



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



Project Concept: Fair Trade Bamboo Handicrafts

Location: Na Lao Village, Phone Hong District, **7** Vientiane Province

Estimated Start-up Cost: US\$ 15-20,000



Site Description and Context: The proposed site is located in Vientiane Province's easy-to-access Na Lao Village in Phone Hong District some 70 km north of Vientiane Capital near the Nam Ngum Reservoir, and just before the Nam Lik River – approximately halfway to Vang Vieng – on the highly-trafficked Route 13, to Luang Prabang. The number of tourists visiting Vientiane destinations outside the capital has tripled from 92,657 in 2005 to 290,015 in 2009, which represents 36.3% of the capital's visitor number of 807,445, more than half of which are Thai. It should be noted that many of the 70,000-plus European, North American and Australian/Ne2 Zealand visitors to Vientiane head to Vang Vieng, while the Nam Ngum Reservoir is a popular weekend retreat for Vientiane locals, and its casino attracts numerous Thais and Vietnamese.

The Na Lao cluster of villages is currently home to 1,000 families of skilled bamboo, rattan and straw weavers and craftspeople. Nearby Phone Hong serves as a gateway to the Nam Ngum Reservoir and its casino, and Nam Lik offers kayaking and rafting tours. Vang Vieng, 50km further, is an increasingly popular destination for tubing and rafting on the Song River, caving and trekking, and serves as an overland stopover on the way to Luang Prabang.

As part of a program to promote traditional crafts, the ADB-financed GMS Sustainable Tourism Development Project wants to establish a "Fair Trade" bamboo handicraft center in Na Lao to upgrade locals' skills, help them develop new products and new and existing markets and increase their income. The project will remain active at the site through 2014.

The Lao National Tourism Administration and Vientiane Provincial Tourism Department is seeking an experienced private-sector investor to improve the quality of indigenous Lao handicrafts, develop new export-quality products and promote them for sale. Expressions of interest from private-sector investors are welcome. The project will assist in up-skilling, and marketing and promotion, and will subsidize the cost of promotion at national and international trade shows.

Incentives Available: Assistance in applying for Fair Trade certification and work-permits for a limited number of foreign managers, and as this site is classified as an area with limited economic infrastructure, investments are eligible for a profit tax exemption for up to 7 years and low tax rate of 10% thereafter. Further Handicrafts from this site and their export is among the Lao Government's priority sectors for private-sector investment, and as such, export products are exempt from export duties.

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