

**Progress report of the Local Public-Private Dialogue
(Phongsaly, Oudomxay, Luangnamtha Provinces)**

Presented by

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- With respect to His Excellency Mr. Phankham Viphavanh, Prime Minister of the Lao PDR,
- H.E. Ministers and Vice Minister, Director General and Deputy Director General,
- H.E. Ambassadors of the Diplomatic Community to Lao PDR, All Business representatives and distinguished guests

It is my great pleasure to participate in this meaningful and significant meeting for the private sectors.

Ladies and Gentlemen,

Geographically, the three northern provinces (Luangnamtha, Oudomxay and Phongsaly) are unique, where the location facilitates trade and business, as they are bordered with Myanmar, China and Vietnam. Trading across borders is important for the people's livelihood in this area. It is fundamental for job's creations and it produces many agriculture products for exporting to the neighboring countries.

distinguished guests,

On behalf of the three- Provincial Chamber of Commerce and Industry, I would like to report on the progress of the Local Public-Private Dialogue in these three northern provinces, in which currently supported by the Promotion of Export Competitiveness and Sustainability Support Public-Private Dialogue in Northern Lao PDR Project or ECL Project.

The consultation process under the LPPD mechanism consists of the Division of Industry and Commerce at each province as the main coordinating body for public sectors, and the Provincial Chamber of Commerce and Industry at each province as the secretariat. The first Private Sector Working Group (PSWG) meetings took place in December 2019. We received 22 issues which include 6 issues in Luangnamtha, 6 issues in Oudomxay and 10 issues in Phongsaly, as follow.

Issues that were solved or with clear response

1. Complicated procedure for importing animal breed (Oudomxay)

2. Misinterpretation of collection of royalty fee on planted cardamom. (Phongsaly)

Issues with good progress and will continue be dialogued

1. Difficulty in access to finance for SMEs (Three provinces)
2. Export of agriculture products: difficulties in exporting procedure and accessing quota information, and collecting of informal fees. (Three provinces)

In 2021, the second round of PSWG meetings had been completed, and 39 priority issues were raised (10 issues in Luangnamtha, 14 issues in Oudomxay, and 15 issues in Phongsaly). Of the total 39 issues, some are considered to be unable to obtain solutions at the local level. Therefore, we would have to raise them at the central level in the process of the next Lao Business Forum. For instance:

Issues Related with legislation

1. High cost of annual environmental impact inspection (Oudomxay)
2. Public debt repayment to businesses on public infrastructure projects (Three provinces)
3. No regulation regarding illicit buyers for the contracted agricultural products (Luangnamtha and Oudomxay)

Issues related with the implementation of legislation

4. Complicated and delayed procedure of export approval (Three provinces)
5. Large fee on loan certification at the villages (Oudomxay and Phongsaly)

Issues related with policy and promotion measures

6. Impact mitigation measures during the outbreak of Covid-19: costs of utilities and loan interest rates (Oudomxay and Phongsaly)
7. Preserve the right on harvesting non-timber forest products for local people (Oudomxay and Phongsaly)

All of the issues mentioned are burdensome to the private sector. We, therefore, urge the public sector to commit on solving these issues fully. By solving the issues, it would support and encourage the business sectors to contribute more to our economic development by generating more income to the country. The private sector, will continue to work closely in the consultation process under LPPD with the public sector, both central and local levels to find the best possible solutions to the issues.

His Excellency,

We realize that in recent years, the government has put efforts into improving legislation, structure, workplan and services to facilitate businesses. Nevertheless, the current challenges we face, such as external competitions, limited access to market, finance and technology and the impacts of Covid 19 pandemic, are much greater than the improvement made, as they pose the threats to our economy as a whole.

Therefore, Provincial CCIs, will continue to report the challenges that the business sectors face at the provincial level to the government from time to time. In this regard, we also would like to request the government to provide clear guidance and response to our issues reported.

Finally, I would like to express my sincere thank the Prime Minister of the Lao PDR, Lao National Chamber of Commerce and Industry, all representatives from the public sector, and businesses for giving me this opportunity to present the progress of LPPD of the Northern provinces to the forum. I wish today's meeting is successful.

Thank you