Concluding remarks by the Chairperson

The first Trade Policy Review of Lao PDR has offered us a good opportunity to deepen our understanding of recent developments in, and challenges to, its trade, economic, and investment policies. Since its accession in 2013, Lao PDR's initiatives to further integrate into the Multilateral Trading System and take advantage of the opportunities it offers have been greatly appreciated. Indeed, the about 200 advance written questions submitted by 12 Members and the 23 delegations that took the floor during the first day underline the importance attached by Members to Lao PDR's trade and investment policies and practices.

I would like to thank the Lao PDR's delegation, led by the Honourable Minister of Industry and Commerce, (Mrs.) Khemmani Pholsena, for its active participation in this exercise. Also, I would like to thank our discussant Mr. Jean-Marie Paugam, Permanent Representative of France to the WTO, for his insightful remarks, and all the delegations that took the floor for their valuable contributions to this Review.

Members commended Lao PDR for its strong economic growth which is setting the ground for graduation from LDC status in 2024, and for enacting several economic policies to address structural vulnerabilities and weaknesses, including policies focused on hydropower development and attracting foreign investment in energy, natural resources and tourism. While noting steps taken to promote fiscal consolidation through modernization of tax systems and reducing state payroll and operating expenses, Members expressed concern regarding the level of fiscal deficits and public debt. Members were also appreciative of Lao PDR's increased trade openness as depicted by the ratio of trade in goods and services to GDP increasing since accession. Members praised Lao PDR's policy, regulatory and institutional initiatives to promote and improve the foreign investment and business environments despite remaining challenges in certain areas (e.g. FDI restrictions, border‑clearance procedures and high ground transportation costs). Members encouraged Lao PDR to continue to pursue an ambitious economic reform agenda, focused on diversifying the economy and increasing its resilience and productivity, through reform initiatives in areas such as access to information, e-government, anti-corruption, investment promotion, and economic dispute resolution. Members also welcome the Lao PDR Government’s focus on developing its human capital through inclusive education.

Members praised Lao PDR for its support and active participation in the Multilateral Trading System. It was commended for expanding its WTO commitments through the ratification, the second LDC to do so, and timely submission of category A, B and C notifications of the Trade Facilitation Agreement (TFA). Its support for the Joint Statement Initiatives on Investment Facilitation for Development, on Micro, Small and Medium-sized Enterprises, and on e-Commerce, and the Declaration on Women and Trade resulting from the 11th Ministerial Conference in Buenos Aires were largely appreciated. Lao PDR indicated that it hoped to become a member of Information Technology Agreements (ITA) 1 and 2 by the first half of 2020. It was encouraged to consider joining the WTO Government Procurement Agreement. Members noted Lao PDR's record of WTO notification and welcomed improvements in this area where more technical assistance could be required to address persisting capacity constraints. Members noted Lao PDR's constructive role and priority to deepen the integration within ASEAN and to expand its agreements with other partners in order to compensate from the loss of preferences upon LDC graduation.

Members commended Lao PDR’s efforts in tariff reduction and elimination of tariff peaks. They also appreciated that the entire customs tariff was applied on an ad valorem basis and was bound, making the import regime predictable. However, concerns were raised regarding the MFN applied tariff exceeding the bound tariff for 26 lines and noted that these would be rectified. Members were appreciative of Lao PDR's ratification commitment in its Trade Facilitation Road Map for 2017-22, which aims to implementing TFA measures in an accelerated time-bound manner to cut down the cost of trading, including significant steps already in place such as the implementation of the electronic National Single Window for customs clearance and duty payment, risk management, transparency and advance ruling. Lao PDR was commended for its efforts in the passage and implementation of the Law on Standardization of 2014 and the alignment of most of its national standards with international standards, it was also encouraged to expedite the promulgation of the law on anti-dumping and countervailing measures. While noting efforts to strengthening intellectual property protection and enforcement, including by joining the Madrid Protocol in 2016 and amending the Law on Intellectual Property, Members invited Lao PDR to continue to take steps to improve IP protection and enforcement, including through developing judicial capacity to adjudicate IP cases and increasing public awareness of the importance of IPR protection.

Some other issues were also raised by certain Members. They included relatively higher protection of the agricultural sector and the prospects for further liberalization in trade in services.

The above are some of the key issues that had emerged in our discussion. I hope that the Lao PDR delegation will take into account and further reflect on these issues and on the many constructive comments, both broad and detailed, that it has received during this Review. Finally, I would like to thank all those that participated in our discussion, and I look forward to receiving the answers from Lao PDR to any outstanding questions within one month, at which point the Review will be successfully concluded.