Lao PDR
&
Global Value Chains

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Lao PDR

Points of Discussion

I.Levels of Value Chain

1. Firm Level

- ***Primary Activities***
- ***Support Activities***
- ***Physical, Virtual and Combined Value Chain***

2. Industry Level

3. Global Value Chains (GVC's)

- ***Cross-Border / Cross Region Value Chain***
- ***Global Value Chains (GVC's) in Development***

II.Current Situation

III. Recommendation /Next Steps

Levels of Value Chain

1. **Firm Level**
   - **Primary Activities**
   - **Support Activities**
   - **Physical, Virtual and Combined Value Chain**

2. **Industry Level**

3. **Global Value Chains (GVC's)**
   - **Cross-Border / Cross Region Value Chain**
   - **Global Value Chains (GVC's) in Development**

Current Situation

- **Limited Study on LVCs and GVCs**

- **Low Level of Value Chain (supplier to consumer)**

  Due to low level of country's development:

  - **LDC**
  - **Low income country**
  - **Natural resources based economy/export**
  - **Low skilled labor**
  - **Limited infrastructure system**

- **Foreign Trade**

The Current Situation of Lao PDR Foreign Trade

Main Export Market of Loa PDR(Market Share in %)

	Country	FY 1999-2004	FY 2004-2009	FY 2009-2012
1	Thailand	46%	38%	56%
2	Australia	6%	10%	18%
3	Vietnam	7%	12%	8%
4	China	3%	5%	4%
5	United Kingdom	1%	7%	1%
6	Japan	1%	1%	2%
7	Germany	3%	4%	2%
8	Switzerland	3%	5%	2%
9	Netherlands	1%	1%	1%
10	Italy	2%	1%	1%

Top 9 Export Items from Laos

No.	Export Items	FY1999-2004	FY2004-2009	FY2009-2012
1	**Minerals**	61.77 **(16%)**	495.57 **(50%)**	1,048.52 **(59%)**
2	**Electricity**	94.93 **(25%)**	127.93 **(13%)**	289.00 **(16%)**
3	**Garment**	96.14 **(26%)**	152.53 **(16%)**	167.30 **(9%)**
4	**Agriculture and live animals**	82.49 **(22%)**	88.51 **(9%)**	119.24 **(7%)**
5	**Other Industrial goods**	10.77 **(3%)**	69.57 **(7%)**	113.62 **(6%)**
6	**Wood & wood products**	73.13 **(19%)**	69.32 **(7%)**	37.11 **(2%)**
7	**Diamond**	**0**	18.83 **(2%)**	12.74 **(1%)**
8	**Forestry Products**	8.67 **(2%)**	5.09 **(1%)**	1.01 **(0%)**
9	**Handicraft**	5.23 **(1%)**	1.03 **(0%)**	0.40 **(0%)**

Unit: million USD (share to total)

Main Import Markets

		FY 1999-2004	FY 2004-2009	FY 2009-2012
1	Thailand	26%	64%	52%
2	China	5%	9%	12%
3	Viet Nam	4%	12%	8%
4	France	0%	0%	4%
5	Japan	0%	2%	3%
6	South Korea	0%	0%	1%
7	Belgium	0%	2%	2%
8	Germany	1%	0%	0%
9	Denmark	0%	1%	0%
10	Taiwan	0%	1%	0%

Top 10 Import Items to Laos

No.	Import Items	FY1999-2004	FY2004-2009	FY2009-2012
1	**Capital goods (ODA, Loan projects, FDI)**	179 **(33%)**	319 **(32%)**	700 **(42%)**
2	**Fuel and Gas**	93 **(17%)**	206 **(21%)**	333 **(20%)**
3	**Vehicles and space parts**	25 **(5%)**	75 **(8%)**	107 **(6%)**
4	**Food stuff**	19 **(3%)**	24 **(2%)**	92 **(5%)**
5	**Luxury goods**	3 **(1%)**	9 **(1%)**	71 **(4%)**
6	**Clothing and daily use commodities**	14 **(3%)**	22 **(2%)**	54 **(3%)**
7	**Agriculture Inputs**	16 **(3%)**	17 **(2%)**	48 **(3%)**
8	**Electricity**	7 **(1%)**	21 **(2%)**	47 **(3%)**
9	**Eletricit Appliances**	4 **(1%)**	10 **(1%)**	38 **(2%)**
10	**Construction materials**	27 **(5%)**	27 **(3%)**	32 **(2%)**

Unit: million USD (share to total)

Policy Recommendation/Next Steps

- **Promote more study/research**
- **Promote more supporting activities**
- **Promote GVCs for Development, increase GNI**

Thank You
for
Your Attention

Q & A