,985	4,021	4,133
Foreign liabilities	-1,167	-1,286	-1,419	-1,459	-1,482	-1,511	-1,883	-1,844
Net domestic assets	3,472	3,888	4,960	6,057	5,849	6,538	7,202	8,379
<i>Of which:</i> SOCBs	2,291	2,152	2,309	2,645	2,921	3,418	3,723	4,332
Reserves	963	1,265	2,162	2,952	2,302	2,412	2,568	2,961
<i>Of which:</i> SOCBs	547	820	1,445	2,095	1,441	1,448	1,595	1,840
Claims on government (net)	241	193	180	327	333	406	414	362
<i>Of which:</i> SOCBs	201	153	130	257	228	332	345	302
Claims on government	464	549	797	675	660	685	681	626
Government deposits	-223	-356	-617	-347	-327	-279	-268	-264
Claims on the economy	2,525	2,370	3,006	3,505	3,955	4,546	5,159	5,774
<i>Of which:</i> SOCBs	1,736	1,477	2,011	2,419	2,865	3,343	3,574	4,000
Claims on state-owned enterprises	508	380	352	432	440	464	606	650
<i>Of which:</i> SOCBs	328	100	58	111	143	183	233	250
Claims on private sector	2,017	1,990	2,654	3,073	3,514	4,082	4,554	5,124
<i>Of which:</i> SOCBs	1,408	1,377	1,953	2,307	2,722	3,161	3,341	3,759
Credit from monetary authorities	-222	-143	-192	-315	-448	-500	-538	-628
<i>Of which:</i> SOCBs	-150	-97	-175	-205	-327	-373	-420	-490
Other items (net)	-35	202	-196	-412	-293	-326	-401	-89
<i>Of which:</i> Capital account	-192	-159	-684	-785	-859	-1,078	-1,190	-1,249
Deposits	4,612	5,815	7,936	9,297	8,565	9,013	9,340	10,668
<i>Of which:</i> SOCBs	3,522	4,281	5,626	6,804	6,086	6,480	6,619	7,560
Kip deposits	1,453	1,712	2,612	2,899	2,968	3,272	3,517	4,105
<i>Of which:</i> SOCBs	1,278	1,497	2,225	2,428	2,464	2,700	2,907	3,393
Current deposits	610	768	1,227	1,331	1,341	1,500	1,492	1,731
Time and savings deposits	843	945	1,385	1,568	1,627	1,773	2,025	2,374
Foreign currency deposits	3,159	4,103	5,324	6,398	5,597	5,740	5,824	6,563
<i>Of which:</i> SOCBs	2,245	2,784	3,401	4,376	3,623	3,780	3,712	4,183
(In millions of U.S. dollars, end of period)								
Net foreign assets	105	199	316	368	312	287	253	268
<i>Of which:</i> SOCBs	59	136	203	229	209	192	162	172
Foreign currency deposits	292	423	565	727	642	665	688	768
<i>Of which:</i> SOCBs	208	287	361	497	416	438	438	490
Memorandum items:								
Net foreign assets' coverage of foreign currency deposits (in percent)	36.1	47.0	55.9	50.6	48.5	43.1	36.7	34.9
<i>Of which:</i> SOCBs	28.2	47.4	56.4	46.0	50.3	43.8	37.0	35.2
Reserves to deposits ratio (in percent)	20.9	21.8	27.2	31.7	26.9	26.8	27.5	27.8
<i>Of which:</i> SOCBs	15.5	19.2	25.7	30.8	23.7	22.3	24.1	24.3
Exchange rate (kip/U.S. dollar, end of period)	10,767	9,655	9,341	8,735	8,695	8,516	8,466	8,547

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, 2003–09

(In percent, end of period)

	2003	2004	2005	2006	2007	2008	2009				
							Jan.	Feb.	Mar.	Apr.	May
Local banks (representative rates) 1/											
Deposit rates											
Savings (U.S. dollar accounts)	0.4	0.3	0.5	1.3	1.3	1.3	1.3	1.0	1.0	1.3	1.3
Fixed (U.S. dollar accounts)											
3 months	0.5	0.4	1.0	1.8	1.8	1.8	1.8	1.3	1.3	1.8	1.8
6 months	0.6	0.8	1.3	2.5	2.5	2.5	2.5	2.0	2.0	2.5	2.5
12 months	0.8	1.0	1.5	3.0	3.0	3.0	3.0	2.5	2.5	3.0	3.0
Savings (kip accounts)	12.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fixed (kip accounts)											
3 months	15.0	8.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
6 months	18.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
12 months	20.0	10.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0
Lending rates											
1 year											
Kip	...	14.0	15.5	13.0	12.0	12.0	12.0	12.0	9.0	9.0	9.0
Baht	7.0	7.0	9.5	8.0	7.0	7.0	7.0	7.0	6.5	6.5	6.5
U.S. dollar	6.0	7.0	9.5	9.0	7.0	7.0	7.0	7.0	6.5	6.5	6.5
1–3 year											
Kip	...	16.0	15.5	13.0	13.0	13.0	13.0	13.0	11.0	11.0	11.0
Baht	8.0	9.0	9.5	8.0	7.5	7.5	7.5	7.5	6.7	6.7	6.7
U.S. dollar	7.5	9.0	9.5	9.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Foreign banks (representative rates) 2/											
Deposit rates											
Savings (U.S. dollar accounts)	0.5	0.4	0.4	1.3	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Fixed (U.S. dollar accounts)											
3 months	0.8	0.5	0.5	1.8	2.0	1.6	1.6	1.6	1.6	1.6	1.6
6 months	0.8	0.5	0.5	2.5	2.8	2.4	2.4	2.4	2.4	2.4	2.4
12 months	0.8	0.5	0.5	3.0	3.5	2.6	2.6	2.6	2.6	2.6	2.6
Lending rates											
1–3 year											
Kip	26.0	22.0	26.0	22.0	22.0	24.0	24.0	24.0	24.0	24.0	24.0
Baht	15.0	13.0	15.0	13.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
U.S. dollar	13.5	10.0	13.3	10.0	12.0	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 BCEL.

2/ Foreign banks' representative rates are from Malaysian Public Bank.

Table 12. Lao P.D.R.: Balance of Payments, 2003–08

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

	2003	2004	2005	2006	2007	2008 Est.
Current account	-266	-424	-492	-367	-660	-887
Excluding official transfers	-308	-460	-526	-452	-723	-975
Merchandise trade balance	-314	-520	-574	-457	-835	-1,178
Exports, f.o.b.	472	535	697	1,133	1,321	1,639
Imports, c.i.f.	786	1,056	1,270	1,589	2,156	2,816
Services (net)	103	132	159	153	202	331
Income (net)	-121	-97	-139	-208	-141	-192
Of which: Interest payments	-62	-77	-86	-74	-83	-79
Of which: Public debt	-12	-22	-25	-17	-19	-26
Transfers (net)	66	62	62	144	114	152
Private	24	26	28	59	51	64
Official	42	36	34	85	63	88
Capital account	285	442	510	467	862	991
Medium- and long-term loans	101	118	110	130	140	112
Disbursements	129	147	153	162	186	173
Amortization	-28	-29	-42	-32	-45	-61
Foreign direct investment 1/	39	315	247	335	779	906
Net foreign assets of commercial banks (increase -)	-21	-39	22	-93	-117	63
Other private flows and errors and omissions	167	48	130	95	60	-90
Overall balance	19	18	18	100	202	104
Financing	-19	-18	-18	-100	-202	-104
Central bank net foreign assets	-19	-18	-18	-100	-202	-104
Assets (increase -)	-20	-12	-11	-98	-200	-100
Liabilities (reduction -)	0	-6	-7	-2	-2	-4
Memorandum items:						
Current account (in percent of GDP)	-12.4	-16.9	-17.8	-10.3	-15.8	-16.5
Excluding official transfers	-14.3	-18.3	-19.0	-12.6	-17.3	-18.1
Gross official reserves	216	228	238	336	536	636
In months of prospective nonresource imports 2/	3.2	3.3	2.8	3.2	3.9	3.4
In months of goods and services imports	2.3	2.5	2.1	2.4	2.9	2.6
GDP at current market prices 3/	2,149	2,509	2,761	3,577	4,170	5,374

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.

3/ Staff estimates.

Table 13. Lao P.D.R.: Merchandise Trade by Major Commodity, 2003–08

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

	2003	2004	2005	2006	2007	2008 Est.
Merchandise exports	471.9	535.4	696.6	1,132.6	1,320.7	1,638.6
Gold	60.1	57.8	90.7	117.9	93.2	118.9
Copper	0.0	22.9	112.1	409.3	446.0	620.3
Electricity	114.5	117.1	125.0	122.6	114.1	118.3
Timber	128.2	144.9	156.2	195.6	179.0	131.4
Garments	129.9	154.7	114.9	151.2	152.8	189.7
Coffee	11.2	14.4	7.5	9.8	28.9	18.5
Other	28.1	23.7	90.3	126.2	306.8	441.5
Merchandise imports	786.1	1,055.8	1,270.2	1,589.3	2,156.1	2,816.1
Petroleum	89.6	116.9	159.5	208.7	311.0	421.8
Capital goods	258.3	463.7	506.4	728.1	1,084.8	1,171.8
Electricity	8.4	20.1	26.2	28.0	37.4	43.3
Garments materials	86.6	115.5	69.9	98.7	80.3	143.7
Other	343.1	339.6	508.1	525.8	642.7	1,035.5
Memorandum items:						
Export volume (percent change)	-2.6	2.7	13.9	15.5	9.3	18.2
Import volume (percent change)	2.4	33.1	12.9	16.4	27.1	18.8
Terms of trade (percent change)	10.1	9.1	5.2	28.2	0.5	-2.6
Gold volume ('000 ounces)	165.3	141.2	203.8	195.1	133.8	136.4
Copper volume ('000 metric tons)	0.0	8.0	30.5	60.8	62.5	89.1
Electricity exports (giga-watt hours)	2,695	2,767	2,988	2,807	2,528	2,652
Electricity imports (giga-watt hours)	...	146	211	199	229	263

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, 2003–08

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

	2003	2004	2005	2006	2007	2008 Est.
Services (net)	103.1	131.8	159.1	152.8	202.1	331.3
Receipts (+)	155.2	186.9	219.0	215.0	278.1	414.3
Transportation	25.4	29.7	31.3	31.5	30.1	56.1
Tourism	87.3	118.9	146.8	149.3	189.4	275.5
Communications	15.6	16.5	16.5	10.2	28.7	32.2
Insurance	2.2	2.6	5.2	3.2	7.2	8.3
Other	24.7	19.2	19.2	20.8	22.8	42.2
Payments (-)	52.1	55.1	59.9	62.2	76.1	82.9
Transportation	6.0	6.5	7.1	7.2	6.5	14.0
Travel	13.5	14.7	16.3	8.9	8.4	16.2
Communications	4.4	5.0	5.0	2.7	4.1	9.4
Insurance	4.3	4.8	5.3	12.4	16.1	11.3
Construction	16.5	16.8	18.6	24.4	34.9	26.5
Other	7.4	7.3	7.6	6.6	6.1	5.6
Foreign income (net)	-121.1	-97.1	-139.2	-207.5	-140.5	-192.3
Receipts (+)	9.6	24.4	30.3	104.2	164.8	178.6
Income from royalty	6.1	11.9	25.3	88.0	132.0	150.3
Interest receipts	2.8	11.7	4.2	12.0	26.6	16.7
Interest on Bank of Lao P.D.R. reserve assets	1.9	4.2	3.1	8.9	22.6	12.1
Interest on commercial banks nostro accounts	0.9	7.5	1.1	3.0	4.0	4.7
Payments to Lao P.D.R. workers by embassies	0.7	0.8	0.8	4.2	6.2	11.6
Payments (-)	130.6	121.5	169.6	311.7	305.3	370.9
Income from direct investment in Lao P.D.R.	67.3	44.4	83.0	232.5	216.3	286.8
Interest payments	61.7	76.6	85.8	73.8	83.0	78.6
Public	11.9	22.5	25.5	16.8	19.4	25.6
Interest on official borrowing	11.9	22.4	25.3	16.8	19.4	25.6
Interest on Bank of Lao P.D.R. foreign liabilities	0.0	0.1	0.2	0.0	0.0	0.1
Private	49.9	54.1	60.3	57.0	63.6	53.0
Interest on commercial banks foreign liabilities	3.2	4.5	4.3	5.1	5.1	11.7
Interest payable on other private debt	46.7	49.6	56.0	51.9	58.5	41.2
Payments to foreign workers in Lao P.D.R. embassies	1.6	0.5	0.8	5.4	6.0	5.5
Memorandum items:						
Number of tourist arrivals (in thousands)	636	895	1,095	1,215	1,624	1,737
(Percent change)	-13.5	40.6	22.4	10.9	33.6	6.9

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, 2003–08

(In millions of U.S. dollars)

	2003	2004	2005	2006	2007	<u>2008</u> Est.
Grants 1/	42.4	36.2	33.9	85.0	62.9	88.0
Multilateral	0.0	3.2	14.6	31.1	17.6	48.1
International Development Association (IDA)	0.0	2.6	13.7	28.0	13.5	30.8
Asian Development Bank (AsDB)	0.0	0.4	0.8	3.1	4.0	17.3
Other (including NGOs)	0.0	0.1	0.0	0.0	0.0	0.0
Bilateral	42.4	33.0	19.3	53.9	45.3	39.9
Program grants	12.3	12.6	5.4	12.7	0.0	0.0
Project grants	30.1	20.4	13.9	41.2	45.3	39.9
Loan disbursements	128.9	113.8	152.6	161.6	185.5	173.4
Program loans	22.0	12.3	4.4	10.0	5.7	12.2
IDA	7.0	12.3	4.4	0.0	0.0	0.0
AsDB	15.0	0.0	0.0	10.0	5.7	8.0
Other	0.0	0.0	0.0	0.0	0.0	4.3
Project loans	106.9	101.5	148.2	151.6	179.8	161.2
Multilateral	91.9	91.8	129.2	129.9	101.5	82.9
IDA	39.6	27.5	27.6	29.0	29.6	30.3
AsDB	46.0	51.8	73.4	67.2	57.0	31.2
International Fund for Agricultural Development	3.0	3.8	3.9	5.7	4.8	9.3
Organization of the Petroleum Exporting Countries	1.9	2.6	1.7	0.3	2.7	8.8
Nordic Fund	1.4	6.0	1.2	4.3	7.4	3.2
European Union	0.0	0.0	21.3	23.5	0.0	0.0
Bilateral 2/	15.0	9.7	19.0	21.8	78.3	78.3
Japan	9.1	4.9	4.1	0.0	14.1	0.0
China	0.0	0.0	0.0	0.0	30.7	47.1
Thailand	4.5	2.5	11.3	13.1	25.9	28.6
Other	1.4	2.3	3.7	8.7	7.6	2.6

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 hydropower projects from bilateral creditors.

Table 16. Lao P.D.R.: Debt Stock and Debt Service 2003–08

	2003	2004	2005	2006	2007	2008 Est.
(In millions of U.S. dollars)						
Total debt stock (public and private)	2,477	2,713	3,088	3,501	4,301	5,145
Public debt	2,031	2,109	2,203	2,351	2,521	2,931
Bilateral	528	541	544	604	739	833
Multilateral	1,363	1,451	1,533	1,620	1,709	2,035
Commercial 1/	140	117	127	127	73	64
Private debt 2/	446	604	885	1,150	1,780	2,213
Total debt service	94.2	122.3	140.5	177.9	200.5	210.8
Amortization	55.6	70.3	82.5	132.9	144.7	149.6
Public debt	28.2	29.1	42.2	32.0	45.2	60.9
Bilateral	1.8	2.3	4.1	3.4	2.1	7.6
Multilateral	26.4	22.4	28.6	28.6	33.7	44.0
Commercial	0.0	4.4	9.5	0.0	9.3	9.3
Private debt	27.4	41.2	40.3	100.9	99.5	88.7
Interest payments	38.5	52.0	58.0	45.0	55.7	61.2
Public debt	11.9	22.5	25.5	16.8	19.4	25.6
Bilateral	0.7	4.9	9.4	5.0	1.3	4.4
Multilateral	11.2	16.0	13.7	11.8	14.1	17.6
Commercial	0.0	1.5	2.4	0.0	4.1	3.6
Private debt	26.7	29.6	32.5	28.2	36.3	35.5
(In percent of GDP)						
Total debt stock (public and private)	115.3	108.1	111.8	97.9	103.1	95.7
Public debt	94.5	84.1	79.8	65.7	60.5	54.5
Bilateral	63.4	57.8	55.5	45.3	41.0	37.9
Multilateral	24.6	21.6	19.7	16.9	17.7	15.5
Commercial 1/	6.5	4.7	4.6	3.6	1.7	1.2
Private debt 2/	20.8	24.1	32.0	32.2	42.7	41.2

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 nonconcessional terms.

2/ Mainly for the mining and hydropower sectors.

Table 17. Lao P.D.R.: Foreign Investment Approvals by Country and Sector, 2003–08 1/

	2003	2004	2005	2006	2007	2008	2003–08
	(In millions of U.S. dollars)						
Total	466	533	1,245	2,700	1,137	1,216	7,297
By country							
Thailand	96	57	451	655	93	375	1,728
China	120	28	58	423	496	107	1,233
Vietnam	9	63	43	261	156	149	682
France	18	3	370	12	13	1	416
Japan	3	5	4	402	6	1	421
India	0	0	0	350	0	0	350
Australia	2	293	21	1	14	2	332
Korea	14	14	10	164	82	60	344
Malaysia	71	3	3	3	53	0	134
Singapore	36	3	1	43	16	1	101
Others	98	64	282	385	208	519	1,556
By sector							
Electricity generation	86	6	1,065	1,777	361	640	3,934
Agriculture	17	76	17	459	184	78	831
Mining	21	312	94	74	115	102	718
Industry and handicraft	81	35	15	123	134	157	545
Services	60	17	21	12	181	24	316
Trading	140	19	8	86	14	13	280
Construction	3	10	2	131	0	67	212
Hotel and restaurant	49	7	13	32	58	29	189
Other activities	9	51	11	7	90	106	273
	(In percent of total)						
By country							
Thailand	20.7	10.7	36.2	24.3	8.2	30.9	23.7
China	25.7	5.3	4.7	15.7	43.6	8.8	16.9
Vietnam	1.9	11.9	3.5	9.7	13.7	12.3	9.3
France	3.8	0.5	29.7	0.4	1.2	0.0	5.7
Japan	0.7	0.8	0.4	14.9	0.5	0.1	5.8
India	0.0	0.0	0.0	13.0	0.0	0.0	4.8
Australia	0.3	54.9	1.7	0.1	1.2	0.2	4.6
Korea	2.9	2.7	0.8	6.1	7.2	4.9	4.7
Malaysia	15.2	0.6	0.3	0.1	4.7	0.0	1.8
Singapore	7.8	0.6	0.1	1.6	1.4	0.1	1.4
Others	21.0	12.0	22.7	14.2	18.3	42.7	21.3
By sector							
Electricity generation	18.4	1.0	85.5	65.8	31.7	52.7	53.9
Agriculture	3.7	14.2	1.4	17.0	16.2	6.5	11.4
Mining	4.4	58.5	7.5	2.7	10.1	8.4	9.8
Industry and handicraft	17.3	6.6	1.2	4.6	11.8	12.9	7.5
Services	12.9	3.3	1.7	0.4	15.9	1.9	4.3
Trading	30.1	3.6	0.6	3.2	1.2	1.1	3.8
Construction	0.7	1.9	0.1	4.8	0.0	5.5	2.9
Hotel and restaurant	10.5	1.3	1.1	1.2	5.1	2.4	2.6
Other activities	1.9	9.6	0.9	0.2	7.9	8.7	3.7

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. <u>Taxes on income and profits</u>			
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: <u>50 percent</u>; business formation; <u>20 percent</u>; land transport, machine, and other equipment; <u>10 percent</u>; sea transport equipment, office improvement and supplies, and temporary trade premises; <u>5 percent</u>; air transport equipment, industrial premises used < 20 years, and permanent trade premises; <u>2.5 percent</u>; 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. <u>Full real regime</u>: based on an extended accounting system for foreign investors, import-export traders, and businessmen with annual turnover greater than kip 2,400 million; <u>partial real regime</u>: based on an ordinary or common accounting system, for other businessmen with annual turnover of kip 200–2,400 million; <u>contract regime</u>: 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</p> <ul style="list-style-type: none"> • For enterprises in designated areas/city 20 • For enterprises in rural and lowland areas 15 • For enterprises in mountain and remote 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) 300,001–1,500,000 5 1,500,001–4,000,000 10 4,000,001–8,000,000 15 8,000,001–15,000,000 20 15,000,001 and above 25
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) 2,400,001–5,000,000 10 5,000,001–10,000,000 15 10,000,001–30,000,000 20 30,000,001–60,000,000 30 60,000,000 and above 35
1.6 Tax on personal incomes from immovable property leasing	Levied on incomes received by individuals from immovable property leasing (percent of rent received).		15
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: <ul style="list-style-type: none"> • Direct descendants 0.1 • Second-degree relatives 0.3 • Third-degree relatives 0.5 • Other land and houses 1.0
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. 	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Item</u></th> <th style="text-align: right;"></th> </tr> </thead> <tbody> <tr> <td colspan="2"><u>Petroleum products:</u></td> </tr> <tr> <td>Premium gasoline</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Regular gasoline</td> <td style="text-align: right;">24</td> </tr> <tr> <td>Diesel</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Kerosene</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Hydraulic, brake, lubricating, and grease oil</td> <td style="text-align: right;">5</td> </tr> <tr> <td colspan="2"><u>Alcohol:</u></td> </tr> <tr> <td>All types with 15-proof or more</td> <td style="text-align: right;">70</td> </tr> <tr> <td>All types with less than 15-proof</td> <td style="text-align: right;">60</td> </tr> <tr> <td>Beer</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Cigarettes and cigars</td> <td style="text-align: right;">55</td> </tr> <tr> <td>Cosmetics and perfumes</td> <td style="text-align: right;">30</td> </tr> <tr> <td>Playing cards, and the like</td> <td style="text-align: right;">70</td> </tr> </tbody> </table>	<u>Item</u>		<u>Petroleum products:</u>		Premium gasoline	25	Regular gasoline	24	Diesel	12	Kerosene	10	Hydraulic, brake, lubricating, and grease oil	5	<u>Alcohol:</u>		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
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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)		<u>Item</u> Motor vehicles: Pickup with two doors 20 Pickup with four doors 25 Minibus with less than 15 seats 25 Bus 25 Jeep with soft top 30 Jeep with hard top less than 2,000 cc engine 65 2,001–4,000 cc 70 More than 4,000 cc 75 Cars less than 1,000 cc 60 1,000–1,500 cc 65 1,501–3,000 cc 75 More than 3,000 cc 90 Motorcycles 20 Speed boats, motor boats for sport activities, including their motor and accessories 10 Electrical appliances such as air conditioners, satellite TV signal receivers, audio-video cameras and recorders, musical instruments, including components and accessories. 15 Freezers, heaters, washing machines, vacuum cleaners. 10 Billiard, snooker, and football game tables, and other game machines; billiard, bowling, and lottery activities. 20 Night club, discotheque, and karaoke activity. 25																		
3.3	Tax registration license	None.	Different charges apply depending on type of enterprise. For local enterprises: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Annual turnover rates</u> (In million of kip)</th> <th style="text-align: center;"><u>Charge</u> (In kip)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0–12</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">>12–30</td> <td style="text-align: center;">15,000</td> </tr> <tr> <td style="text-align: center;">>30–80</td> <td style="text-align: center;">20,000</td> </tr> <tr> <td style="text-align: center;">>80–200</td> <td style="text-align: center;">50,000</td> </tr> <tr> <td style="text-align: center;">>200–400</td> <td style="text-align: center;">70,000</td> </tr> <tr> <td style="text-align: center;">>400–1,500</td> <td style="text-align: center;">100,000</td> </tr> <tr> <td style="text-align: center;">>1,500–2,000</td> <td style="text-align: center;">150,000</td> </tr> <tr> <td style="text-align: center;">2,000 and above</td> <td style="text-align: center;">200,000</td> </tr> </tbody> </table>	<u>Annual turnover rates</u> (In million of kip)	<u>Charge</u> (In kip)	0–12	0	>12–30	15,000	>30–80	20,000	>80–200	50,000	>200–400	70,000	>400–1,500	100,000	>1,500–2,000	150,000	2,000 and above	200,000
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Lao P.D.R.: Summary of Tax System

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)	
3.3 Tax registration license (continued)			For import-export enterprises: <u>Paid-up Capital</u> (In millions of kip)	<u>Charge</u> (In kip)
			0–200	0
			>200–400	300,000
			>400–1,500	400,000
			>1,500–2,000	500,000
			>2,000 and above	600,000
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 7,000–117,000
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.	Kip 7,000,000–3,000,000
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\$60–320 per overflight
3.7 River transport fees	Levied annually.	None.	Fees vary according to size of boats.	Kip 3,000–150,000
3.8 Border entry and exit fees		<ul style="list-style-type: none"> • Diplomatic corps, foreign experts, and their relatives. 	Land and water vehicles. Fees vary according to type of vehicle	Kip 25,000– 65,000 (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. 		Kip US\$2 per day
3.10 Fee for temporary border passes		None.		Kip 15,000
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) 	US\$10–120 US\$10–30
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\$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.	Five rates ranging from 5 to 40 percent. The types of goods subject to these rates are as follows:	

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)		Imports of fuel by Lao Aviation for international transport is exempt. Also exempt are imports under bilateral grants and for humanitarian purposes (externally funded). 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. 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.	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.	5
			Other machinery and spare parts and less essential goods (sugar, cheese, butter, chocolate, footwear, garments, photographic films, refrigerators, dishwashers, household electrical appliances, stereo systems, carpets, pearls and diamonds).	10
			Selected luxury consumer goods (premium petrol, cosmetics and toiletries, TVs and VCRs, radio cassette players, table games and fun fair articles, buses and minibuses).	20
			Other luxury consumer goods (prepared meats and fish, cereals and prepared foods, white chocolate confectionery, toilet soaps and deodorants, perfumes, wines and spirits), pickup trucks.	30
			Soft drinks, liquors, beer, tobacco, detergents, processed wood, jeeps, cars, motorbikes, cigarettes, cigars.	40
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.	Electricity: 20 percent of invoice value; coffee: 5 percent of f.o.b. value; livestock: 5 percent of f.o.b. value; logs: specific rates; saw wood: specific rates; semi-finished wood products (lumber, parquet): 30 percent of f.o.b. value; finished wood products (plywood): 3 percent of f.o.b. value.	

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

Tax	Nature of Tax	Exemptions and Deductions	Rates (in percent, unless otherwise indicated)
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.		<ul style="list-style-type: none"> • Ferrous metals 2 (sales value) • Non-ferrous metals 2-5 • Coal 2-3 • Construction materials Kip 50

Source: Ministry of Finance.