

Introduction

Laos is a landlocked country located in Southeast Asia bordered by Burma, Cambodia, China, Thailand, and Vietnam. Most of the country is mountainous and thickly forested, and the Mekong River forms a large part of the western boundary with Thailand. The government system is a Communist state; the chief of state is the president, and the head of government is the prime minister. Laos has a mixed economy in which the government has implemented gradual economic and business reforms to liberalize its domestic markets. Laos is a member of the Asia-Pacific Trade Agreement (APTA) and the Association of Southeast Asian Nations (ASEAN).



Location: South-Eastern Asia

Capital City: Vientiane (+7 GMT)

Chief of State: President Bounnyang Vorachit

Head of Govt.: Prime Minister Thongloun Sisoulit

Currency: Kip (LAK)

Major Languages: Lao (official), French, English, and various ethnic languages

Primary Religions: Buddhist 66.8%, Christian 1.5%, other 31%, unspecified 0.7%

Calling Code: 856

Voltage: 230

Key Websites

Main Government Page: na.gov.la

Commerce Ministry: moic.gov.la

Export Promotion Agency: laotradeportal.gov.la

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
GDP, PPP (current international \$):	\$48.17 billion (2017)
GDP growth (annual %):	6.89% (2017)
GDP per capita, PPP (current international \$):	\$7,023.37 (2017)
External debt stocks, total (DOD, current US\$):	\$14,497,698,018.40 (2017)
Manufacturing, value added (% of GDP):	7.48% (2017)
Current account balance (BoP, current US\$):	-\$1.23 billion (2016)
Inflation, consumer prices (annual %):	0.83% (2017)
Labor force, total:	3,602,800 (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate):	0.67% (2017)
Imports of goods and services (current US\$):	\$6.99 billion (2017)
Exports of goods and services (current US\$):	\$5.79 billion (2017)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	135 / 178
Global Competitiveness Index	112 / 139
Global Enabling Trade Index	93 / 136
Index of Economic Freedom	137 / 180
International Logistics Performance Index (LPI)	82 / 160
KOF Index of Globalization	168 / 185
Networked Readiness Index (NRI)	104 / 139

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Business Climate rating: D - The business environment is very difficult. Corporate financial information is rarely available and when available usually unreliable. The legal system makes debt collection very unpredictable. The institutional framework has very serious weaknesses. Intercompany transactions can thus be very difficult to manage in the highly risky environments rated D.

Strengths

- Abundant natural resources: minerals (copper, gold, bauxite, iron, zinc), oil, and agricultural commodities (maize, rice, sugar cane, rubber, manioc, soya, coffee)
- Expansion of the hydroelectric sector
- Foreign investment in the commodities and energy sectors
- Regional integration (ASEAN) and WTO membership

Weaknesses

- Massive current account deficit
- Weak foreign exchange reserves
- Governance shortcomings and high poverty rate
- Weak banking sector
- Significant sovereign risk due to high debt stock
- Sensitivity to commodity prices and regional economic cycle

U.S. Embassy

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