



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



Project Concept: Restaurant at Phine Tourist Service Center

Location: East-West Economic Corridor; Phine District Center, Savannakhet

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Estimated Start-up Cost: US\$ 85,000



Site Description and Context: The proposed site is located near Savannakhet Province's Phine District centre on Lao Route 9 approximately 130 km east of the Thai-Laos Friendship Bridge 2 border crossing from Mukdahan, Thailand to Savannakhet Town and about 75 west of the Dane-Savanh immigration checkpoint with Vietnam's Quang Tri Province. The opening of the Friendship Bridge in late 2006 triggered a jump in international tourist arrivals to Savannakhet from 192,385 that year to 791,924 in 2009. The vast majority of tourists travelling on this section of the East-West Economic Corridor (EWEC) are Thai and Vietnamese, who account for the highest daily expenditures, and a significant number of them are in transit between Thailand and Vietnam.

Phine currently serves as a lunch stop for the growing EWEC traffic on Route 9 as well as the launching point for nearby attractions and activities including a panoramic view of the Dong Phou Vieng National Protected Area, the bombed-out Tad Hay Bridge, Ho Chi Minh Trail and War Museum, trekking with village home stays, river rafting, waterfalls, Weaving Center and dinosaur footprints.

As part of a program to improve visitor facilities in the EWEC, the ADB-financed GMS Sustainable Tourism Development Project will construct a Tourist Service Center on Route 9 near Phine that includes a visitor information center, handicraft and retail market, parking, electric and water supply, sanitation facilities, and walking trails and an observation area with interpretive signs. The project is also providing tourism management and skills training for local people, and will be active at the site through 2014. A conceptual drawing of the proposed infrastructure is shown in the illustration above.

The Lao National Tourism Administration and Savannakhet Provincial Tourism Department have reserved a building (approximately 30m x 30m) within the site plan to develop a food and beverage concession to serve the rapidly growing number of visitors transiting the area. 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 certain level of economic infrastructure. Therefore, investments are eligible for a profit tax exemption for up to 5 years, a reduced tax rate of 7.5% for 3 years and 15% 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.

Contact Information

Mr. Thyaviphet Oula
 Deputy-Director General
 Department of Planning and Cooperation
 Lao National Tourism Administration
thaviphet@yahoo.com

Mr. Rik Ponne
 International Team Leader
 GMS Sustainable Tourism Development Project in Lao PDR
rikponne@gmail.com