



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



Project Concept: Ecologne in Siphandone Wetlands

Location: Hang Khone Village, Khone Island, **13** Champasak

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



Site Description and Context: Khone Island (Don Khone), located in the Mekong River's 4,000 Islands (Siphandone), is easily accessed from Route 13 a few kms from the Veun Kham checkpoint with Cambodia, which welcomed 11,637 arrivals in 2009. Of these, 36% or 4,241 were long-haul Western visitors, and a similar number departed into Cambodia at this crossing. Overall, foreign visitors to the province jumped 180% from 99,044 in 2005 to 278,054 last year, with average stays of five days. The international airport at Champasak Provincial Capital, Pakse, welcomed 5,014 international arrivals in 2009, 4,175 of which were European, North American and Australian visitors. A runway upgrade, to be completed in May 2010, is expected to significantly raise this number. Arrivals at the nearby Vang Tao border crossing from Thailand reached 97,985 last year, 87% of whom were Thai.

Don Khone and sister island Don Det- connected by a French-built railway bridge in 1910 - are at the center of Siphandone Wetlands' attractions and activities. Some 100,000 tourists visited Don Khone in 2009 to examine the abandoned locomotive, cycle or walk along the many nature trails, embark on rafting/kayaking trips, hire a boat to inspect the wetlands and observe the rare freshwater Irrawaddy dolphins or to simply relax.

As part of a program to improve visitor facilities in Champasak Province, the ADB-financed GMS Sustainable Tourism Development Project has been active at Siphandone and on Don Khone since 2003. The project has provided tourism management and skills training for local villagers, upgraded the laterite road between Don Khone and Don Det, installed water and power supply on the islands, improved the pier, developed well-signed trails and assisted in marketing and promotion. The project will be active in the province through 2014.

The Lao National Tourism Administration and Champasak Provincial Tourism Department are allocating land on Siphandone's islands with a power supply near Don Kone to develop an eco-lodge to accommodate the rapidly growing number of tourists visiting and 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 limited economic infrastructure. Therefore, investments are eligible for a profit tax exemption for up to 7 years and low tax rate of 10% 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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