



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



**Project Concept:** Boutique Hotel in  
Renovated Historic  
Building

**Location:** UNESCO World Heritage Site,  
Champasak Town, Champasak

**12**

**Estimated Start-up Cost:** US\$ 150,000 - 200,000



**Site Description and Context:** Champasak Town and the Vat Phou - Champasak UNESCO World Heritage Landscape is on Route 13, some 50 km south of the Champasak Provincial Capital, Pakse, and its international airport, which welcomed 5,014 international arrivals in 2009, 4,175 of which were Europeans, North Americans and Australians/New Zealanders. A runway upgrade, to be completed in May 2010, is expected to significantly boost this number. Arrivals at the nearby Vang Tao border crossing from Thailand reached 97,985 last year, 87% of who were Thai, while the Veun Kham checkpoint with Cambodia about 100 south of Champasak Town welcomed 11,637 arrivals, of who 36% or 4,241 were long-haul Western visitors. Overall, foreign visitors to the province soared 180% from 99,044 in 2005 to 278,054 last year, with average stays of five days.

**Dr Laiad Phonesena is seeking an investor to restore the birthplace of her husband, Champasak Parliamentary Representative Dr Ponethep Phonsena. The Champasak Town residence is now a series of three wooden shop houses, but Dr Phonesena would like to return this heritage site to its former glory. The property runs 16 meters along the Mekong River, and a 20-year lease is being offered together with exceptional terms and conditions in return for the renovation of the buildings.**

Ancient Buddhist temples, Mekong River views, French colonial architecture, and extensive Exhibition Hall characterize quiet Champasak Town, which attracted approximately 135,000 overnight visitors in 2009, due to its position as the staging area for visiting the pre-Angkor Vat Phou ruins and the other ancient sites within the UNESCO Heritage Landscape, and as a launch pad to eco-activities in the Xe Pian National Protected Area as well as tours to Don Daeng Island, the 4,000 Islands (Siphandone) and Khone Phapheng Waterfalls.

As part of a program to improve visitor facilities in Champasak Province, the ADB-financed GMS Sustainable Tourism Development Project has constructed a Visitor Centre in town and began providing tourism management and skills training for local people in 2003, and aims to have the town's remaining traditional shop houses reused for tourism purposes. Further, the government is constructing an access road to provide a faster more direct route to the Thai border.

Champasak Town currently has insufficient quality accommodation. To meet the rising demand from the rapidly growing number of visitors, the Lao National Tourism Administration and Champasak Provincial Tourism Department are seeking to facilitate the conversion of existing privately-owned historic buildings or homes into a boutique hotel(s). 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](http://www.invest.laopdr.org).

### Contact Information

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