



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



Project Concept: Nature Resort and Restaurant at the Nam Eng Cave

Location: North-South Economic Corridor; Nam Eng Village Vieng Phoukha District, Luang Namtha

Estimated Start-up Cost: US\$ 250,000



Site Description and Context: The proposed welcome center is located directly on Lao Route 3A, connecting Thailand to China, about 47 km south of Luang Namtha Town in Nam Eng, Vieng Phouka District, and 26 km south of the Nam Ha National Protected Area (Nam Ha NPA) Visitor Center. 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.

The Nam Eng cave system is among the longest mapped underground labyrinths in northern Laos and includes a “Wet Cave” and “Dry Cave”, both of which are lit and easily accessed from the village on Route 3A. The cave area and nearby Nam Ha NPA are growing in popularity for trekking, village home stays and whitewater rafting on the Nam Fa River.

As part of a program to improve visitor facilities in the NSEC, the ADB-financed GMS Sustainable Tourism Development Project will improve access and services at the cave. Planned public investment includes constructing a roadside parking area, ticket booth, small market, sanitation facilities and water supply, and installing lighting and interpreted walkways inside the caves. The project is also providing tourism management and skills training for local people and will be active at the site through 2014.

The Lao National Tourism Administration and Luang Namtha Provincial Tourism Department have reserved a plot (approximately 1 hectare) adjacent to the Nam Eng Cave for a private investor to develop a nature resort and restaurant. A site survey and preliminary architectural drawings have been prepared by Vincent Fischer-Zernin (www.tropicaldesignfz.net), and are available free of charge for interested investors.

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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