



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



Project Concept: Restaurant at Bor Kung Natural Spring

Location: North-South Economic Corridor;
2 Ban Dong Vieng, Vieng Phoukha District, Luang Namtha

Estimated Start-up Cost: US\$ 100,000



Site Description and Context: The proposed visitor center is located in Vieng Phouka Town about 60 km south of Luang Namtha Town, and is considered the halfway mark on Lao Route 3A, linking Thailand to China. With the 2007 completion of the 240-km roadway through the Lao section of the North-South Economic Corridor (NSEC), Luang Namtha Province's foreign tourist arrivals climbed from 47,788 in 2006 to 88,427, and leapt to 197,202 in 2008. In 2009, 134,576 visitors entered Luang Namtha at the Boten - Mohan border checkpoint with Yunnan, China, while another 140,414 entered the Lao section of the NSEC at Bokeo Province's Houay Xay - Chiang Khong border crossing with Thailand. Most are Thai and Chinese, but more than 50,000 long-haul tourists annually arrive from Europe, North America and Australia.

Bor Kung (Shrimp Spring) was selected as a local recreation site due to its excellent location on Route 3A, proximity to Vieng Phouka's main street, and natural environment of a lush forest with hot springs feeding stone bathing pools and a stream, where locals cull sizeable freshwater shrimp. The town offers four-five guesthouses, but lacks a restaurant with high standards.

As part of a program to improve visitor facilities in the NSEC, the ADB-financed GMS Sustainable Tourism Development Project will refurbish the existing visitor center and small district museum, construct a small market and install infrastructure (parking, electricity, water-supply and sanitation facilities) and trails with interpretive signage throughout the 18-hectare Bor Kung site, including a campground and a 300-500-meter canopy walkway along the perimeter. The project is also providing site management and skills training for local people as well as marketing and promotion assistance, and will be active at the site through 2014. The conceptual drawing above illustrates the proposed design.

The Lao National Tourism Administration and Luang Namtha Provincial Tourism Department is incorporating a restaurant - which marks the start of the canopy walkway - within the site plan to serve Bor Kung visitors and campers, tourists staying in Vieng Phouka and the rapidly growing number of people transiting the NSEC. 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. The project may make limited co-financing available.

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