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Mining in Laos, economic growth, and price fluctuation

by

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Les métaux de batterie



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- Economic growth
- Resource rich nation
- Open door policy
- Regional Free Trade Cooperation
- Trade statistics (export products and export destination)
- Mining Activity
- Five Year National Socio-Economic Development Plan
- Governing authority
- Conclusion

Country location and information



Area:

Total 237,955 km²

Population:

6,758,353 (2016 estimated)

Density:

26.7/km²

GDP:

Total \$53.752 billion

Per capita \$7,932

Religion:

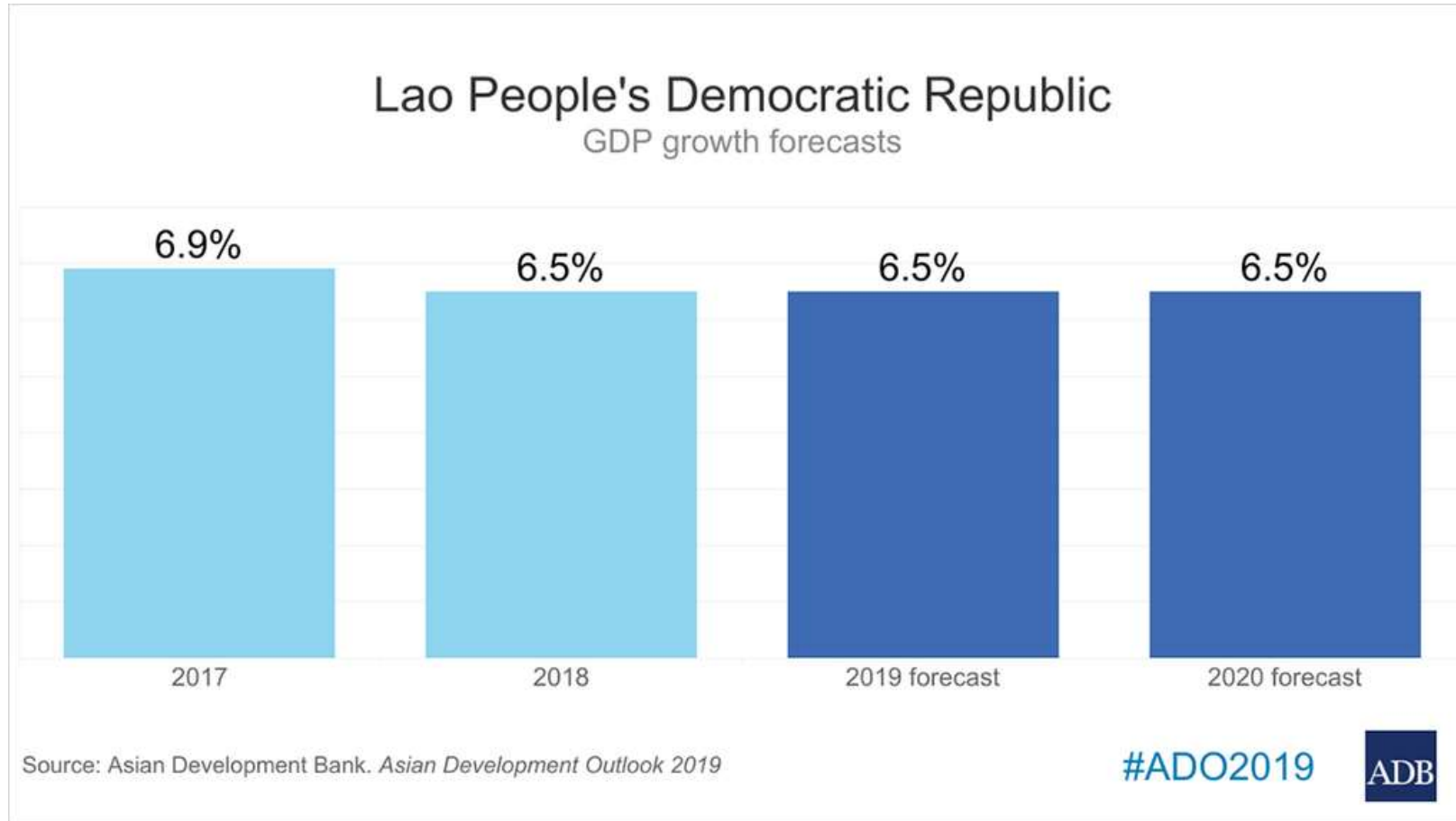
Buddhism

Transportation route:

-Land locked

-Thailand (Laem Chabang) and
Vietnam (Vung Ang)

Economic growth



Resource rich nation

- Recently, Laos was ranked as one of the most resource-rich countries in Asia. More than 570 mineral deposits have been identified, including gold, copper, zinc and lead.
- Reserves include: gold 500 tons, copper 8 million tons and zinc 2 million tons



Open door policy

Socio-economic development planning in Lao PDR can be divided into two periods:

- 1st Period:

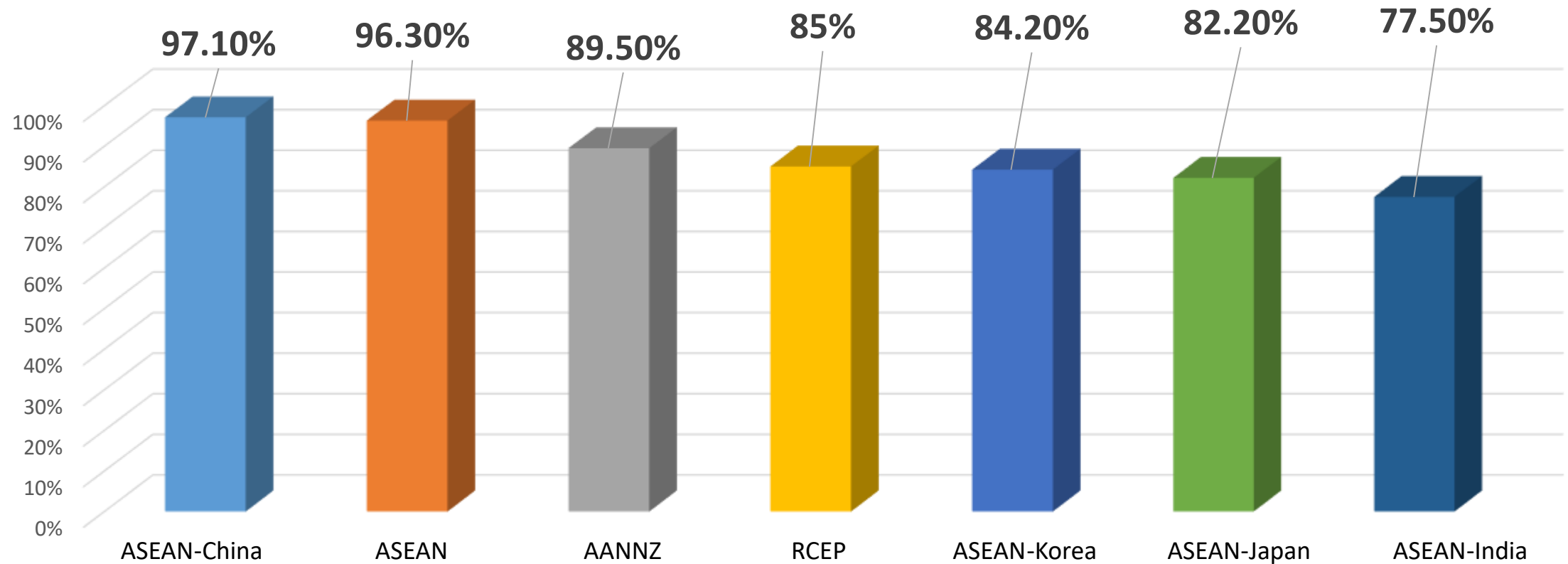
Centrally-planned System (1976-1985)

- 2nd Period:

“New Economic Mechanism”

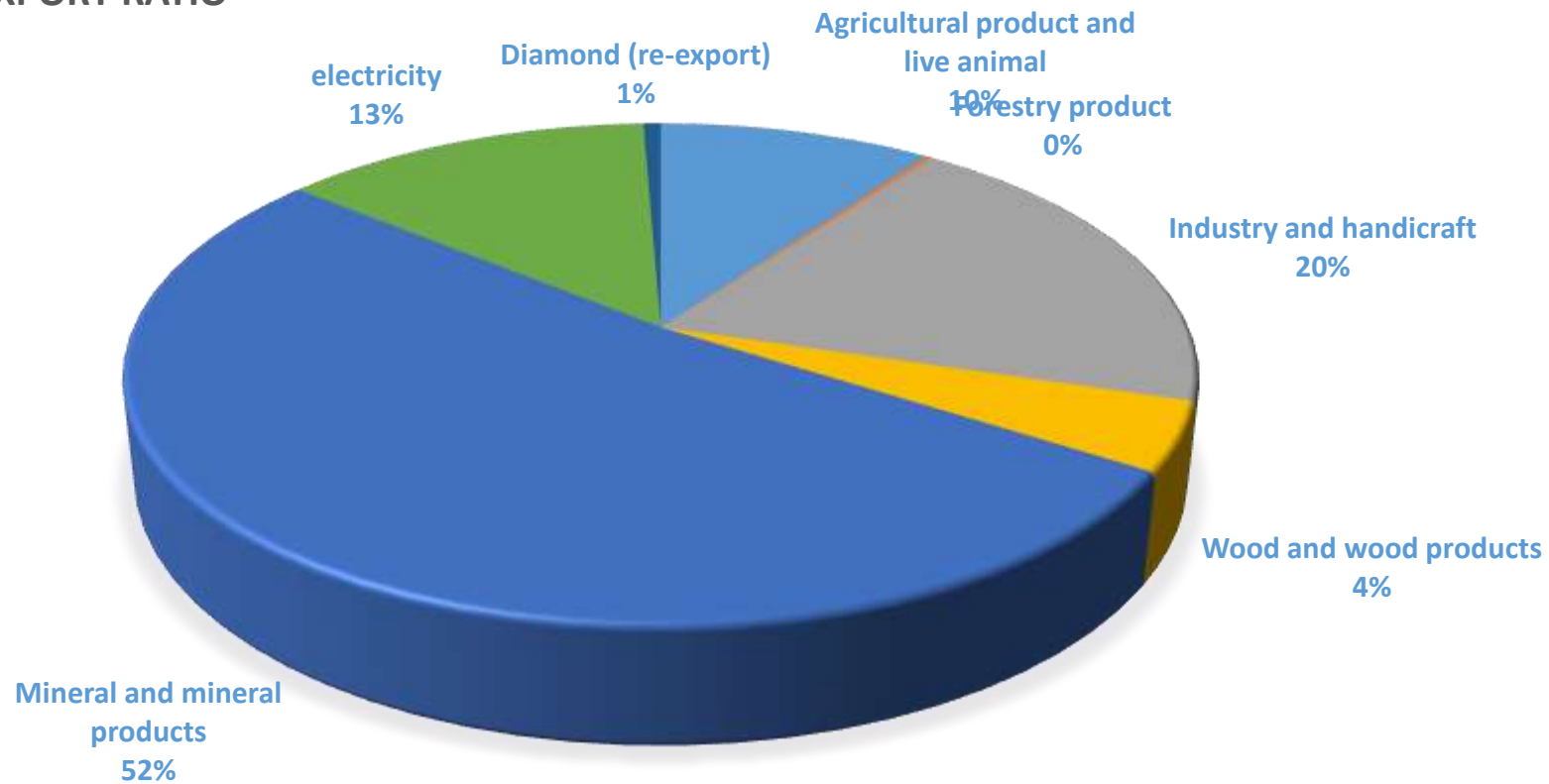
Transition to a Market-oriented System (1986-Now)

Regional Free Trade Cooperation

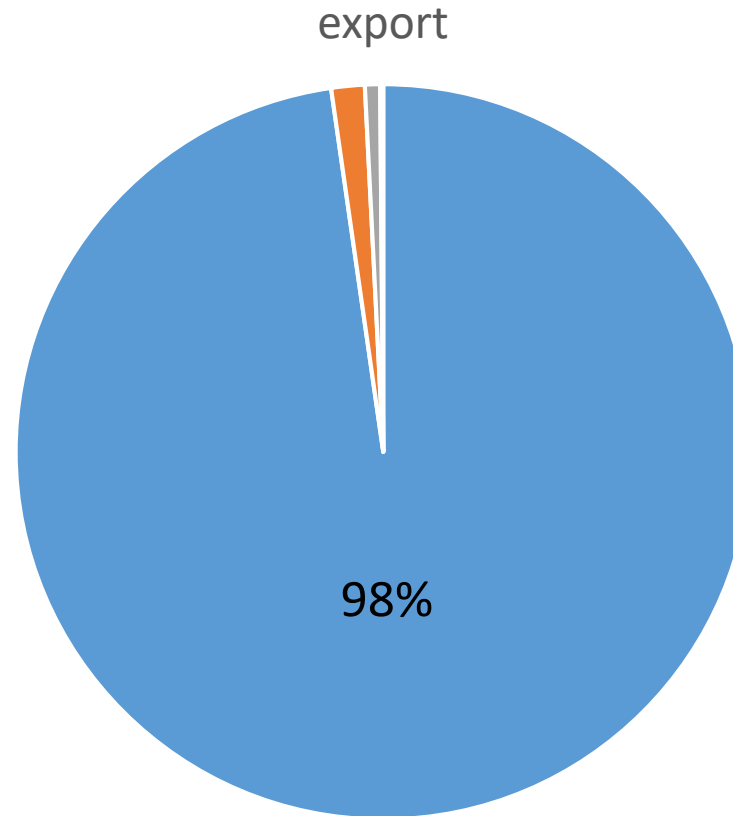


Composition of export product

EXPORT RATIO



Export destination



■ China ■ Vietnam ■ Taipei, chinese ■ Thailand

Mining Activity highlights

- The mining sector accounts for 12% of government revenues and 10% of national income with 80% of foreign direct investment.
- Mining exports contributed 45% of the total exports of the country. In particular, the Sepon mine and the Phu Kham mines have contributed to 90% of the total mining production in the country.
- Bauxite and Alumina are extracted from the Bolaven Plateau jointly with firms from Australia and China.
- Copper, gold, and silver are being extracted by the MMG Ltd in the Sepon mine and Pan Aust Ltd in the Phu Kham mine.
- The Lao government has clear strategies and policies to promote mining in Laos in order to stimulate economic development and to eradicate poverty.

7th Five Year National Socio-Economic Development Plan 2011-2015:

- total production value in the mining sector: 6,674 million USD, annual growth rate of 6.97 percent, which exceeds the Five-Year Plan target by 184.18 percent.
- copper plate was 427,329 tons, gold mixed with silver was 85.94 tons, lignite was 1.60 million tons, anthracite was 876,704 tons, copper dust was 1.53 million tons, gypsum was 3.93 million tons, and the production of other minerals has also been on an increasing trend.
- Gross mineral export value is higher than US\$8 billion, covering 60 percent of the total exports of the country.

7th Five Year National Socio-Economic Development Plan 2011-2015 (cont.)

- To date, 74 domestic and foreign companies have been given exploration contracts (25 at the stage of preparation and 49 have been extracting, and exporting).
- For large-scale projects, such as Lane Xang Minerals Ltd and Phu Bia Mining Ltd, projects have a production value of over US\$ 500 million per year.
- Important mines for new exploration during the period include kali salt in Thong Mang, Vientiane province, and potassium salt in Khammouane province.

8th Five Year National Socio-Economic Development Plan 2016-2020:

- To Increase the promotion of mineral processing and reduce the export of unprocessed minerals
- Diversify Goods and Services and Diminish Natural Resources.
- Improve mineral production so that raw mineral ores are processed and value added before exporting them.
- mining areas will be upgraded for regular excavation avoiding socio-environmental impacts.
- Build a workforce mining engineering, geographical engineering, etc.,
- Establish sustainable financial mechanisms to manage natural resources and protect the environment.

Main Working Mines in Laos

No.		
1	Lane Xang Minerals Sepon (copper)	Australia
2	Phu Bia Mining PhuKham (gold)	Australia
3	Lao-Korean Tin Mines N/D (tin)	Laos
4	Padeng Industry Public Co.Ltd Kayso (zinc)	Thailand
5	Phialat Gold Panning Phialat (copper)	Laos – China
6	Lao Intl Trade and Service * Houaixay (sapphire)	Laos
7	Gypsum Mining Co.Ltd* N/D (gypsum)	Laos

Mining and governing authority

- Ministry of Energy and Mines
- Department of Mines (DOM)
 - Administrator
 - Mining Title and Policy
 - Mining Economics and Community Development
 - Mining and Metallurgy Technology
 - Mines Safety, Health and Environment
 - Mining Information and Evaluation



Mining related laws

- Mineral Law
- Investment Law
- Land use Law
- Environmental Law
- Forestry Law
- Taxation Law
- Transportation Law
- Construction Law
- Military area



Conclusion

- The economy of the Lao People's Democratic Republic (Lao PDR) continues to grow vigorously. However, because it is a resource-rich country with an economy heavily reliant on mining and hydropower, more focus on diversifying the economy is needed.
- There is no any specific policy in place to govern or influence the price fluctuation
- Depend upon the contract or agreement among the private/business sector on how they committed among each other.
- Approval and permit usually submit as a formal basis and usually allow by other agency as data recording purpose.

Kob Jai

(Thank you)

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