



Lao People's Democratic Republic
Priority Tourism-Related Investment Project: Fact Sheet



Project Concept: Tour Company & Sidewalk Café	
Location: Historic Center, Savannakhet Town <div style="background-color: black; color: white; padding: 2px 5px; display: inline-block;">10</div> Savannakhet	
Estimated Start-up Cost: US\$ 150,000	

Site Description and Context: The proposed site is located in Savannakhet Town, where the Thai-Laos Friendship Bridge 2 international border crossing from Mukdahan, Thailand welcomed 553,803 predominantly Thai visitors in 2009. Savannakhet is about 100 km south of Thakaek and 215 km north of Pakse on Laos' main artery, Route 13, at the junction of the 200-plus-km Route 9 section of the East-West Economic Corridor (EWEC) to the Dane-Savanh immigration checkpoint with Vietnam's Quang Tri Province. The opening of the Friendship Bridge in late 2006 led to a leap in international tourist arrivals to Savannakhet Province from 192,385 that year to 791,924 in 2009. The vast majority of tourists visiting Savannakhet are Thai and Vietnamese, who also account for the highest daily expenditures.

Centrally located Talad Yen Square is Savannakhet Town's most easily recognized landmark, and the starting point for a walking tour of the historic town's many attractions including Kaysone Phomivane's childhood home, the Dinosaur Museum, Xaiyaphoum Temple and French colonial-era buildings. The provincial capital also serves as the staging area for embarking on the several tour circuits and community-based tourism treks and cycling tours developed by the Provincial Tourism Department with assistance from the ADB-financed GMS Sustainable Tourism Development Project (STDP) and the Japanese International Cooperation Agency.

As part of a program to improve visitor facilities in EWEC, the ADB-financed GMS Sustainable Tourism Development Project will upgrade the market and perimeter, and provide stalls for selling local handicrafts and food in the evening. The project will also continue providing tourism management and skills training for local people, and will be active at the site through 2014. A conceptual drawing of the proposed and current site is shown in the illustration above.

As the province currently suffers from a lack of tourism service providers to meet the rising demand from the rapidly growing number of visitors, the Lao National Tourism Administration and Savannakhet Provincial Tourism Department is seeking to convert one or more of the existing buildings on the perimeter of the Talad Yen Square into a tour company and sidewalk café. Expressions of interest from private-sector investors are welcome.

Incentives Available: Negotiable long-term (30 year) land-lease at favorable rates, reduced or exemptions from import duties and work-permits for a limited number of foreign managers. Tourism is one of the Lao Government's priority sectors for private-sector investment, and this site is classified as an area with a good infrastructure. Therefore, investments are eligible for a profit tax exemption for up to 2 years, a reduced tax rate of 10% for 2 years and 20% thereafter. For further information on the Lao PDR's Investment Law and incentives, visit the Department of Domestic and Foreign Investment's website at www.invest.laopdr.org.

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