



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



Project Concept: Canopy Walkway and Ec lodge
in Nam Kat Protected Forest

Location: Nam Kat Protected Forest, Xay
5 District, Oudomxay Province

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



Site Description and Context: The entrance to the Nam Kat Protected Forest Area is 23 km east of the Oudomxay Provincial Capital, Meuang Xay, the crossroads of northern Laos presenting a junction with Route 13 south to Luang Prabang (approx. 210 km) and northwest to Luang Namtha Town (approx. 100 km) and Lao Route 3A linking Thailand to China, Route 4 north to Phongsaly Province and Route 2 south to Pakbeng (approx. 130 km) on the Mekong. Foreign tourist arrivals to Oudomxay have more than doubled from 43,400 in 2006 to 107,419 in 2009, of which an estimated one-third pass through Meuang Xay, and the nearby Boten - Mohan border checkpoint with Yunnan, China experienced a jump in visitors from 91,489 in 2008 to 134,576 last year, many of which headed to Luang Prabang.

The Nam Kat Protected Forest Area, located within the 19,700-hectare Phou Hi Phi Provincial Protected Area, was selected for development due to its existing laterite access road and short trails through pristine forest and across clear streams to the Nam Kat Waterfall. Its close proximity to Meuang Xay and year-round access via differing trails also make it an attractive one-day activity that is currently offered by the Provincial Tourism Department. The site expects to attract some 6,000 foreign tourists and 18,000 domestic visitors by 2015.

As part of a program to improve visitor facilities in Oudomxay, the ADB-financed GMS Sustainable Tourism Development Project will provide water supply, install sanitation facilities, develop walking trails with signs, and assist the private sector in developing and marketing the site and devising a management plan that includes villagers from nearby Ban Faen. The project is also providing site management and skills training for these villagers, and will be active at the site through 2014.

The Lao National Tourism Administration and Oudomxay Provincial Tourism Department have allocated land within the site plan to develop an eco-lodge and made provisions for a canopy walkway to serve 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. Co-financing may be available for the walkway.

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