

FR EN

We use cookies to make your connection secure and make statistics about the number of visits. In order to get more information about cookies and find out how to refuse them, [visit our cookie policy page](#).

[Cookies settings](#)

REQUIRED ONLY

ACCEPT  
ALL

## INVEST

### FOREIGN DIRECT INVESTMENT

According to UNCTAD's [World Investment Report 2022](#), FDI inflows into Laos increased to USD 1,072 million in 2021 from USD 968 million a year earlier, but they were still below the three-year average recorded before the pandemic (USD 1,267 million in 2017-19). The FDI stock stood at USD 12.2 billion in 2021, representing around 65.8% of the country's GDP. Projects in the areas of hydraulic energy production and the exploitation of mining resources represent around 80% of the foreign investment accumulated over the last ten years (according to Lao government statistics, mining and hydropower accounted for 59.1% of FDIs between 1989-2021). Transportation infrastructure, tourism and large agroforestry projects are also attracting new investors. Furthermore, the government is aiming at integrating Laos into regional supply chains by developing a light manufacturing industry to make the country a low-cost export base. According to data from the national Investment Promotion Department, the main investing countries in Laos are large neighbours such as China, Thailand and Vietnam, but also South Korea and France. In April 2023, Japan's Mitsubishi Corp declared that it and other shareholders raised USD 692 million in financing for the Monsoon wind power project in Laos, which is Southeast Asia's biggest wind energy project, with an expected capacity of 600 megawatts from 2025.

The Government has been pursuing a policy of FDI promotion, with the investment law being amended at the end of 2016. Foreigners may invest in any sector or business unless it would cause a threat to national security, health or national traditions, or if it may impact negatively the environment. Several incentives are available to foreign investors (including tax holidays, exemptions or reductions on import and export duties, and land leases at preferential rates), as well as "special" and "specific" economic zones, such as the Vientiane Industry and Trade Area which was successful in attracting major manufacturers from Europe, North America, and Japan. However, barriers to FDI remain, especially the lengthy procedure to obtain the required investment authorisations, the overlapping of jurisdictions between the different ministries, inequalities in terms of tax benefits, high tariff costs, low-skilled labour and poor-quality infrastructure (although they are improving). Furthermore, corruption is widespread (126th position out of 180 in the [2022 Corruption Perception Index](#)). In 2022, the government approved the 9th Five-Year National Socio-Economic Development Plan (2021-2025), which aims at graduating Laos from Least Developed Country (LDC) status in 2026 to become an upper-middle income country. Laos ranks 147th out of 176 in the [2023 Index of Economic Freedom](#).

Foreign Direct Investment	2020	2021	2022
<b>FDI Inward Flow</b> <i>(million USD)</i>	968	1,072	528
<b>FDI Stock</b> <i>(million USD)</i>	11,136	12,208	12,736
<b>Number of Greenfield Investments*</b>	2	2	0
<b>Value of Greenfield Investments (million USD)</b>	103	131	0

Source: UNCTAD - Latest available data.

Note: \* Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

Country Comparison For the Protection of Investors	Laos	East Asia & Pacific	United States	Germany
<b>Index of Transaction Transparency*</b>	6.0	5.9	7.0	5.0
<b>Index of Manager's Responsibility**</b>	1.0	5.2	9.0	5.0
<b>Index of Shareholders' Power***</b>	3.0	6.7	9.0	5.0

Source: *Doing Business* - Latest available data.

Note: \*The Greater the Index, the More Transparent the Conditions of Transactions. \*\*The Greater the Index, the More the Manager is Personally Responsible. \*\*\* The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

## INVESTMENT OPPORTUNITIES

### Tenders, Projects and Public Procurement

[Tenders Info](#), [Tenders Worldwide](#)

[DgMarket](#), [Tenders Worldwide](#)

### Finding Assistance For Further Information

#### Investment Aid Agency

[Laotian Investment Promotion Department](#)