

Mr. Sonexay Siphandon, Prime Minister of the Lao PDR

To a meeting of the Top Business Leader Award

Vientiane, January 23 of 2023 at The National Convention Centre

- Ministers, Deputy Ministers
- Mr. President of the National Chambers of Commerce and Industry with the respect board.

Dear guests, ladies and gentlemen,

I feel very honored and proud to have the opportunity to participate in the important meeting of the business sector today. On this occasion, I would like to have some thoughts and comments on the direction of the government's focus work and the 9th national economic-social development plan related to the business sector.

As you all know together that in 2023, the international environment will continue to change in a complicated and unpredictable manner, especially the outbreak of the Covid-19 disease, the problem of commodity and fuel prices, conflicts between the superpowers, natural disasters, changes in technology and economic competition; In addition, our Lao PDR is also having difficulties in terms of macroeconomics, financial problems, solving drug problems, etc. In response to the problems mentioned above, the government has tried to find all ways to solve them, especially trying to create facilities for business, trade, domestic and foreign investment as well as trying to attract support from friendly countries and international organizations and foreign investors to come to help and invest in Lao PDR. - The society in 2023 will continue to grow and enforce the rule so that the PDR does not fall into a crisis.

In 2023, the government will focus on the implementation of the national socio-economic development plan and focus on various focus goals such as:

- (1) Maintain political stability, social peace and firm order; Being
- (2) Manage the macroeconomics to follow the direction that has been set.
- (3) Encourage the economic potential to grow continuously and stably.
- (4) Accelerate the development of human resources proactively with emphasis on quality.
- (5) Focus on rural development and solving the poverty of the people related to work 3

Build stronger and more focused.

(6) Protect and use natural resources in a sustainable way and related to recovery

The effects of natural disasters according to the actual capacity.

(7) Improve state administration, economic-social management according to stricter laws and regulations and ensure efficiency and effectiveness.

(8) To cooperate with friendly countries and development partners by creating an environment that is conducive to integration-connection according to the direction set by the 11th Congress of the Party.

In this, we will focus on the priority goals related to the socio-economic development to move forward firmly, such as:

❖ **Economic growth goals.**

The government will aim for the gross domestic product (GDP) in 2023 to grow at the level of 4.5% and above, the per capita income (GDP per capita) is not less than 1,625 US dollars and the average gross national income (GNI) per capita is 1,534 US dollars.

❖ **The goal of production is goods.**

Together, we will aim to produce 7.47 million tons of agricultural products, 14,029,09 billion kip in processing and craft industries, 51,134 million kilowatt-hours of electricity, worth 41,321 billion kip, and 19,795 billion kip in mineral production.

❖ **Target service sector.**

Striving to create the value of goods traffic (wholesale-retail and repair service fees) to reach 73.541.80 billion kip, goods transportation services on all roads (land, water, air and rail) to 12.754 thousand tons, passenger transportation on all roads to 95.864 thousand people and aiming to attract tourists to visit Lao PDR to about 1.400.000 people and generate income from tourism about 340.000 US dollars.

❖ **Financial goals:**

Strive to collect the total budget revenue to 38.448 billion kip, while implementing saving and anti-waste policy to keep the budget expenditure ceiling at the level of 43.498 billion kip and balance the budget deficit not exceeding 5.050 billion.

❖ **Monetary goals:**

aiming to control the average inflation rate throughout the year to a level not exceeding 9%; Manage the exchange rate to be in line with the level of economic-monetary balance and not

create pressure on the inflation rate; control the amount of M2 money to grow at a level not exceeding 26% compared to last year as well as ensure that foreign currency reserves can cover imports for at least 3 months.

❖ Raise the efficiency of investment with high quality and effectiveness, aiming to raise capital from the whole society to 52.098 billion kip, of which investment from the state budget amounting to 4.318 billion kip, investment from official development assistance (ODA) amounting to 12.990 billion kip, investment from the domestic and foreign private sector amounting to 30.890 billion kip and investment from other sources amounting to 3.900 billion kip.

❖ Management and use of land: continue to create land allocation plans, comprehensive management of natural resources and the environment at the provincial and capital levels with emphasis on implementing the law on land to be successful and effective. In addition, also focused on the implementation of the "National Agenda" by improving the land title registration system, land registration and converting from paper system to digital system to reduce procedures, time, reduce fees and service charges to be transparent; Investigate turning some of the service departments into self-financing in terms of budget and contributing to modern revenue collection.

❖ Building strong infrastructure.

Use the potential, the opportunity, participate in the process of cooperation and integration with the local and international as an owner; Encouraging both public and private sectors to increase the use of digital data centers and ensure benefits, efficiency, and effectiveness of land, water, air and road connections and Train.

❖ Commercial and tourist sites and other areas.

To increase economic cooperation and trade in border areas, ASEAN, ASEAN-friends of ASEAN in order to enhance liberalization and facilitate trade in each framework of trade and investment agreements and so on; As well as continuing to improve and solve the legislation, regulations, coordination mechanisms and outstanding issues related to the process of issuing import and export permits, moving goods and setting up checkpoints along domestic routes in accordance with orders 02/Nya and 12/Nya to facilitate business operations in the Lao PDR.

❖ Regional and local development to be strong and in line with potential.

Northern, Central and Southern regions: by speeding up the creation of (1) the creation of agricultural production areas, rice planting projects, vegetable planting, economic cultivation, large animal husbandry and other things; (2) Create industrial zones, such as promoting the production of processing industries, with an emphasis on increasing the promotion of the people to grow maize to become a commodity by using technology and machinery in production, making the output more efficient in production and creating added value for the agricultural output by transforming the output into a commodity, in order to respond to international markets such as Thailand, China and the Republic of Vietnam; (3) Create commercial, service and

tourism areas such as: continue the policy of Laos to visit Laos and continue to improve the tourism model to be suitable for the current situation, whether it is historical tourism sites, ancient objects, ancient sites and tourism sources in various forms to be clean, safe and able to attract both domestic and foreign tourists and (4) development of various infrastructures.

❖ Raise the efficiency of government administration to be tidy, quick and strict according to the law and work 3 to be implemented and implemented in a highly effective manner. Continue to promote and monitor the improvement of the organization of the departmental and equivalent roles of the ministries, organizations equivalent to the ministries and local government organizations to complete on the basis of the organization of the government.

The above expectations are expectations that challenge the ability in the new environment of the regional and international sectors, but it is necessary to strive to implement and it is the duty of the government to achieve together with the people throughout the country, specifically, the production sector- businesses must join forces to make it a reality. "We must simultaneously make progress in all aspects to improve and build enterprises, consider businessmen and entrepreneurs as revolutionary warriors in the task of building and developing the nation. The promotion of enterprises must be in line with reality, to have continuous growth, to act consistently on the promotion of the strength of the economic sector by ensuring that all sectors are equal before the law, and have an environment that facilitates and moves smoothly, contribute to the expansion of production capacity, build the development of the nation, and have the ability to compete in the paradigm of integration with the region and internationally."

Starting from the policy direction, the government under my leadership also announced the government's policy to the National Assembly on December 30, 2022 and defined its action plan which will be summarized and emphasized by summarizing as follows: In the economic field, first of all, we must ensure the stability of the macro-economy, which is manifested in various aspects of balance, such as having jobs, normal income, so as to ensure the payment of living expenses of the society, and then the supply of goods and enterprises will maintain the level of investment. The business sector must pay attention to maintaining its financial liquidity. In simple words, it must have circulating funds to spend on business activities and not create excessive debt burdens. The increase in commodity prices must be reasonable and controllable. There must be a balance of resources that are factors of production such as capital, labor, raw materials, market and production capacity and so on. At the same time, there is a need to pay tax obligations and taxes are required according to the law. When there is stability in the micro economy, it will contribute to the stability of the macro economy.

For this contribution to economic growth, we request our production-business sector to pay serious attention to sustainable growth according to the green direction. Sustainability at the

macro level requires us to focus on developing or expanding production-business taking into account the economic, social and environmental aspects.

The party and the government take the economy as the center. So we must take this issue seriously together. We understand the difficulties of the business sector and the uncertainties of production-business, some of which are outside of our prediction and control. What is clearly visible is the global economic situation that has not yet recovered as well as it should. In addition, the oil price in the world market has increased, raw materials and other production factors have also increased.

affect the price of goods sold in the country, our exports become more difficult; We have to work together to finish another period.

For part 2. Answering the general problems that are characteristic of strategy and policy that the businessmen set up here.

One: Before you can strengthen your business sector according to the party's policy, we must be strict in implementing the laws and regulations of the state. In that, it is necessary to promote those who do good, do the right thing and are required according to the policy and law. At the same time, it is necessary to limit and correct those who do wrong to ensure fair competition and protect the interests of producers, traders and consumers. There are domestic and foreign business operators and there are many levels such as small, medium and large. But the level has different problems, such as for example keeping accounts. According to the relevant law, any enterprise with a business income of more than 400 million kip per year must hold a growth account, sell goods and receive payment and collect 10% value added tax from users to the state. In practice, it is seen that there are still many gaps, few companies can do it. We must praise and hold up as an example for any company that can do this. On the contrary, any company that already has the conditions but does not implement them must have measures not to promote because it will be a bad example for the whole process.

Second: For the problems presented by the businessmen as well as the solutions, the government will take note and give it to the relevant sectors to research and solve it and have a definite answer in the Lao business meeting that will be held in the future. Anything that can be agreed upon is to be resolved according to the proposal, anything that requires reforming policies with new capital or negotiations with foreign countries is to be reported to the government to resolve, anything that is still uncertain must be thoroughly researched before presenting. The most important thing is that there must be a solution, a way to solve it, not to make excuses, not to throw the responsibility on others, but to work together to solve the problem so that the work can be done. What is a practical problem must be solved in practice if there are clear policies and regulations. If it is still in the policy and regime, regulations, defining the economic-technique, the operation process must be the owner of the research according to the sector, with coordination and report for guidance from the government. For various sectors and localities, when there is new research or review and improvement of policy and

legislation, it is necessary to ensure that the business sector participates in the process of creating legislation and assessing the impact on business operations in order to ensure the benefits of various parties and to be able to implement it.

Also, there has been an improvement in the work plan system of the cabinet, including the reassignment of a number of jobs and another important thing. Let all of you be confident.

Finally, I would like to wish all of you who participated in the meeting today with good health, good health, success in your work and fulfilling your role to achieve new and greater success. **(thank you)**