



KCCI - Country Wrap (February 2016)

Laos

Laos – a brief overview

The government of Laos, one of the few remaining one-party communist states, began decentralizing control and encouraging private enterprise in 1986. The results, starting from an extremely low base, were striking - growth averaged 6% per year from 1988-2008 except during the short-lived drop caused by the Asian financial crisis that began in 1997.

Economy of Laos

The economy of Laos is considered to be one of the poorest country of East Asia. Laos' growth has more recently been amongst the fastest in Asia and averaged nearly 8% per year for the last decade. Despite this high growth rate, Laos remains a country with an underdeveloped infrastructure, particularly in rural areas. It has a basic, but improving, road system, and limited external and internal land-line telecommunications. Electricity is available to 83% of the population. Laos' economy is heavily dependent on capital-intensive natural resource exports. The labor force, however, still relies on agriculture, dominated by rice cultivation in lowland areas, which accounts for about 25% of GDP and 73% of total employment. Economic growth has reduced official poverty rates from 46% in 1992 to 26% in 2010. The economy also has benefited from high-profile foreign direct investment in hydropower dams along the Mekong river, copper and gold mining, logging, and construction though some projects in these industries have drawn criticism for their environmental impacts. Laos broadly appears to be on target to graduate from the UN Development Program's list of least-developed countries by 2020, and the country is preparing for implementation of the ASEAN Economic Community at the end of 2015 and for the rotating ASEAN chairmanship in 2016.

Key Industries and Agriculture commodities of Laos

The key industries of Laos include timber, agricultural processing, mining of gypsum, gold, tin, copper, construction, cement, garments, rubber, electric power and tourism. The main agriculture commodities of the country are vegetables, coffee, sweet potatoes, cotton, tea, peanuts, sugarcane, tobacco, rice, cassava, poultry, cattle, pigs, water buffalo, corn etc.

Laos's major trading commodities and partners

Laos export its main industrial and agricultural goods to its export partners China, Thailand and Vietnam. The country's export items includes cassava, coffee, wood products, electricity, copper, gold and tin. Laos's import items mainly include vehicles, consumer goods, machinery and equipment and fuel which it imports from neighboring countries of Thailand, China and Vietnam.

Economic Relations between Pakistan and Laos

Pakistan and Laos shares healthy bilateral economic relationship between each other. The President of Pakistan Mir Zafar ullah Khan Jamaali visited Laos in 2004, where the leadership of two countries discussed matters of peace building for the mutual cooperation.

Bilateral Trade Relations between Pakistan and Laos

During Fiscal Year 2014-15, Pakistan exported goods of worth \$ 1.12Mn to Laos as against exports of \$ 1.34Mn in the same period of Fiscal Year 2013-14 showing decline of 16% in exports. The goods imported by Pakistan from Laos during Fiscal Year 2014-15 was of worth \$ 40.79Mn compared with mere imports of \$ 0.08Mn in the previous Fiscal Year 2013-14 showing increase of

Trading Commodities between Pakistan and Laos

During Fiscal Year 2015, Pakistan exported goods to Laos which included medicaments, medical, surgical and dental instruments, rice, linen for bed,toilet, table and kitchen, live bovine animals, machinery, mattress supports, bedding articles and made up clothing accessories. During the period under review, goods imported by Pakistan from Laos included sythetic filament yarn, yarn (not for sewing), synthetic staple fibres, hydrogen peroxide, ferrous waste and scrap, containers for compressed or liquified gas. During Fiscal Year 2015, Pakistan's main importing product from Laos was Oil from Petrol and Bituminous minerals.

Potential for enhancing bilateral trade relations between Laos and Pakistan

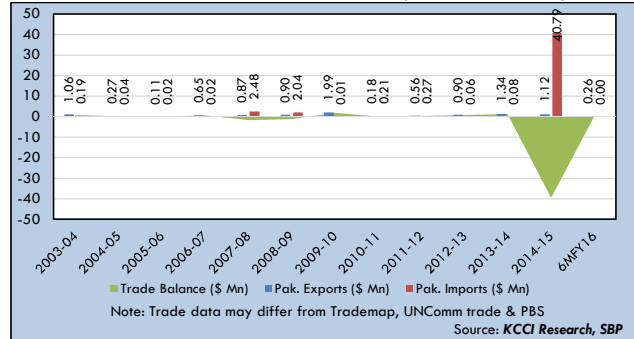
There are various commodities that can be exchanged between Pakistan and Laos. The current trade potential is not fully utilized by the two countries as bilateral trade volume during Fiscal Year 2015 stood at mere \$ 41.91Mn.

Pakistan can further enhance its exports of rice, medicaments and surgical instruments to Laos which are considered to be its main exporting items.

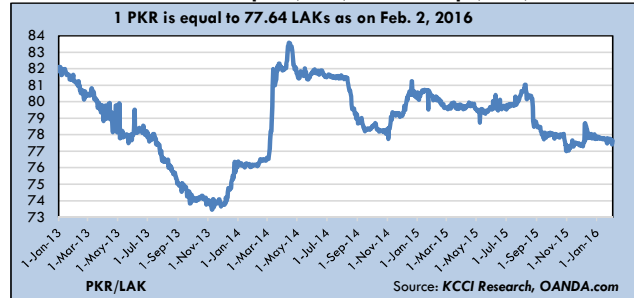
Economic Indicators

Table with 5 columns: Indicators, Unit, 2013, 2014 est., Change. Rows include GDP (PPP), GDP per Capita, GDP growth, Forex Reserves, External Debt, Exports, Imports, Trade Balance, Current Account, CPI, Unemployment, and Discount Rate.

Trade between Pakistan & Laos (FY04 - 6MFY16)



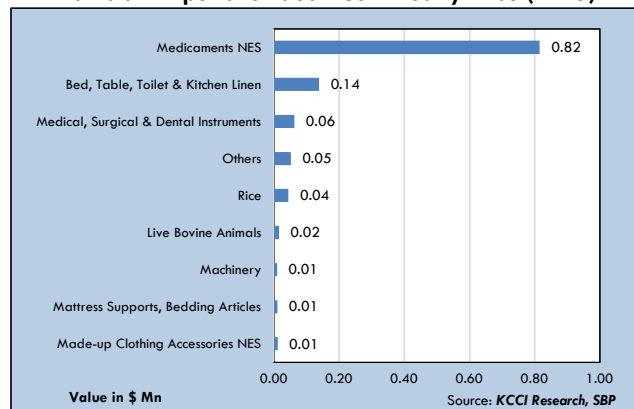
Pakistani Rupee (PKR) Vs. Lao Kip (LAK)



Key Memberships

Finland belongs to a number international organizations, including the United Nations, European Union, Euro-Atlantic Partnership Council, Organization for Security and Cooperation in Europe, Organization for Economic Cooperation and Development, International Monetary Fund, World Bank, Paris Club and World Trade Organization. Finland also is a participant in the North Atlantic Treaty Organization's (NATO) Partnership for Peace program.

Pakistan Exports to Laos - Commodity Wise (FY15)



Disclaimer

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