



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

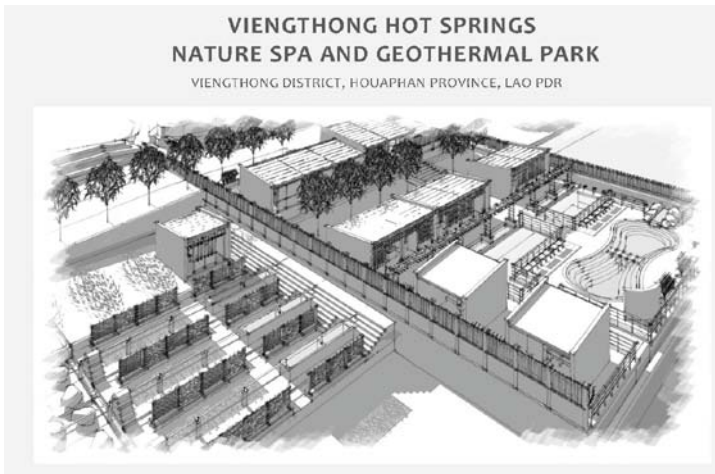


**Project Concept:** Ecolodge at the Viengthong Hot Springs

**Location:** Viengthong District, Houaphanh Province

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**Estimated Start-up Cost:** US\$ 180,000



**Site Description and Context:** The proposed Viengthong Hot Springs Nature Spa and Geothermal Park is located along the Northern Heritage Route (NHR) in Houaphanh Province, a bit over halfway between Luang Prabang and Sam Neua, home of the historic Viengxay Cave City near the Nam Soi - Nameo border crossing to Thanh Hoa Province, Vietnam. With the rising popularity of the Viengxay Caves and increased overland traffic between Luang Prabang, the Plain of Jars and Vietnam, visitor numbers to Houaphanh soared more than 300% from 3,760 in 2006 to 15,098 in 2009.

The Viengthong Hot Springs, among the largest in Laos, is strategically located on the scenic NHR, and has good potential as stopover for tourists heading to the Viengxay Caves and on to Vietnam from Luang Prabang, as well as a health tourism attraction. The springs are situated in a forest and rice-paddy setting approximately 2 km from the Viengthong District Centre, That Hiem Village, at the gateway to the Nam Et National Protected Area, which is currently being developed for tourism by the Wildlife Conservation Society.

As part of a program to improve visitor facilities along the NHR, the ADB-financed GMS Sustainable Tourism Development Project plans to develop the area around the hot springs into a nature spa that includes public and private pools, foot bathing pools, massage and herbal steam rooms, changing rooms with showers, an information center, retail and restaurant space, walking trails with interpretive signs, a picnic area, and a parking lot. The project is also providing site management and skills training for local people from five nearby villages, and will be active at the site through 2014. The conceptual drawing above illustrates the proposed design.

The Lao National Tourism Administration and Houaphanh Provincial Tourism Department have reserved a plot (approximately 2 hectares) within the site to develop an ecolodge to serve the rapidly growing number of visitors transiting the area. The ecolodge development needs a water supply and waste management, but can connect to the electricity grid. 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](http://www.invest.laopdr.org).

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